

SUSTAINABILITY REPORT 2025

*30 years of commitment,
shared value,
a sustainable future*





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Flexibility, quality,
and reliability

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All stages of the Sustainability Report preparation process were carried out with the support, technical-scientific advice, and graphic design services of ARB SB with sole shareholder.
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Letter to Stakeholders

For Flama, 2025 is a year of transition and consolidation.

On the one hand we are celebrating 30 years of activity; on the other, we are experiencing a pivotal moment for the company's future: the start of a structured generational-handover process that marks the natural evolution of our business.

This is the context in which the 2025 Sustainability Report is presented, as a tool to transparently outline our commitment and the path we are building over time.

Thirty years of history are not a finishing line, but proof that a company can grow and endure only if it is able to evolve without losing its own identity. Flama began as a family business and, over time, has become a structured enterprise, while retaining the same practical approach, built on responsibility, care for the work and respect for people.

The generational coexistence we are addressing today moves in this direction: not a break, but a strengthening. The active entry of the new generation is a natural step that combines experience with new skills, ensuring continuity and a long-term vision.

In this context, sustainability has never been a formal exercise for us, but a way of doing business. It means taking decisions with an eye to their consequences over time, investing with balance, building solid relationships and creating value that can last.

The initiatives developed during the year all point in this direction: improving processes, reducing impacts, investing in people and strengthening ties with the local area. These are not isolated projects, but a path we are pursuing with consistency.

In 2025 we also chose to take a further step forward, beginning to adopt the TNFD guidelines, with the aim of understanding and managing our impact on and dependence on natural capital in an increasingly structured way. This choice confirms our determination to look beyond regulatory obligations, strengthening our approach to sustainability with a long-term perspective.

We are aware that the real challenge is not to grow in the short term, but to build a company able to remain solid and relevant over time. Reaching the 30-year milestone and the generational handover under way are two clear signals: Flama looks ahead with responsibility and with a long-term vision.

We thank all our stakeholders – employees, customers, suppliers and partners – for the trust they continue to place in us. It is also thanks to them that we can face this new phase on solid foundations and with concrete prospects.

Enjoy the read.

Flama S.r.l.
The Zonaro Family



Methodological Note

Flama Srl’s 2025 Sustainability Report has been prepared in continuity with the 2024 financial year, in accordance with the VSME – Voluntary Sustainability Reporting Standard for non-listed SMEs, developed by EFRAG for the voluntary reporting of micro, small and medium-sized enterprises. For 2025 as well, the company adopts the Basic Module + Comprehensive Module option, to ensure a level of detail proportionate to its size and to the resources available.

The Sustainability Report is prepared in accordance with the principles of relevance, faithful representation, comparability, understandability and verifiability set out by the VSME, with the aim of providing information that is meaningful, representative, comparable over time, clear and based on traceable data. Data collection takes place on an ongoing basis throughout the year, through internal consolidation and control procedures that feed the VSME schedules dedicated to general disclosures and to environmental, social and governance metrics.

The 2025 reporting boundary coincides with the registered and operational headquarters of Flama Srl at Via Martiri di Cefalonia e Corfù 15, Castelnuovo del Garda (VR), and covers exclusively the company’s industrial and management activities. Flama Srl is 100% controlled by M.Z. Srl. Flama Servizi Srl, established in 2024 following a demerger to spin off the real-estate assets, continues not to be included in the reporting, as it carries out mainly management and real-estate activities and channels its sustainability impacts through the operations of Flama Srl.

This Sustainability Report refers to the 2025 calendar year and, where available, 2024 comparative data are also presented, consistent with the VSME guidance, in order to support comparability over time.

Quantitative information is expressed in absolute terms and, where meaningful, also in the form of intensity indicators (for example relative to turnover or number of employees). Any coverage limitations or use of estimates are indicated in the individual thematic sections.

The VSME standard does not require a formal materiality analysis, and disclosures that have not been completed are to be understood as not applicable or not relevant to the company, in accordance with the “if applicable” principle set out in paragraph 13 of the VSME.

In 2025, in addition to the engagement methods already trialled in 2024 (a survey sent to banks, customers and other stakeholders), Flama introduces a structured survey addressed to its main stakeholders to monitor the year’s performance against its sustainability activities and objectives and to gather feedback. The survey includes a number of targeted questions on environmental performance, the quality of commercial relationships, organisational well-being and the perception of the company’s ESG commitment; the results will be used to update the progress of the objectives in 2025 and, where necessary, to redefine sustainability priorities for the following years.

In addition, during 2025 the company carried out a first exercise analysing its dependencies, impacts, risks and opportunities related to natural capital, inspired by the Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and its LEAP approach, which can be described as “light”. The main results of this work are summarised in this report, consistent with the pillar structure (governance, strategy, risk management, metrics and targets) envisaged by the TNFD framework.

Highlights

 Environment (E) 911,81 MWh of total energy consumption in 2025	 Social (S) 46 total employees of whom 45 on permanent and 1 on fixed-term contracts	 GOVERNANCE (G) Three-star AGCM legality rating in 2025
137,26 tCO₂eq of Scope 1+2 GHG emissions in 2025	Permanent contracts grow from 41 to 45 +9,8%	Project Cassiopea overseeing the generational handover and the continuity of decision-making roles
626.355 Kg of total waste, 100% sent for material recovery	Training A Lean Production programme with training and team building to improve processes and safety	No revenues from activities belonging to sectors excluded from the EU benchmarks (controversial weapons, tobacco, fossil fuels, etc.)
First TNFD light exercise on dependencies, impacts, risks and opportunities related to natural capital		

General Information



General Information

The following section presents the results of Flama Srl’s approach to sustainability for 2025, highlighting the evolution compared with 2024 in terms of environmental, social and governance performance.

Below is some general information relating to Flama Srl and Flama Servizi Srl, together with the disclosures that Flama has decided to report this year.

Flama has also obtained ISO 9001:2015 certification for its quality management system and ISO 3834 certification for its welding management system, as well as CE marking under UNI EN 1090, and it intends to pursue ISO 14001:2015 and ISO 45001:2018 certifications in the near future.

Company	Flama S.r.l.	Flama servizi S.r.l.
Legal form	SRL	SRL
Main country of operations	ITALY	ITALY
NACE classification	68.2	68.2
Balance-sheet size (total assets in monetary units) 2025	8.065.103	5.001.470,91
Balance-sheet size (total assets in monetary units) (2024)	8.044.585,29	1.548.006,61
Revenue from sales and services (in monetary units) 2025	10.536.825,17	266.714,01
Revenue from sales and services (in monetary units) 2024	9.485.423,18	42.701,25
Number of FTEs (ULA) 2025	48,69	Only the directors are present
Number of FTEs (ULA) 2024	43,64	1,9



The following table summarises the disclosures required by the VSME Standard applicable to Flama for the 2025 financial year, distinguishing between the Basic Module (B1–B11) and the Comprehensive Module (C1–C9). For each area, applicability is indicated, in accordance with the standard’s “if applicable” principle.

For 2025 as well, the company adopts the Basic Module + Comprehensive Module option, applying the frameworks deemed relevant to its business and to its main sustainability matters:

- climate change,
- pollution,
- circular economy and waste,
- own workforce,
- workers in the value chain,
- consumers and business conduct.



Code	Area	Applicable	Not applicable
General information			
B1	Basis for preparation	X	
B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	X	
C1	Strategy: Business Model and Sustainability-Related Initiatives	X	
C2	Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	X	
Environmental metrics			
B3	Energy and GHG emissions	X	
B4	Air, water and soil pollution	X	
B5	Biodiversity	X	
B6	Water	X	
B7	Circular economy and waste management	X	
C3	GHG emission reduction targets and climate transition	X	
C4	Climate risks	X	
Social metrics			
B8	General characteristics	X	
B9	Health and safety	X	
B10	Remuneration, collective bargaining and training	X	
C5	Additional (general) workforce characteristics	X	
C6	Additional own workforce information – Human rights policies and processes	X	
C7	Severe negative human rights incidents	X	
Governance metrics			
B11	Corruption and bribery	X	
C8	Revenues from certain sectors and exclusion from EU benchmarks	X	
C9	Gender diversity in the governance body	X	

