



2024 Sustainability Report



D'ANDREA[®]
THE ART OF PRECISION



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THE ART OF PRECISION

2024 **Sustainability Report**

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

for the first time, I am using the term 'sustainability' to describe what has always been part of our way of working.

Sustainability is the principle that guides all our choices: for us, it means combining technological innovation, social responsibility, and respect for the environment to generate value not only for the company but for the entire community.

D'Andrea S.p.A. was founded in 1951 thanks to my father Marino D'Andrea's dream to create a company that combined technology and humanity, and our story shows how a business can also become a driver of social development. Our company's constant development path has allowed us to transform our industrial success in the precision mechanics sector into shared value.

I have never believed in charity for its own sake, but in active social engagement: contributing helping people help themselves through education and schooling by building schools in Africa, creating jobs for young people in my home region, Molise, providing care and peace of mind for the disabled and the elderly by opening nursing homes and residences, supporting the growth of local communities, spreading the culture of respect and environmental protection.

These are some tangible examples that tell the story of a journey in which technological innovation and social and environmental responsibility mutually feed each other.

It is precisely from this vision that the decision to voluntarily draw up our first Sustainability Report, relating to the year 2024, arose. We consider it to be the natural consequence of our social and environmental commitment: an act of transparency and a concrete signal of our willingness to continue to create lasting value through our work.

With this document we want to start sharing results, but also future commitments. Sustainability is not a goal but a journey that is taken together, looking to the future with the conviction that sustainability means a balance between business, people, and the environment.

Ermanno D'Andrea

Sustainability for us it means combining technological innovation, social responsibility, and respect for the environment to generate value not only for the company but for the entire community.



METHODOLOGICAL NOTES

D'Andrea chose Reporting Combination B, the most complete one, to draw up the Sustainability Report

This report was compiled in compliance with the **Voluntary Sustainability Reporting Standard (VSME), for Non-Listed SMEs**, developed by the *European Financial Reporting Advisory Group (EFRAG)*.

To draft the Sustainability Report, **Reporting Combination B**, which includes the reporting of both the **Basic Module** as well as the **Comprehensive Module** was chosen. All VSME were complied with. In addition to the information requested by VSME, sometimes the information was **integrated**, where deemed appropriate, providing further data, in line with GRI standards. No *classified or sensitive* information was identified; therefore, **no disclosures were omitted**.

This sustainability report was drafted on an **individual basis**, considering only the perimeter of D'Andrea S.p.A. (hereafter also *D'Andrea, the Company, or the company*). The report analysis did not consider the company D'Andrea Molise Srl; however, it was included with reference to some reported qualitative information, such as initiatives and projects. All quantitative numerical data relates exclusively to D'Andrea S.p.A. and refers to the 2024 fiscal year.

LEGAL FORM OF THE COMPANY:

Joint-stock company (S.p.A.)

BALANCE SHEET ENTITY:

€ 5,274,308

NUMBER OF EMPLOYEES

82

NACE CODE:

25.63

REVENUE FROM SALES AND SERVICES:

€ 21,256,712

COUNTRY OF PRIMARY OPERATIONS:

Italy

HEADQUARTERS:

Via Garbagnate, 71 - 20045 - Lainate (MI)



