

Sustainability Rating Report

MANNI GROUP S.p.A.

Last update: 01/12/2022

Company Profile

Manni Group (hereinafter, the 'Group') is an international group operating in the steel processing and metal insulating panels sector, with a growing role in the renewable energy and energy efficiency sectors. The Group operates in three distinct business areas – through 18 companies - engaged in the production, processing and sales of high-tech products and advanced design services. The Group is led by two holding companies, Panfin S.r.l. and Gruppo Manni S.r.l., which control Manni Group S.p.A., the operating holding company that includes the services offered by all three business units. The reporting scope covers 13 companies of the Group and does not include the commercial companies Isopan Manni Group CZ, Isopan France and Manni Green Tech USA, the financial companies Panfin Srl, Gruppo Manni Srl.

Sector: Industrials
Industry: Manufacturing
Sub-Industry: Equipment & machinery
Country: Italy
Bloomberg Ticker: -

BBB

ESGe Rating

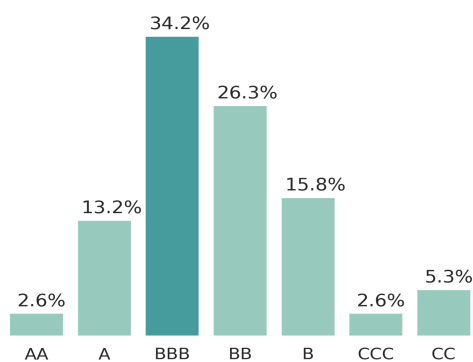
67.5

ESGe Score

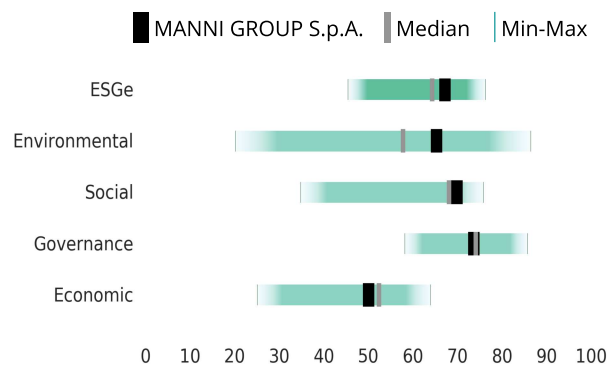
ESGe Risk Management Capability **HIGH**

AAA	AA	A	BBB	BB	B	CCC	CC	C	D
Very High		High		Medium		Low		Very Low	

ESGe Rating Distribution



ESGe Score Breakdown



ESGe Rating Comment

Manni Group demonstrates a good management of ESG risks and opportunities, reaching a position above the median of the companies included in the 'Equipment & Machinery cluster'. The obtained score and the analysis carried out based on the non-financial information reported with reference to the year 2021 led to the assignment of an ESGe Rating equal to BBB, in line with the previous year, but with a slight improvement in the overall score. Overall, Manni Group confirms for 2021 its commitment to continue its path towards reducing its environmental impacts and its propensity to increasingly integrate ESG factors into its strategic decisions, both in the short and in the long term. As to environmental issues, the Group shows a slightly better performance in 2021 compared to the previous year, higher than the median of the reference cluster. In particular, we can positively mention the increase in the share of renewable energy in the total energy consumed (albeit lower than the median), the adoption (still in progress in 2022) by Isopan Italian offices of an ISO 14001-certified management system, the implementation of several energy efficiency measures, the adoption of a system to assess the ESG performance of the supply chain, as well as the identification of challenging objectives in the environmental area as part of a strategic sustainability plan currently being adopted by the Group. It should be noted that the Company is implementing an energy efficiency plan with the aim of optimizing energy costs and consumption and CO2 emissions, with the target of reducing Scope 1 and 2 emissions by 40% by 2028 compared to the 2016 base year. In 2021, a reduction of 17% of totale emissions compared to 2016 was achieved. There is a general increase in energy consumption and emissions generated compared to the previous year, which is mainly due to an increase in the Group's production. Considering the indicators of emission intensity and consumption in relation to turnover, there is however a decrease in impacts, while in relation to tons of steel sold, square meters of insulation produced and days worked, respectively, for the Steel, Panels and Services Business Units, there is a

slight increase in emission intensity for Scope 1 and 2 emissions. In relation to purchased materials, there is a decrease in the percentage of minimum recycled material in the total steel and aluminum acquired in 2021 compared to the previous year. The ratio of waste intensity to turnover decreased, while the percentage of hazardous waste increased, which is however still less than 1% of the total waste produced. 86% of waste is recovered and/or reused within the company's production, a percentage that is higher than the industry median, although it slightly decreased compared to 2020.

In the Social section, the Group performs slightly better than the previous year. As the previous year, in 2021 we could observe a percentage of permanent employees higher compared to the cluster median, and a slight increase in the female population compared to the previous year. With respect to employee turnover, the new employee rate is in line with the industry median, while the leaving rate is slightly lower than the cluster median, indicating a good level of retention by the Group. Compared to 2021, there is an increase in the recorded accident rate, although no severe accidents, fatalities or cases of occupational disease were recorded. From the point of view of certifications, it should be noted that Isopan Italian offices are completing the process to obtain ISO 45001 certification, a certification that will be extended to the foreign offices in the coming years. In relation to training, there is an expansion of the monitoring perimeter as regards the total hours provided to the Group employees. In particular, the number of hours provided per employee is higher than the sector median. The cost of total training, on the other hand, is not monitored at Group level yet, as it is still limited to the Italian perimeter. Compared to the previous year, the percentage of personnel involved in the performance appraisal process increased. Moreover, in the end of 2021 a project was launched to revise the Performance Management process aiming to provide a better support to people in the context of performance evaluation and management. As part of the strategic sustainability plan currently being defined, the Company identified a number of social objectives, including, for example, extending training on ESG issues to all employees, as well as contributing to various initiatives with associations, research centers, theatres and universities. At the governance level, the high level of management of sustainability issues is confirmed in 2021, with a score in line with the median of the reference cluster. We can mention some initiatives occurred in 2022, which include: the appointment of an Advisory Board with advisory functions, the assignment, also to managers in charge of staff functions and operating companies, of a variable part of remuneration linked to ESG criteria, the strengthening of the management of ERM activities and the development of a Group sustainability strategy (currently being defined). The Group is a family-run business and adopted a governance structure aimed to supervise the companies thanks to the presence of at least one director of Manni Group S.p.A. in the subsidiaries; the level of independence within the Group is limited, as well as the presence of women in the Board of Directors and among the top management positions. Unlike the previous year, the Group has not set up an Ethics Committee, as the internal audit is responsible for performing monitoring activities on the organization compliance with the principles included in the Code of Ethics. Likewise, a Sustainability Committee has not been established yet. Finally, the management of the economic value generated is in line with the average value obtained by the companies of the cluster, with a positive impact in relation to the overall economic value distributed to suppliers. Compared to the previous year, the indicators referring to the share of value distributed to the community increased, while those concerning the share of value retained decreased.