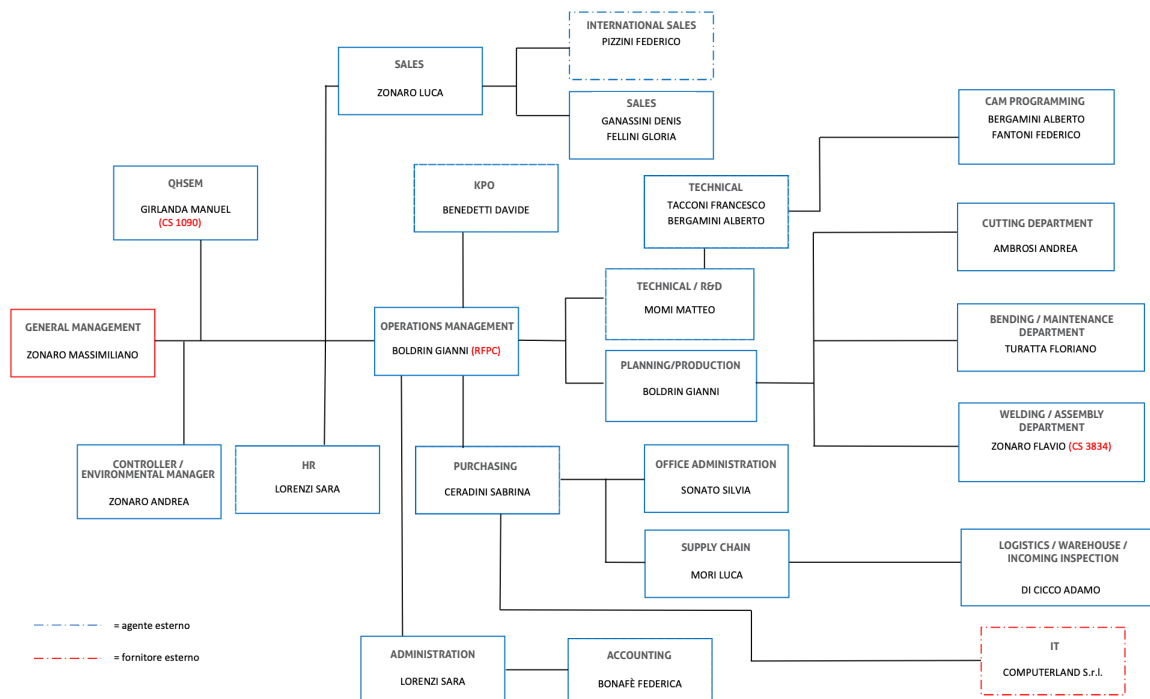
Strategy: Business Model and Sustainability-Related Initiatives

[C1]

Flama Srl is a metal carpentry company with thirty years of experience in contract sheet-metal working, which operates in the industrial metalworking sector, with its registered office and operations in Castelnuovo del Garda (VR). The company was founded in 1995 on the initiative of brothers Massimiliano and Flavio Zonaro and is today run by family members, in a steadily growing business that has reached around 50 employees, focused on innovative, tailored solutions for its customers.

Flama's organisational structure is the one typical of an industrial SME, with a lean governance body and operational functions focused on contract sheet-metal working. At present the internal set-up does not include positions formally classified as executives ("dirigenti") but is based on directors and area managers who coordinate the production departments and support services.

Organizational chart



The core business consists of the contract processing of sheet-metal components in carbon steel, stainless steel and aluminium, starting from a technologically advanced preliminary design that makes it possible to offer bespoke solutions, optimising production processes and competitiveness in the reference markets. The main operations include:

- laser cutting with fibre-optic and CO₂ systems, for parts of any shape, material and thickness in small, medium and large batches;
- cold punching and shearing to obtain precise shapes, free from burrs and deformation;
- bending, forming and pressing to shape flat sheet-metal semi-finished products into specific profiles;
- calendering to give conical or cylindrical shapes to flat sheet-metal semi-finished products;
- robotic and manual welding (MIG/MAG, TIG and spot welding) on carbon steel, stainless steel and aluminium;
- complete assembly of components;
- powder coating, electrolytic galvanising, hot-dip galvanising and cataphoresis of surfaces;
- surface finishing by polishing, brushing and satin-finishing, with manual and automated processes on stainless-steel products intended in particular for the furniture, chemical, pharmaceutical and food sectors.

The company also offers a logistics service with its own vehicles, to reduce delivery times and ensure more reliable and secure transport from the production site to the customer's destination. Flama operates exclusively in B2B markets, with the ability to serve all industrial sectors that use sheet-metal components, both in Italy and in the DACH area (Germany, Austria, Switzerland). The main sectors served include:

- construction;
- large domestic appliances;
- automotive;
- food & beverage;
- heating, ventilation and air-conditioning (HVAC) systems;
- intralogistics;
- industrial plant;
- agricultural machinery manufacturing.

The key suppliers, which contribute strategically to the timely procurement of materials and services, are based in Italy, providing a logistical and organisational advantage. The company is attentive to the needs of its stakeholders, specifically identified and engaged on sustainability matters, and prefers to establish business relationships with suppliers and customers that have adopted ESG sustainability criteria or share their values, although it does not yet apply a selection criterion based exclusively on such requirements.

The company is located in a strategic geographical context for metal fabrication, characterised by proximity to the industrial districts of Northern Italy (Lombardy, Veneto, Emilia-Romagna), which facilitates access to suppliers, customers and skilled labour, and by good logistics infrastructure, with motorway and rail links that ease the distribution of finished products and the procurement of raw materials.

The Italian metal-fabrication market is highly fragmented, with a strong presence of large players able to operate internationally and a prevalence of family-run SMEs. In this context, Flama directs its strategies towards market niches that require specific customisation, digitalisation and continuous technological innovation, as well as energy efficiency, to cope with the pressure on margins caused by falling producer prices and rising energy and raw-material costs.

The 2024–2028 Strategic Plan sets out the key elements of the business model and corporate strategy, with sustainability values integrated into its implementation and a long-term vision that goes beyond regulatory compliance alone. A central element of the Plan is the SWOT (strengths, weaknesses, opportunities and threats) analysis conducted on the company's business, which supported the definition of the strategies to be adopted, including sustainability objectives in 2025 in the environmental, social, supply-chain, governance and innovation areas, described in sections B2, C2 and in the objectives–targets table of the Sustainability Report.

Consistent with this strategic and competitive framework, Flama's choices regarding procurement, energy efficiency, waste management, protection of occupational health and safety, community relations and corporate integrity are central elements of sustainability management and are explored further in the subsequent environmental, social and governance sections of this Sustainability Report.

Description of practices, policies and future initiatives for transitioning towards a more sustainable economy [C2]

Flama has translated the 2024–2028 Strategic Plan into a set of sustainability objectives in 2025, covering the environment, people, community, supply chain, governance and innovation. In all cases, the actions build on practices already active in 2024 and are made more structured through targets and formal procedures that the company is defining and updating over time.

On the **environmental** front, the company works both on reducing risks (environmental incidents, waste management) and on resource performance (recycled raw materials and renewable energy). The underlying idea is to increase, where possible, the use of non-virgin materials and the share of energy self-generated from photovoltaics, committing to measure these aspects through the environmental metrics envisaged by the VSME principle as data become available.

For the **social** dimension, the objectives combine local roots with attention to people. On the one hand, the aim is to increase the weight of local suppliers in purchasing; on the other, to maintain gender balance in new hires and to strengthen initiatives with local schools and associations. These commitments are documented year by year based on the projects carried out and the related accessible data.

Regarding **customers and suppliers**, Flama has already made satisfaction monitoring more systematic (with formalised questionnaires) and is structuring supplier-assessment criteria that also take sustainability into account. At this initial stage, attention is focused on fine-tuning the system; summary indicators, such as the share of suppliers assessed against the new criteria, will be reported once the process is fully operational.

In the area of **governance**, the main tools are the Code of Ethics, the 231 Model, the legality rating and anti-corruption training. The logic is to strengthen a transparent corporate culture, while, on the financial front, the allocation of the 2024 profit to an extraordinary reserve reflects attention to long-term solidity, albeit in the absence, at present, of additional quantitative indicators linked to this objective.

Finally, on the **technological and digital innovation** front, the first step was to make the environmental behaviour of the plant more visible to stakeholders through the Sustainability Report. In the coming years, the path may continue with specific objectives linked to new technologies, automation and digital tools supporting ESG monitoring, which will be defined and communicated in subsequent plans according to the strategic priorities that emerge.

Area	Material topic	Objective	2025 Target	Achievement status at 2024	2025 Update
Environmental	Environmental protection – use of non-virgin raw materials	Use of non-virgin raw materials	Recycled raw materials at 45%	At an advanced planning stage	Launch of a structured Lean Production programme to reduce waste, optimise processes and improve energy and resource efficiency
Environmental	Environmental protection – increasing the share of energy from renewable sources	Incremento quota di energia da fonti rinnovabili	Aumento energia autoprodotta del 10–15%	In fase di raggiungimento	Installazione di circa 90 kW di pannelli fotovoltaici entro metà 2026.
Social	Community relations	Strengthening ties with the local community and supporting its development	Increase the percentage of the procurement budget spent on local supplies to 65%	60% achieved in 2024	In 2025 the company maintains its commitment to increasing the weight of local supplies; the actual percentage figure for local purchases is being collected and will be used to verify alignment with the target and to assess whether an updated numerical objective should be formalised.
Social	Employee well-being – ensuring equal opportunities	Ensuring equal opportunities	In the event of new hires by 2025, maintain the same current percentage	Approaching completion	In 2025 the company continues to monitor new hires with the aim of maintaining the existing gender balance; no further quantitative targets have been set and the assessment is carried out on the basis of the actual composition of the workforce.