D'ANDREA

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D'ANDREA SPA

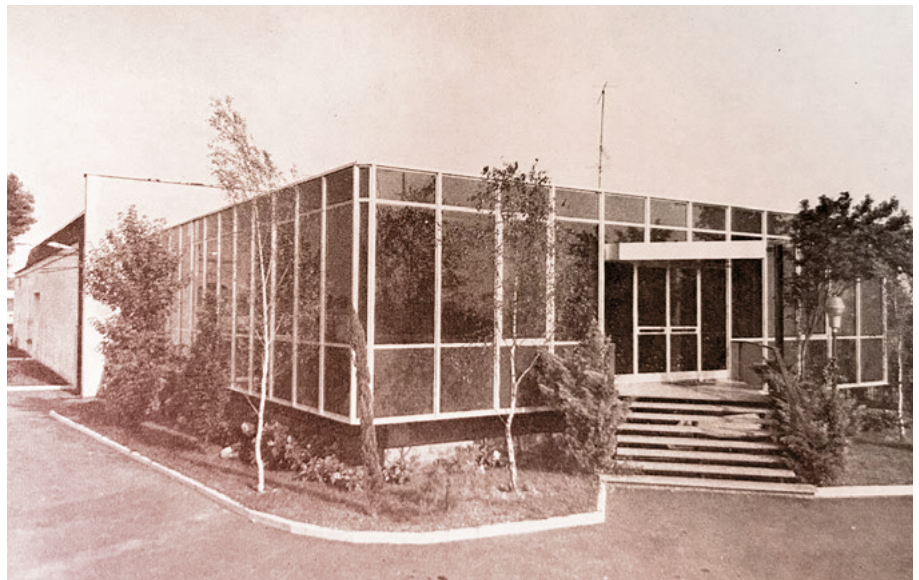
1.1 ABOUT US

1.1.1 Our business and story

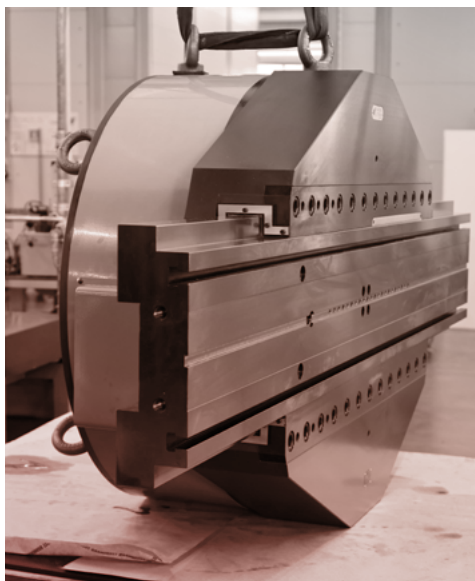
D'Andrea is an Italian company, a world leader in the **production of high-precision machine tool accessories**. Internationally recognised for the quality of its products, the D'Andrea family - now in its third generation - has been carrying on a constant commitment since 1951 to **develop innovative technological solutions** in line with the times.

The entire **production** of tool holders, modular systems, and CNC heads for boring and facing operations is concentrated at the **Lainate** (Milan) and **Castel Del Giudice** (Isernia) plants. Here a continuous challenge takes shape: designing and developing products that increasingly and effectively interact with new technologies in the digital era, ensuring precision, reliability, and high performance.

D'Andrea's story is a journey of continuous evolution, made up of innovations that have made great developments in the sector. Everything started in **1951**, when Marino D'Andrea founded the company in Milan and introduced the **TA**, the first manual boring and facing head. This insight produced a constant progression: in **1963** the **TS**, was launched, with manual and automatic advancement, followed by the **TA Sensitive** in **1974**, the third generation D'Andrea head, which would reach over 40,000 units sold worldwide.



In the mid-1970s, the company made a technological leap: in 1975 it introduced U-TRONIC, the first boring and facing heads with numerical control. It was the beginning of a new phase, which in 1981 led to the arrival of the U-CENTER, dedicated to CNC turning operations on standard and special machining centres.



The value of D'ANDREA's design and engineering was recognised in **1989**, when it received the prestigious **Compasso d'Oro (Golden Compass)** award for **Industrial Design**.

The nineties saw further technological expansion: in **1991** the **MODULHARD'ANDREA – MHD** system was launched, a symbol of modularity, strength, and precision, together with the **TRM – TRC** heads, known as the *Testarossa*. Towards the end of the decade, in **1999**, the **AUTORADIAL**, automatic facing head, was developed.

With the new millennium, D'Andrea consolidated its production structure: in **2002** the Lainate and Castel Del Giudice plants became the nerve centre of production. In **2004** the **MONOforce** and **MONOd'** solutions arrived, designed to provide quality, precision, and convenience, while in **2007** and **2008** the U-TRONIC range and the **TA-CENTER** and **TA-TRONIC** heads further expanded the advanced CNC machining range.

Innovation continued in **2014** with the **TR-ELETTRA 50**, digital micrometric boring head in the Testarossa range, followed by the **PSC** modular line in **2015**.

In recent years, D'Andrea has continued to look to the future: in **2022** it presented the **BHT** system, dedicated to large diameter boring; and in **2023** the **TA-CENTER**, **TA-TRONIC** and **TA-SENSITIVE** heads were redeveloped; then in **2024**, it launched the **THT** system, designed for modular turning.