Ambito

Tema materiale

Obiettivo

Target al 2025

Status di
raggiungimento al
2024

Aggiornamento 2025

Product

Product quality and sustainability / customer satisfaction

Customer-satisfaction monitoring

Formalise customer-satisfaction monitoring procedures

Achieved

In 2025 the formalised customer-satisfaction monitoring procedures remain operational; periodic feedback is being collected through questionnaires, which will form the basis for possible quantitative indicators in future updates.

Suppliers

Ethical and sustainable supply chain

Increasing the social and environmental sustainability of procurement

Formalise supplier-selection criteria based on sustainability

Approaching completion

In 2025 work continues on defining and integrating sustainability criteria into supplier qualification and assessment procedures; the full application of the new criteria and the measurement of the share of assessed suppliers are planned for a later stage.

Governance

Corporate integrity

a. Improving transparent business-conduct performance; b. Raising staff awareness of the company's anti-corruption policies

a. Obtain a three-star AGCM rating; b. Include a minimum of 8 hours of training on Flama's anti-corruption policies

a. Achieved; b. Approaching completion

In 2025 the maintenance of the three-star AGCM legality rating is confirmed; training initiatives on ethics and anti-corruption continue, for which a consolidated overall figure on the hours delivered is not yet available.

Ambito

Tema materiale

Obiettivo

Target al 2025

Status di
raggiungimento al
2024

Aggiornamento 2025

Innovation

Research, development and technological innovation

Increasing the visibility of the technological-innovation actions and digital-tool development implemented by Flama

Formalise the communication to stakeholders of the environmental performance of Flama's plant

Achieved through disclosure in the sustainability report

In 2025 the communication of the plant's environmental performance through the Sustainability Report is confirmed; further quantitative objectives on technological innovation and digital tools supporting ESG monitoring are being assessed and have not yet been formalised.



Flama's environment



Flama's environment

The processing of sheet metal through laser cutting, bending, welding and surface treatment entails significant consumption of energy and raw materials, as well as the generation of industrial waste, atmospheric emissions and potential impacts on water resources and the surrounding natural environment. Aware of these impacts, Flama has undertaken a structured environmental-improvement programme focused on its direct operations.

In terms of energy, the company has launched a programme to improve energy efficiency through the installation of solar panels, which has reduced its reliance on the electricity grid and increased the proportion of renewable energy consumed by the plant. At the same time, Flama has taken concrete measures to reduce the greenhouse-gas emissions of its corporate fleet: during 2025 two plug-in hybrid vehicles and one fully electric car were introduced to replace internal-combustion vehicles, accompanied by the installation of three charging stations at the company site. As part of production-efficiency management, a structured Lean Production programme was launched which, in addition to optimising workflows and reducing process waste, generated a significant training and team-building programme involving the operational front line.

The responsible management of material resources is another pillar of the company's environmental approach. Metal materials undergo systematic recycling and reuse processes in order to minimise production scrap and reduce the use of primary raw materials. "Rags Project" (Progetto Stracci) forms part of this initiative: replacing the previous system based on the use of disposable rags, contaminated with grease, solvents and other processing residues, Flama has entered into a partnership with a specialist supplier who delivers clean rags and collects used ones for treatment and reuse, thereby effectively reducing the quantity of hazardous waste sent for disposal.

Completing the picture of environmental initiatives, Flama has redefined its approach to corporate catering. In 2025 the company chose a local catering supplier, favouring fresh products and geographical proximity over the large-scale commercial catering model.

Business–nature relationship: first TNFD exercise

To understand and manage its relationship with nature in a more structured way, in 2025 Flama carried out its first analysis exercise, applying the TNFD framework with a "light" LEAP approach, proportionate to the company's size and to the current availability of data. The analysis, referring to the company's direct operations, made visible the dependencies, impacts, risks and opportunities related to nature, integrating this perspective into overall corporate management.

The gathered evidence confirms that aspects such as energy efficiency, waste management and infrastructure resilience are interconnected with operational continuity, costs and the ability to respond to the demands of customers and stakeholders.

The work constitutes a management baseline consistent with the Sustainability Report and with the double-materiality logic, while adopting a simplified and predominantly qualitative approach. On the basis of this evidence, Flama has identified three areas of consolidation for 2026: the formalisation of internal governance on nature-related matters; the development of an initial set of metrics and KPIs for monitoring emissions, energy, waste and site resilience; and the progressive extension of the assessment boundary to the value chain, with particular attention to strategic suppliers connected with waste and materials management.



Energy and GHG emissions

[B3]

Metalworking entails significant energy consumption, particularly in the laser-cutting, bending and welding stages, which require energy-intensive processes. This demand contributes directly to the greenhouse-gas emissions associated with Flama's activities. During 2025, the company recorded an overall reduction in energy consumption compared with the previous year, falling from 1.030,66 MWh to 911,81 MWh, mainly thanks to the reduction in natural-gas use and the progressive optimisation of production processes.

Table 1. Energy consumption expressed in MWh

	2025	2024
Electricity purchased from non-renewable sources	574,22	607,44
Self-consumed electricity from renewable sources	241,66	274,35
Diesel	62,56	62,56
Natural gas	33,37	86,31
Total	911,81	1.030,66

The most significant decrease shown in the table concerns natural-gas consumption, down 61,3% compared with 2024. However, following checks carried out with the supplier, it emerged that between September 2025 and the early months of 2026 there were problems with the consumption-metering system. Given that there were no significant changes to the heating systems or to operating methods, this figure should be interpreted with caution and will be subject to further verification in future reporting periods.

Diesel consumption, by contrast, remains unchanged, while overall electricity consumption (energy purchased from the grid plus renewable energy self-generated and self-consumed) shows a slight decrease compared with 2024. This trend can be attributed to the progressive introduction of newer, more technologically advanced machinery with greater energy efficiency. Self-generated and self-consumed renewable energy stands at 241,66 MWh, representing 26,5% of the company's total energy consumption.

With a view to further reducing emissions and increasing energy autonomy, Flama has planned the installation of a new photovoltaic system of around **90 kW** on the recently acquired industrial building. The intervention, already included among the company's ongoing projects, will make it possible to increase the share of self-generated renewable energy and will contribute to strengthening the company's decarbonisation path.

Fully aware that its activities generate greenhouse-gas emissions and contribute to climate change, Flama reports annually the direct (Scope 1) and indirect (Scope 2) climate-altering emissions associated with its operations. In 2025, total emissions stood at 137,26 tCO₂eq, down 12,3% compared with the 156,53 tCO₂eq of 2024.

Methodological note

of the VSME Standard published by EFRAG was considered, in order to ensure alignment with proportionate reporting practices for small and medium-sized enterprises. Greenhouse-gas emissions were quantified in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard**, the internationally recognised methodological reference framework for corporate reporting of Scope 1 and Scope 2 emissions.

The **Scope 1 emissions** (direct, from stationary and mobile combustion) were calculated using the emission-factor method set out in the GHG Protocol, multiplying the quantities of fuel consumed (diesel and natural gas) by the relevant emission factors. For 2025, the emission factors were obtained from ISPRA's FEtransp portal (fetransp.isprambiente.it), updating the methodology compared with the previous year and ensuring greater precision in the estimate. The calculation includes emissions of CO₂, CH₄ and N₂O, expressed collectively in CO₂ equivalent (CO₂eq) by means of the respective global warming potentials (GWP) defined by the IPCC.

The **Scope 2 emissions** (indirect, arising from electricity purchased from the grid) were calculated using the **location-based** approach, as defined by the GHG Protocol Scope 2 Guidance, using the national average emission factor provided by ISPRA. In order to ensure a prudent and conservative approach, for 2025 the same emission factor used for 2024 was applied, pending the official update of the grid energy mix for the reporting year.

Table 2. Estimate of GHG Emissions, tonnes CO2eq

Category	Year 2025	Year 2024
Scope 1 emissions	22,12	34,74
Scope 2 emissions, location-based	115,13	121,79
Total	137,26	156,53

The reduction in Scope 1 emissions (-36,3%) is directly attributable to lower natural-gas use, while the decline in Scope 2 emissions (-5,5%) reflects the reduction in electricity drawn from the grid. For 2025, Flama calculated its emission intensity (GHG intensity) by dividing gross Scope 1 and Scope 2 emissions by net turnover, equal to **13.02 tCO2eq per**

million euro (total emissions 137,26 tCO2eq / turnover €10,54m), in accordance with paragraph 31 of the VSME standard. For reference, the 2024 emission intensity was equal to **16,50 tCO2eq per million euro** (total emissions 156,53 tCO2eq / turnover €9,49m).

GHG emission reduction targets and climate transition

[C3]

The company operates in a high climate-impact sector but has not yet defined formal targets for reducing greenhouse-gas emissions relating to Scope 1 (direct emissions) and Scope 2 (indirect emissions arising from purchased energy). Achieving such targets represents an area for improvement, within which the adoption of ISO 14001 certification in 2027 is already planned.

Some concrete actions have already been undertaken that contributed to a 12,3% reduction in emissions in 2025. Flama has not yet adopted formal GHG emission reduction targets. This represents a priority area for development over the next three years.