D'Andrea's story has continued to be guided by the same vision that inspired it when it was founded: **to create precision technologies that anticipate market needs and accompany the evolution of the manufacturing industry.**



1950



1951

Marino D'Andrea

founded the company in Milan

The **TA** was launched the first manual boring and facing head



1960

1963

Then came the **TS** with manual and automatic advancement



1970

1974

Then came the **TA Sensitive** with over 40,000 units sold worldwide

1975

The company launched the **U-TRONIC** the first boring and facing heads with numerical control



1980

1981

The **U-CENTER** was opened dedicated to CNC turning operations on standard and special machining centres

1989

Compasso d'Oro (Golden Compass) award for Industrial Design

A JOURNEY OF CONTINUOUS EVOLUTION



1989

Presented with the prestigious **Compasso d'Oro (Golden Compass) award for Industrial Design**

1991
The **MODULHARD'ANDREA - MHD**, system was launched, together with the **TRM - TRC** heads, known as the Testarossa

1999
The **AUTORADIAL**, automatic facing head, was developed



2000

2002
The **Lainate and Castel Del Giudice** plants became the nerve centre of production

2004
Then came the **MONOforce** and **MONOd'** solutions

2007, 2008
The **U-TRONIC** range and **TA-CENTER** and **TA-TRONIC** heads further expanded the advanced CNC machining range

2014
The **TR-ELETTRA 50**, digital micrometric boring head, was launched

2015
Then came the **PSC** modular line



2020

2022
The **BHT** system was presented

2023
The **TA-CENTER**, **TA-TRONIC** and **TA-SENSITIVE** heads were redeveloped

2024
The **THT** system was launched for modular turning

1990



3RD GENERATION OF THE D'ANDREA FAMILY

1.1.2 The value chain

C1 Strategy: business model and initiatives related to sustainability

D'Andrea S.p.A. supplies both **machine tool manufacturers**, as well as a network of **importers, resellers and distributors** active in more than **50 Countries**, thanks to a solid commercial network. The company operates in **various industrial sectors**, including the aerospace, automotive, carpentry, energy, medical, mould-making, and earth-moving machinery sectors. Its distinctive value lies in its **"100% Made in Italy"** positioning which **combines high precision, reliability, durability, and technological innovation**, with products designed to ensure minimal tolerances, maximum accuracy, and a long service life.



50 countries

ACTIVE COMMERCIAL PRESENCE WITH A CONSOLIDATED NETWORK OF IMPORTERS, RESELLERS, AND DISTRIBUTORS.



100%
MADE IN ITALY



100
SUPPLIERS IN THE SUPPLY CHAIN



D'Andrea S.p.A.'s supply chain includes around **100 suppliers**, including **40 strategic partners**, selected on the basis of quality and reliability criteria. The majority of **semi-finished products** are produced by the subsidiary **D'Andrea Molise**, owned 99.5% by D'Andrea S.p.A., and then finished and tested at the main headquarters in **Lainate**, which also manages **production planning** and **logistics management**. Furthermore, D'Andrea provides **pre- and post-sales technical support, custom design** and **training** for optimal use of its products, strengthening trust relationships with customers.

Fields of application

The D'Andrea **business model** is based on a **distribution system involving local distributors**, with the transport of finished products at the customer's expense. Products are shipped to the company's plant or directly to distributors/importers. Shipments in Europe mainly take place by road, while those directed to extra-European markets, such as India, China, and the United States, are carried out by ship or air.