Pollution to air, water and soil

[B4]

Flama holds a Single Environmental Authorisation (Autorizzazione Unica Ambientale, AUA) and carries out periodic monitoring of emissions to air and water in accordance with the provisions of Legislative Decree 152/2006. The company is not among the facilities subject to the reporting obligation under the European Pollutant Release and Transfer Register (E-PRTR) and is therefore not required to provide quantitative data on pollutant emissions under that register.

The main atmospheric emissions generated by the production cycle consist of suspended solid particulates, produced during the cutting, bending and welding of sheet metal. Emissions are estimated through a point measurement of concentration, subsequently multiplied by the operating hours of the equipment, to determine the average emission value over the reference period. To ensure compliance with the authorised limits, Flama uses dedicated abatement systems, including cartridge dust-collector filters and bag filters, subject to routine maintenance at least annually in line with the manufacturer's instructions. During the reporting period there were no cases of non-compliance with the limits set out in the authorisation, confirming the effectiveness of the control systems adopted.



Biodiversity and Nature

[B5] - Geographical and environmental context

The Flama S.r.l. site is located in the municipality of Castelnuovo del Garda (Verona), a hilly area along the Verona shore of Lake Garda, between the morainic hills, the alluvial plain and the river corridor of the Adige. The surrounding landscape is characterised by slopes with thermophilic vegetation, spring-fed wetlands, lakeshores with riparian vegetation and agricultural areas, all connected by the presence of the Garda basin.

The production site covers a total area of 10.300 m², broken down as follows:

Table 3. Breakdown of the site's surfaces

Component	Area,m ²
Industrial-building area (covered surface)	5.500
Waterproofed transit area	4.200
Green area	600
Total site area	10.300

The waterproofed surface represents about 95% of the total area, while the green component, equal to 600 m², constitutes the only permeable portion of the site. This figure is relevant for assessing impacts on land use and hydrological permeability, topics that emerged as material in the TNFD analysis.

The area is set within a context of high natural value, recognised at European level through the designation of numerous Natura 2000 network sites in the immediate vicinity. In the areas surrounding the company site there are several Sites of Community Importance (SCI/SAC) and Special Protection Areas (SPA), including "Basso Garda", "Laghetto del Frassino", "Fiume Adige tra Belluno Veronese e Verona Ovest", "Complesso morenico

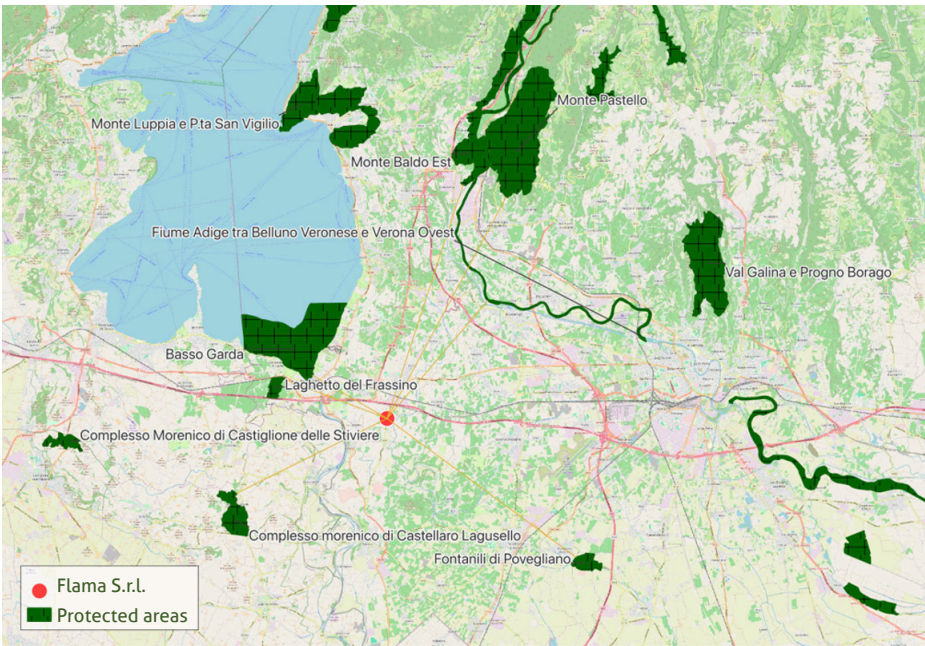
di Castellaro Lagusello", "Fontanili di Povegliano", "Monte Baldo Est" and "Monte Pastello". These sites host Habitats Directive habitats such as natural lakes with aquatic vegetation, calcareous dry grasslands, riparian woodlands, spring-fed wetlands and rocky formations, some of which are classified as priority habitats. The proximity of these areas creates an ecological system that ensures biological continuity between the alpine belt, the morainic hills and the lake basin.

The Natura 2000 sites close to the company host a rich community of aquatic and terrestrial species. The shores of Basso Garda and Laghetto del Frassino are home to nesting and wintering waterbirds, with reed beds and riparian woodlands providing shelter and

breeding areas of conservation interest. The Fontanili di Povegliano support species typical of spring-fed environments, while the slopes of Monte Baldo host a flora rich in endemics and glacial relicts.

The territory constitutes an important node in the European ecological network, serving as a stopover for many species of migratory birds along the Euro-African flyway.

Figure 1 – Geospatial location of Flama



The Natura 2000 network is a fundamental instrument of the European Union for biodiversity conservation and was established under the Habitats Directive and the Birds Directive. In Italy it covers about 19% of the national territory, including terrestrial and aquatic ecosystems.

To quantify the degree of pressure exerted on the surrounding natural context, two specific metrics relating to the company site were measured as part of the TNFD analysis. The degree of conservation of local biodiversity (MSA) stands at 28%, indicating that local biodiversity is significantly altered because of anthropogenic pressures, including intensive agricultural land use, urbanisation and habitat fragmentation. The share of priority areas for the

integrated conservation of biodiversity (AGCV) is instead 66%, classifying the site as an area of medium-high priority at global level: the company's negative impacts on the surrounding ecosystems could therefore have critical effects both locally and on a wider scale. These data confirm the significance of the ecological context in which Flama operates and reinforce the need for a management approach that pays close attention to preserving local natural capital.

The Red-backed shrike (*Lanius collurio*) — symbol species of the local area and Flama's mascot

In 2025, Flama's employees chose the Red-backed shrike as the company's official mascot, following a collective reflection on the organisation's identity. Among the native species present in the habitats near the site, this is the one that spoke most to the group: an animal that does not impose itself through force, but through precision. It works methodically, knows its territory and turns every observation into concrete action — qualities that the Flama team recognises as its own.

The Red-backed shrike lives at the margins: among hedgerows, meadows and field edges, in those transitional spaces that are increasingly rare today. It is precisely here, in the area surrounding Flama's site, that it still finds refuge in the local Natura 2000 sites. The ecological data add weight to the choice. Included in Annex I of the Birds Directive and classified as "Endangered" in the Red List of breeding birds in Italy, its presence or absence tells the story of the health of an agricultural landscape better than many other indicators.



Climate and biodiversity risks

[C4]

As part of the TNFD analysis, Flama conducted a structured assessment of the risks, opportunities and impacts connected with nature, examining both its dependencies on ecosystem services and the effects of its production activities on the surrounding natural environment.

Reagarding **risks**, the assessment identified two main categories. The **transition risk** is linked to rising energy costs and to evolving regulatory and market dynamics, with high materiality over a short horizon. The **acute physical risk**, on the other hand, concerns extreme weather events, in particular storms and floods, with potential impacts on infrastructure, operations and service continuity, and is likewise classified as having high materiality over a short horizon. In response to these risks, the mitigation actions already undertaken include the installation of the photovoltaic system for greater energy autonomy and the assessment of structural interventions and insurance cover for physical risk.

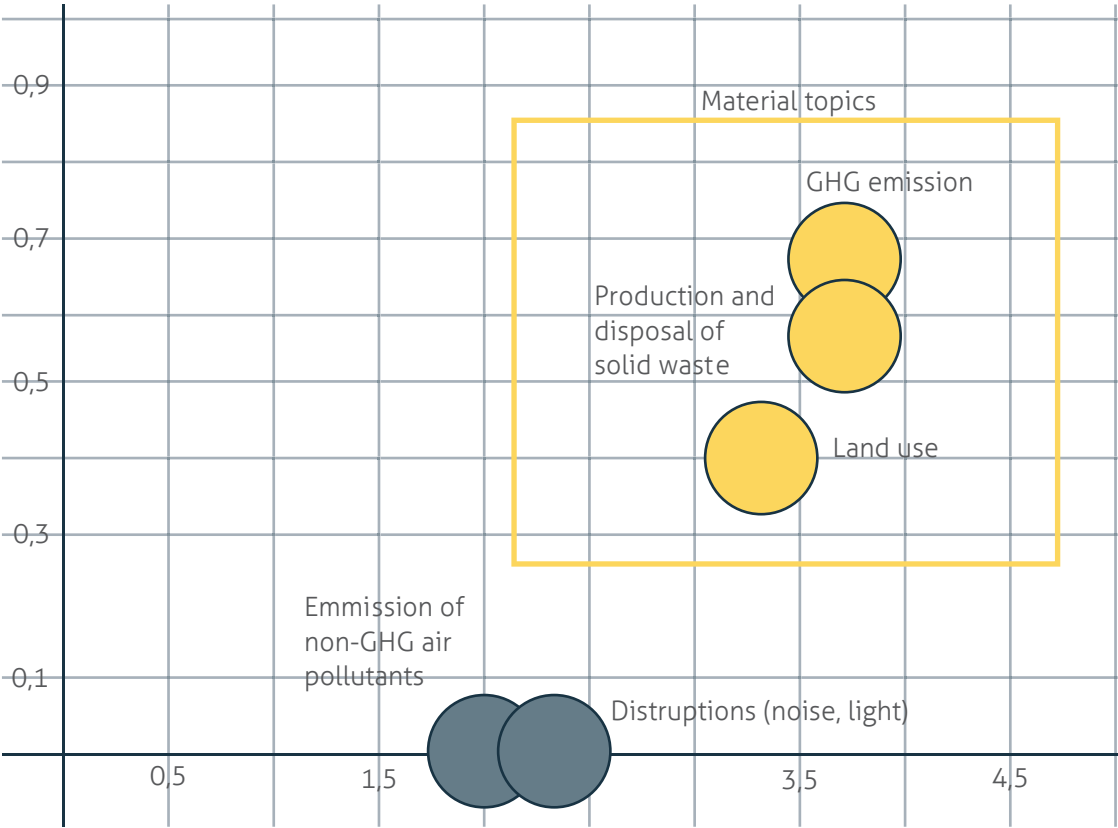
Impact category	Type of risk	Description	Mitigation actions	Materiality	Horizon
GHG emissions	Political/regulatory transition risk	Rising energy costs linked to geopolitical and market dynamics	Installation of a photovoltaic system for greater energy autonomy	High (80%)	Short
GHG emissions	Acute physical risk	Extreme weather events (storms and floods) with impacts on infrastructure and operations	Insurance policies and assessment of structural interventions	High (80%)	Short

Alongside the risks, the assessment highlights certain opportunities attributable to corporate actions under way or already undertaken. The photovoltaic system contributes to energy efficiency and to the consequent reduction in exposure to energy costs. The valorisation of offcuts as secondary raw material is a recovery practice, a circular model, already active. Finally, the monitoring of the product carbon footprint can provide support in responding to the technical requests of structured customers. This evidence indicates that nature-related topics can be interpreted as sources of opportunity for corporate performance, connected with industrial resilience, operational efficiency and the quality of strategic decisions.

Impact category	Type of opportunity	Description	Actions	Materiality	Horizon
GHG emissions	Business performance	Improved ESG competitive positioning and response to customer requests	Launch of product carbon-footprint monitoring	Medium (64%)	Long
GHG emissions	Operational performance	Energy efficiency and emission reduction	Installation of a photovoltaic system (NextGenEU)	Medium (60%)	Short
Waste	Business performance	Valorisation of offcuts as secondary raw material	Sale of offcuts already active (circular model)	Medium (64%)	Short

The results of this assessment are summarised in the double-materiality matrix developed as part of the TNFD analysis, which positions nature-related topics according to their significance both for the company's impact on nature and for the company's dependence on ecosystem services. The matrix confirms the concentration of material topics around GHG emissions, solid-waste management and land use, while physical disturbances and non-GHG pollutant emissions fall below the materiality threshold.

Figure 2 — Nature-related double-materiality matrix.
X-axis: the company's impacts on nature; Y-axis: nature-related risks and opportunities for the company.
Material topics are highlighted in yellow.



Water

[B6]

During 2025, Flama withdrew water exclusively from the public water supply (third-party water resources), using the resource for domestic and service purposes, such as sanitary facilities and cleaning of premises. Water is not used in production or industrial processes, so the company's water consumption is limited and stable. The company does not carry out direct abstractions from surface or groundwater bodies.

Table 4. Water withdrawal by source, for all areas (including areas of water stress), m3

	2025	2024
Third-party water resources	860,00	860,00
Total water withdrawal	860,00	860,00

The volume withdrawn remains unchanged compared with the previous year (860 m³), confirming the stability of the company's water consumption. Discharges take place entirely into the sewer network, with no releases into natural water bodies. Regarding territorial water risk, the analysis carried out using the WRI Aqueduct Water Risk Atlas shows that Flama's production site falls within an area classified as low water stress, confirming the absence

Table 5. Water discharge, m3

	2025	2024
Wastewater	860,00	860,00
To other water bodies	0	0
Total water discharge	860,00	860,00

of criticalities related to water availability in the reference geographical context. The total withdrawal shown in the table is therefore to be understood as referring to the entire operational area, as there are no sites in areas of high-water stress.

Circular economy and waste management

[B7]

Sheet-metal processing generates heterogeneous waste streams that Flama manages according to two main categories: special waste arising from production and ancillary activities, and metal offcuts — that is, the cuttings and surplus of steel, iron and aluminium sheet metal generated during the cutting and processing stages. The latter represents the quantitatively most significant stream and constitutes, in the company's view, a central element of the circular-economy model adopted: the offcuts (aluminium, iron and steel) are systematically delivered to operators specialised in metal recovery, who transform them into secondary material fed back into the industrial production cycle. This process allows Flama not only to reduce recourse to landfill, but also to generate revenue from the valorisation of scrap.

In 2025 the total volume of waste produced amounted to 626.355 kg, exceeding the 2024 figure (533.754 kg). This increase is mainly due to the growth in the volume of metal scrap, following the rise in customer demand. 100% of the waste produced was sent for material recovery.

Waste composition (EWC code)	Description	Special / Municipal	Hazardous / Non-hazardous	Waste destination	2025	2024
10.02.13	Sludge and filter cakes from flue-gas treatment, containing hazardous substances	Special	Hazardous	Recovery	1.360	800
12.01.21	Spent grinding tools and grinding materials	Special	Non-hazardous	Recovery	120	120
15.01.03	Wooden packaging	Special	Non-hazardous	Recovery	6.675	9.440
15.01.11	Metal packaging containing hazardous solid porous matrices (e.g. asbestos), including empty pressure containers	Special	Hazardous	Recovery	4.000	40
15.02.02	Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing contaminated by hazardous substances	Special	Hazardous	Recovery	200	140
16.02.14	End-of-life equipment	Special	Non-hazardous	Recovery	0	120
16.03.03	Inorganic waste containing hazardous substances	Special	Hazardous	Recovery	850	387
16.05.05	Gas in pressure containers	Special	Non-hazardous	Recovery	30	37
16.10.02	Aqueous liquid waste	Special	Non-hazardous	Recovery	720	210
17.04.02	Aluminium	Special	Non-hazardous	Recovery	6.150	5.760
17.04.05	Iron and steel	Special	Non-hazardous	Recovery	606.250	515.440
17.04.11	Cables	Special	Non-hazardous	Recovery	0	540
17.06.04	Insulating materials	Special	Non-hazardous	Recovery	0	720
				Total	626.355	533.754

The increase in hazardous waste is mainly attributable to the rise in metal packaging with hazardous porous matrices, while the other hazardous categories remain broadly stable.

Flama's circular approach also extends to the management of consumables. The rags and filter materials used in processing are entrusted to an operator specialised in industrial washing and regeneration, allowing them to be reused instead of disposed of after first use. This practice, although modest in volume, reflects a corporate culture oriented towards preventing waste generation and valorising resources throughout the entire life cycle of materials.

Table 6. Summary by hazard category (kg)

	Year 2025	Year 2024
Hazardous	6.410	1.367
Non-hazardous	619.945	532.387
Total	626.355	533.754



Flama's
people



Flama's people

The people who work at Flama are at the heart of many of the company's organisational, training and relational choices. This section presents, in a concise and accessible way, the information required by the VSME principle on social dimensions, linking the figures to the main initiatives carried out during the period.

In particular, the basic-module metrics relating to B8 (general workforce characteristics), B9 (health and safety) and B10 (remuneration, collective bargaining and training) are considered, together with the practices and initiatives referred to in disclosure B2. The aim is to give the reader a clear overview of what Flama does regarding work organisation, safety, skills and relations with the local area, without going beyond what is supported by data and activities carried out.

Already in 2024, Flama had introduced more structured reporting of the social information required by the VSME, describing the composition of the workforce, health and safety measures and the essential elements relating to remuneration, collective bargaining and training. In 2025 this path continued, complementing the quantitative metrics with a concise narrative of the main actions directed at people and the local community.



Initiatives for people and the local area in 2025

During 2025, several initiatives directly concerning workers and, more generally, the context in which the company operates were carried forward or launched. Below is a summary of the main activities, described in a plain and non-promotional way.

- A lean-production programme was launched, including training sessions and team-building activities dedicated to the production front line, with the aim of working on processes and on collaboration between departments.
- Advanced Excel courses were organised for office staff, with particular attention to strengthening the digital skills useful for the day-to-day management of activities.
- A new local canteen supplier, of more modest size, was selected to replace the previous commercial catering operator, with an offering oriented towards simple, traditional dishes.
- Moments of internal socialising were promoted, including the party for the company's 30th anniversary, which involved employees, customers and suppliers, and "Pasquetteria", a convivial pre-Easter initiative open to all staff.

The information reported above complements the social metrics detailed in the sections dedicated to B8, B9 and B10 of the VSME principle, helping to contextualise the quantitative data with examples of activities carried out during the reporting period, in compliance with the requirements of clarity, verifiability and the absence of generic, unsupported environmental or social claims.

General characteristics

[B8]

In 2025 Flama consolidates its employment structure, rising from 45 to **46 employees** (+2,2%) and strengthening in particular the area of stable contracts. Permanent workers indeed grow from 41 to 45 (+9,8%), while fixed-term contracts fall from 4 to 1 (-75%), signalling a choice oriented towards continuity of employment and the retention of key skills.

Table 7. Contract type

	Year 2025	Year 2024
Permanent	45	41
Fixed-term	1	4
Total employees	46	45



The composition by gender remains broadly stable in absolute terms, with **41 men** (40 in 2024) and **5 women** in both years. The increase in the total headcount means that the female share moves from 11,1% to 10,9%, a marginal change which nonetheless confirms that gender balance remains a central issue, also in light of the characteristics of the metalworking sector and of training paths that are still predominantly male.

Table 8. Employee composition by gender



	Year 2025	Year 2024
Men	41	40
Woman	5	5
	46	45



	% 2025	% 2024
Men	89,1%	88,9%
Woman	10,9%	11,1%
	100%	100%

A sign of discontinuity, by contrast, concerns **turnover**: departures rise from 5 to 11 (+120%), with a rate climbing from 11,11% to 23,91%. This trend indicates greater staff mobility and calls for targeted attention to the levers of attraction, onboarding and retention, with the aim of turning this changeover into an opportunity for organisational renewal and skills strengthening, while at the same time maintaining the stability needed to support the company's growth.

Table 9. Overall turnover

Indicator	2025	2024
Departures (no.)	11	5
Total employees (no.)	46	45
Turnover rate (%)	23,91	11,11

Turnover is a growing challenge for many companies and affects the sector in which Flama operates.

The company, with an average age of around 35, observes an evolution in the priorities of the new generations, for whom work tends to take on a different weight than in the past. In this context, attracting and retaining young talent is becoming increasingly complex.

Nevertheless, Flama is in a favourable position thanks to its ability to attract new resources and to maintain stability in key roles, which show consolidated continuity over time. Turnover mainly concerns operational production roles and represents, for the company, an opportunity to foster generational renewal and skills strengthening, while at the same time preserving organisational continuity and future growth.

Health and safety

[B9]

In 2025, 100% of Flama's 46 workers are covered by the health and safety management system, in continuity with 2024, when all 45 workers were already included in the prevention and protection measures provided by the company. This confirms the commitment to ensuring uniform protection for all staff, without distinction of role or contract type, through risk assessment, training, protective equipment and dedicated operating procedures.

From an accident perspective, in 2025 there were 4 workplace accidents, one more than the 3 considered in the rate calculation for 2024, against an increase in hours worked from 85,000 to 90,000. The accident rate thus rises from 7,06 to 8,89 per 10,000 hours worked (about +25,9%), marking a deterioration that the company regards as a signal to be addressed with targeted prevention and awareness-raising actions.

Table 10. Accidents and injury rate

Indicator	2025	2024
Workplace accidents (for rate calculation)	4	3
Total hours worked	90.000	85.000
Accident rate (per 10,000 hours)	8,89	7,06
Fatal injuries	0	0
Work-related illnesses	0	0

No fatalities or occupational illnesses were recorded in either reference year; nonetheless, there remains a strong awareness that it is necessary to continue working on reducing overall accidents. It is in this framework that the initiatives to strengthen the safety management system, already begun in 2024 and continued in 2025, are situated.

During 2025 Flama also began the process of aligning its Occupational Health and Safety Management System with the requirements of the UNI EN ISO 45001 standard, with the aim of achieving certification in the coming years and further consolidating its structured approach to protecting people and preventing risks.

Remuneration, collective bargaining and training
[B10]

In 2024 Flama reported for the first time in an organic way the aspects relating to remuneration, collective bargaining and training, highlighting that 100% of employees are covered by the National Collective Labour Agreement (CCNL) for the Metalworking Industry and receive remuneration in line with the minimum levels envisaged. This contractual set-up guarantees a framework of uniform rights for all workers, in continuity with the sector's tradition and with the company's historical approach to employment relations.

Table 11. Pay gap

	Year 2025	Year 2024
 Average gross hourly pay, men (euro)	15,85	14,25
Average gross hourly pay, women (euro)	17,76	16,53
Pay gap (%)	-12,05	-16

In 2025 the average gross hourly pay of female workers is higher than that of male workers, confirming a reverse pay gap already present in 2024. Compared with the previous year, the gap narrows (from about -16% to about -12%), in a context in which pay differences mainly reflect grading and the mix of roles held across the various company areas.

Also in 2024, training focused mainly on occupational safety, quality and technical updating, with targeted interventions on operational roles and key functions; however, the systematic collection of the hours delivered has not yet made it possible to report a structured quantitative figure in the VSME matrix.



Table 12. Average number of training hours^v

	Gender	Average number of hours 2025	Average number of hours 2024
	Men	45	38
	Woman	50	52
	Not indicated	-	-
	Total (estimate)	47,5	45

In 2025 the average number of training hours increases compared with 2024; the data show that female workers continue to record a higher average number of hours than male workers, albeit with a slight reduction compared with the previous year, while the average hours for men increase, moving closer to those of women.

Additional (general) workforce characteristics
[C5]

In 2025 the structure of Flama's workforce maintains the same basic characteristics already described in the 2024 Sustainability Report as regards senior positions and non-standard forms of work. As in the previous year, there are no figures formally classified as executives: both women and men at executive level are equal to zero, so the gender ratio is not significant. This confirms an organisational model based on a lean structure, in which the running of the company is entrusted mainly to directors and function managers, rather than to a large, structured management tier.

Regarding non-employee workers as well, the 2025 picture mirrors that of 2024, confirming the consistency of the management model over time. There are no self-employed workers operating exclusively for Flama, while the use of temporary workers supplied by staffing agencies stands, in both years, at an **average of 4 people per month**, used to flexibly manage production peaks or specific organisational needs without structurally altering the size of the direct workforce. In this way the company maintains a workforce centred on direct, stable employment relationships, supplemented where necessary by a small and constant share of agency staff.

Table 11. Type of non-employee workers

	2025	2024
Exclusive self-employed workers (no.)	0	0
Temporary agency workers (monthly average)	4	4



Additional own workforce information – Human rights policies and processes
[C6]

In 2025 Flama confirms and makes more explicit its commitment to workers' human rights, in continuity with what is described in the 2024 Sustainability Report. The company has a dedicated code or policy for its internal workforce that explicitly covers child labour, forced labour, human trafficking, discrimination and accident prevention, and which explicitly sets out the company's commitments regarding the protection of people and the management of the main social risks across the organisation.

The code or policy covers:	YES/NO
Child labour	YES
Forced labour	YES
Human trafficking	YES
Discrimination	YES
Accident prevention	YES

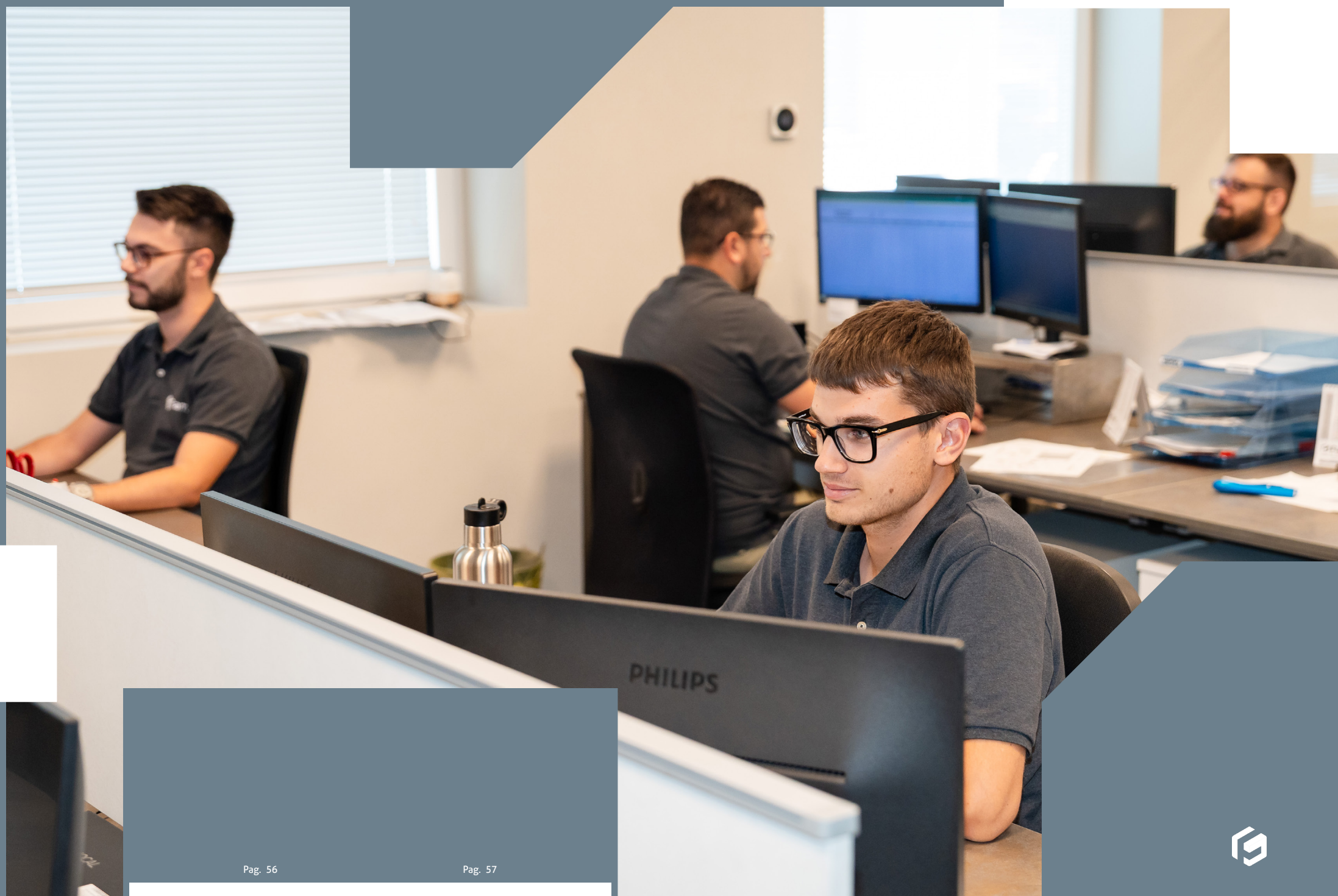
Compared with the previous year, these areas of oversight remain unchanged, but in 2025 the picture is integrated into the VSME model also through reference to due-diligence processes and internal reporting mechanisms. The company indeed has a **grievance-handling mechanism** for its own workforce, which makes it possible to intercept any issues and to manage them according to defined procedures, thereby strengthening the ability to prevent and address conduct that does not comply with the Code of Ethics and with the law.

Severe negative human rights incidents

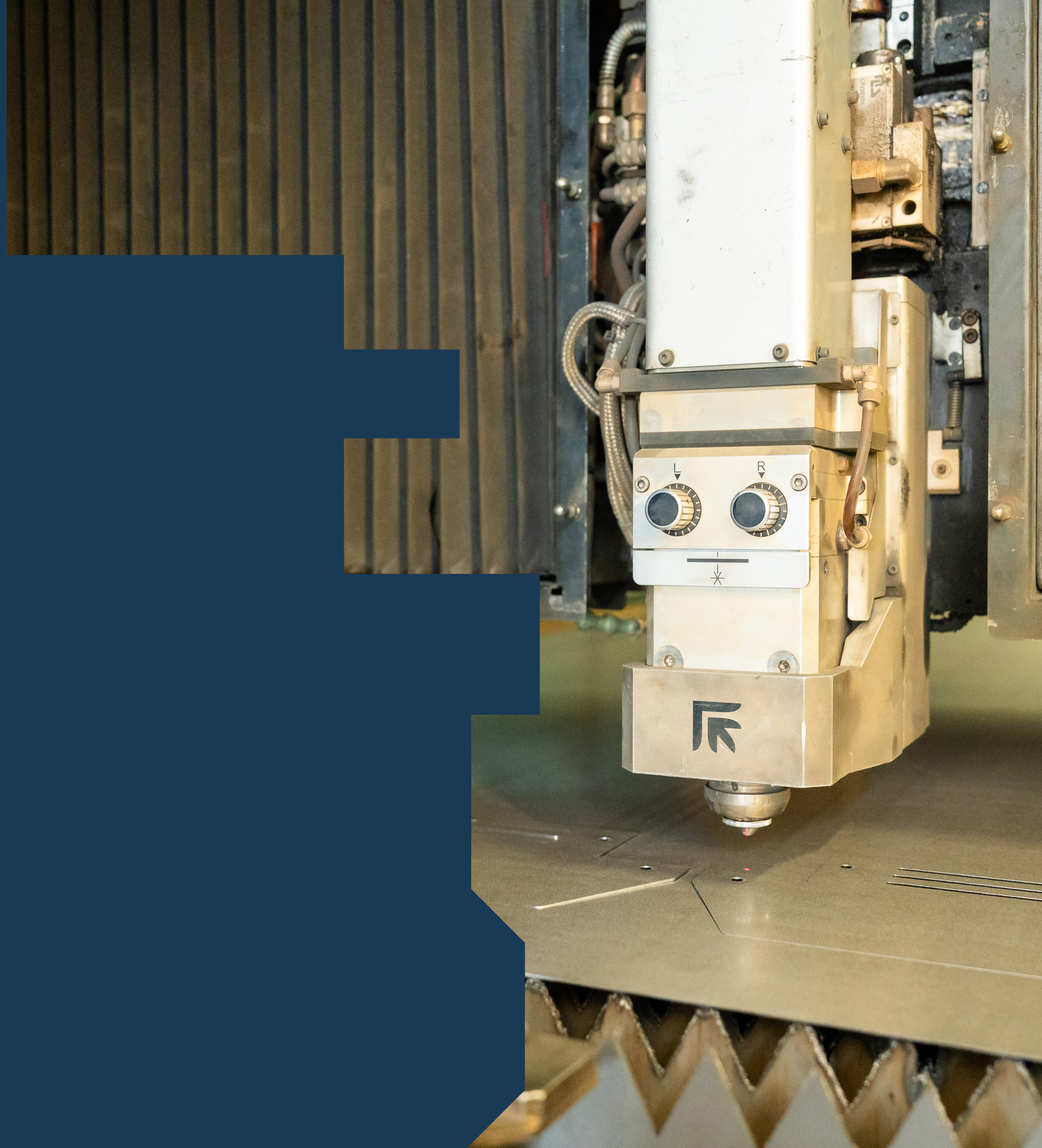
[C7]

In 2025, as already in 2024, Flama records **no confirmed severe incident** relating to human rights concerning its own workforce. The C7 tables indeed indicate the absence of cases for all the categories considered: child labour, forced labour, human trafficking, discrimination and violations related to accident prevention, confirming a context in which no formal non-compliance, legal action or recorded complaint on these matters has emerged.

Along the value chain and externally too, the picture remains unchanged compared with the previous year: the company declares that it is not aware of any confirmed incidents involving suppliers' workers, affected communities or consumers and end-users. This, read together with the existence of a Code of Ethics and a grievance-handling mechanism, indicates that during the reference period no severe incidents on the topics considered were confirmed.



Flama's
governance,
ethics and
integrity



Flama's governance, ethics and integrity

Governance represents the set of rules, bodies and safeguards that guide Flama's decisions and ensure transparent, responsible and law-compliant management. In line with the VSME principle, this section brings together in a single chapter the information on the structure of the governing bodies, business integrity and the absence of involvement in high ESG-risk sectors.

The aim of the section is to provide a clear representation of the main initiatives that, in 2025, concerned the organisational set-up, business continuity and relations with relevant external interlocutors.

During 2025 Flama continued a number of activities that affect the way the company relates to the local area and manages certain important steps for its organisation.

- The company continued its participation in the Confindustria Verona Youth Group, with representation on the executive committee and responsibility for Education, as part of activities involving dialogue with the association network and initiatives aimed at schools, young people and the local community
- The 'Cassiopea Project' continued, having been launched to support the generational handover and the gradual definition of roles and responsibilities amongst family members involved in the company's operations.
- Among the key moments of relationship with stakeholders is also the event organised for the company's 30th anniversary, which brought together employees, customers and suppliers in a gathering linked to the company's history and journey.

Convictions and fines for corruption

[B11]

In 2025, as in 2024, Flama records **no conviction** for active or passive corruption, nor fines linked to breaches of anti-corruption laws. The total amount of fines therefore remains zero in both years, confirming a regulatory-compliance profile that shows no episodes sanctioned by the competent authorities.

Revenues from activities excluded from EU benchmarks

[C8]

Regarding revenues from sectors that are sensitive for the purposes of the EU reference benchmarks, Flama declares for 2025 the absence of activities in areas such as controversial weapons, tobacco cultivation and production, fossil fuels or the production of chemicals falling within the most critical categories. This picture is in line with that of 2024 and indicates that the company's business model is not exposed to such high ESG-risk sectors, either in terms of core business or in terms of marginal revenues.



Gender diversity in the governance body

[C9]

The gender composition of the governance body in 2025 remains unchanged compared with 2024: the body comprises **1 female member and 5 male members**, with a gender-diversity ratio of 0,2 in both years. This figure confirms that the presence of women in senior roles remains limited, despite the corporate structure being highly stable, and lays the foundations for future commitments already planned, such as the appointment of a new female member to the Board of Directors, scheduled for 2026.

Table 12. Gender-diversity ratio



Number of female members

Year
2025

1

Year
2024

1

Number of male members

5

5

Gender-diversity ratio

0,2

0,2



Local
community



Local community

For Flama, the relationship with the local community is an essential component of its way of doing business. Value creation does not end within the company, but extends to the local area, to people and to the entities that share its growth journey.

Particular attention is paid to dialogue with the world of education and to the training of the new generations. For years Flama has promoted occasions for schools and business to meet, hosting educational visits and exchanges at its premises that allow young people to gain first-hand knowledge of the production environment, the professions of the metalworking sector and the skills required by the world of work.

The company indeed considers it essential to help reduce the distance between education and the professional context, offering young people useful tools to guide their educational and career choices with greater awareness. This commitment translates into ongoing collaboration with local schools and participation in initiatives dedicated to career guidance and to the promotion of technical skills.

Alongside activities aimed at young people, during the year Flama supports various social, cultural and community initiatives, confirming its determination to contribute to the development and well-being of the community in which it operates. A commitment that reflects the values of responsibility, participation and attention to people that have always characterised the company's identity.

Community initiatives in 2025

During 2025, collaboration with the Tusini Salesian School continued, through meetings, company visits and exchanges dedicated to students. These activities made it possible to create a direct dialogue between school and business, giving young people greater knowledge of the professional opportunities and skills required by the manufacturing sector.

The commitment to the new generations was further strengthened through Flama's active participation in the initiatives promoted by the Young Entrepreneurs Group of Confindustria Verona. In particular, the presence on the steering committee with responsibility for Education made it possible to contribute to the development of career-guidance and business-testimony projects aimed at local schools students, fostering a stronger connection between education and the world of work.

During the year, support activities also continued in favour of associations, social initiatives and local organisations, through contributions and donations that testify to the company's attention to the community and the local area.

The conviction that the future of the economic and social fabric also passes through the growth and education of young people continues to guide Flama's commitment in its relations with schools, institutions and local organisations.

Flama's 30th anniversary



Flama's 30th anniversary

Thirty years of history, an eye to the future. 2025 marked a particularly significant milestone in Flama's history: reaching the first thirty years of activity. A milestone that goes beyond the corporate dimension and testifies to the solidity of a journey-built day by day through commitment, competence and consistency in the values that have always guided the company.

Over these three decades Flama has been able to grow while maintaining a strong link with its local area, consolidating relationships of trust with customers, suppliers, employees and institutions. The celebration of the thirtieth anniversary was an important occasion to bring together the people who have contributed to this journey, confirming the company's role as an organisation rooted in the community and able to generate shared value over time.

Thirty years of activity are the result of an entrepreneurial vision founded on responsibility, on the quality of work and on the ability to build lasting relationships. A journey that has enabled the company to face the challenges of the market while holding firm to its principles and continuing to invest in people, innovation and sustainable development. This anniversary takes on an even more significant meaning at a stage of evolution in corporate governance, characterised by collaboration between generations. The experience and the values that have guided Flama's growth over the past thirty years are today joined by the skills and vision of the new generation, in a path of continuity that strengthens the company's identity and supports its future development.

Looking at the results achieved also means renewing the commitment to tomorrow: continuing to innovate, to grow sustainably and to contribute to the economic and social development of the local area, while holding firm to those principles that have made this important milestone possible and that will continue to guide Flama in the years to come.



Annex 1. Stakeholder engagement





Annex 1. Stakeholder engagement

Methodological note

In 2025 Flama conducted a structured “light” survey addressed to its main stakeholders, in continuity with the process begun in 2024, with the aim of gathering qualitative and quantitative feedback on the sustainability topics relevant to the company. The instrument is consistent with the engagement approach encouraged by the VSME Standard, which envisages a qualitative assessment of relevant topics without requiring a formal, structured materiality analysis.

The survey consists of **10 closed questions on a 1–5 Likert scale and 2 optional open questions**, focusing on the following areas:

- energy and waste management;
- nature and the local area;
- people and safety;
- relations with customers and suppliers;
- sustainability communication.

The questionnaire was administered exclusively in digital format via Microsoft Forms, through the sending of the link by email by the company, over a period of about two weeks. Responses were collected anonymously and analysed in aggregate: descriptive statistical processing for the closed questions, qualitative reading for the open questions. The survey results were collected in anonymous, aggregate form. The non-probabilistic sample and the digital administration by the company call for a cautious reading of the data, which cannot be considered representative of the entire stakeholder base.

A total of 29 stakeholders took part, belonging to the following categories:

Category	No. of <i>responses</i>
Suppliers	11
Employees	9
Customers	6
Management	2
Banking institutions	1
Total	29

The “public bodies” category, although included among the options, recorded no responses. The sample is non-probabilistic and numerically limited; administration took place exclusively in digital format and by the company.

For these reasons, the results should be read with caution and are not representative of Flama’s entire stakeholder base.



Annex 1. Stakeholder engagement

The analysis is organised into three thematic blocks:

(P) Perception of the progress made over the past year;

(F) Future expectations for the next 2–3 years;

(C) Communication with stakeholders.

1. Perception of progress (P)

Stakeholders express an overall positive perception of the improvement path undertaken by Flama over the past year. All the topics analysed are at medium-high levels, with no significant criticalities emerging.

Areas with the highest level of recognition:

- **Occupational health and safety:** this is the area with the highest score, recognised by internal stakeholders and also rated positively by external ones.
- **Training and skills development:** this scores at high levels, with a positive perception that is relatively aligned between internal and external stakeholders.

Areas with a slightly lower level of perception:

- Environmental topics (energy and waste management): the ratings remain positive, but with a more marked gap between internal and external stakeholders, attributable to the lower direct visibility of the actions and results achieved on the part of external interlocutors.

From the open responses, internal stakeholders cite as concrete steps forward: the installation of the new photovoltaic system, the constant monitoring of consumption, the achievement of ISO 45001 certification, internal training initiatives, staff-assessment activities and meetings with students from local schools. Management emphasises the company's ability to continuously improve and to integrate sustainability into business processes.

2. Future expectations (F)

The level of stakeholder expectation is overall high regarding the evolution of Flama's sustainability journey over the next 2–3 years.

Area considered a priority:

- **Circular economy and waste reduction:** this is the area given the greatest importance by both internal and external stakeholders, with the highest rating in the entire thematic block.

Relevant area with a slightly lower priority level:

- **Impact on the local area and on nature:** positive and widespread rating across the various categories, with a priority level perceived as still being consolidated, particularly among internal stakeholders.

The comparison between internal and external stakeholders shows a good level of overall alignment: internal stakeholders tend to attribute a slightly higher level of expectation to resource management, while external ones show greater attention to environmental and territorial impacts in a broader sense.

3. Communication with stakeholders (C)

The results outline a nuanced picture, with an overall positive assessment but with differences between the dimensions analysed.

Dimensions with the highest ratings:

- **Engaging the supply chain on environmental topics** (energy, waste, nature): recognised across the board, with good alignment between internal and external stakeholders.
- External communication of environmental initiatives: perceived as sufficiently visible, with room for further strengthening.

Dimensions with more significant gaps between internal and external stakeholders:

- Stakeholder dialogue and participation: the level of listening and engagement is perceived as positive within the organisation, while external stakeholders express a more moderate assessment.
- Perception of the ESG strategy: generally clear, but less consolidated among external stakeholders.

The following specific indications emerge from the open responses:

- **Employees:** continue investing in the growth of people, with attention to training and the development of younger staff; strengthen internal awareness of the responsible use of resources; continue dialogue activities with the local area.
- **Management:** energy efficiency; strengthening the company's role in the local context as a promoter of a sustainable management model.
- **Customers:** continue to invest in occupational safety to progressively reduce the number of accidents; introduce tools to measure environmental performance, with explicit reference to the product Carbon Footprint.
- **Suppliers:** develop more structured tools to assess environmental performance, with reference to the Carbon Footprint and to greater data-sharing over time; support initiatives in favour of the local area; consider greater flexibility in working hours.

The following indications emerge from the open responses:

- **Employees:** strengthen awareness-raising and the sharing of initiatives, with opportunities for exchange on sustainability topics and the responsible management of resources.
- **Management:** strengthen Flama's positioning in the local context as a promoter of a sustainable operating model at provincial level.
- **Customers:** give greater value to sustainability projects, making them more visible and up to date; the Carbon Footprint is cited as a useful tool to strengthen communication towards stakeholders.
- **Suppliers:** improve information-sharing and make the results achieved over time more accessible.







Ever Evolving
that is our promise:
a company that changes
to improve, always.

Flama S.r.l. Unipersonale

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