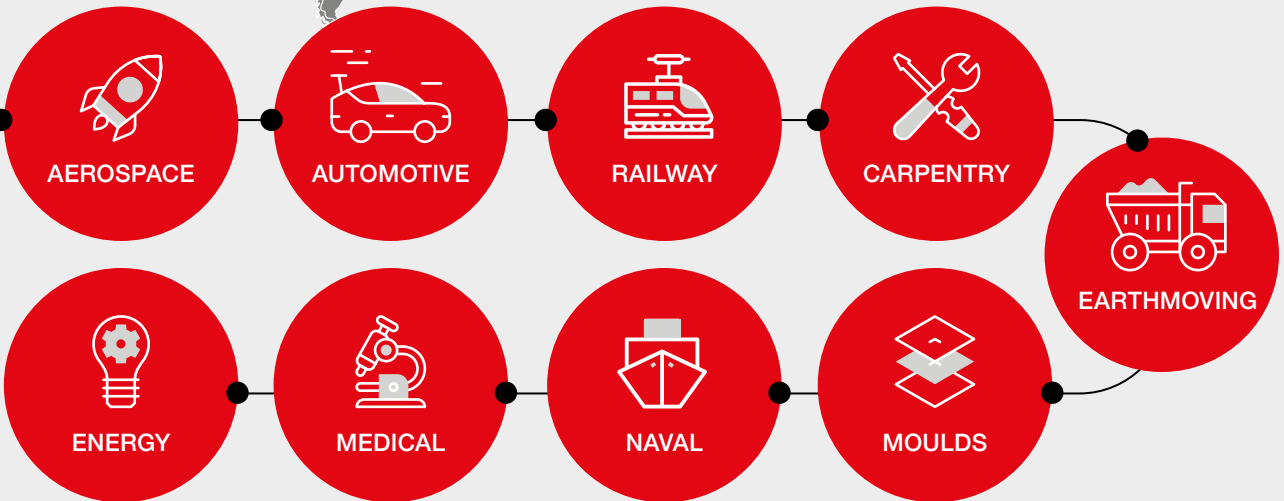


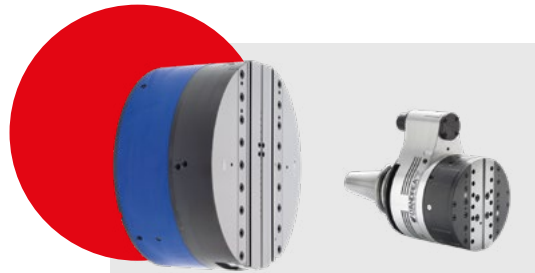
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1.1.3 Our Products

C1 Strategy: business model and initiatives related to sustainability

D'Andrea produces a wide range of highly specialised products for the mechanical processing sector, with a clear division between **tool holders** and **boring and facing heads**.

The entire production cycle is guaranteed by design, manufacturing, and marketing procedures compliant with the **ISO 9001 standard** and accompanied by a training and information system that involves users in every new development.



Boring and facing heads

D'Andrea **boring and facing heads** are designed to meet the most advanced needs of complex machining.

Available both in a manual version and with numerical control (NC), they are perfect for operations that require high precision, such as internal and external turning, boring with conical angles, and spherical machining.

The NC versions, equipped with advanced engines and control systems, are ideal for applications on boring machines, machining centres, and special machines.



Tool holders

D'Andrea **tool holders** include high-precision modular and integrated solutions, ideal for applications such as boring, milling, drilling, and tapping.

MHD and PSC modular systems, with DIN 69871, MAS BT, HSK and PSC spindles, ensure extraordinary versatility, making them suitable for operations on machining centres, boring machines, and special machines.

In particular, the MHD spindle stands out for its ability to ensure high rigidity and concentricity, thanks to its exclusive combination of cylindrical-conical coupling and an expandable pin.

Sales Trend

During the year 2024, D'Andrea's total sales volume amounted to around 21 million euro. Revenue distribution by product line highlighted the predominance of the HEADS line, which was 30% of the total, while the TOOLS line made up the remaining 70%.

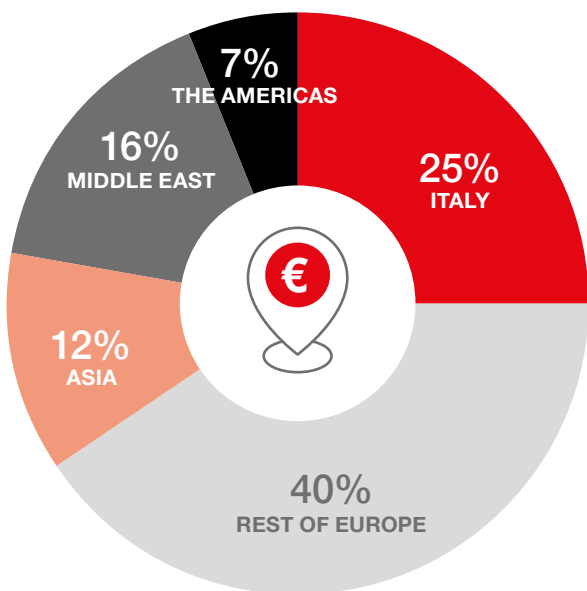
Among the products sold, the MHD line stood out for its commercial performance, generating about 50% of revenue on its own, and the U-TRONIC line, with a 16% share of total sales.

From a geographical point of view, the Italian market accounted for about 25% of total sales, while the rest of Europe accounted for 40%. Asia contributed 12%, the Middle East 16%, and the Americas 7%. Significant growth was reported in recent years on the Indian, Chinese, United States, and South American markets, which continued to be strategic areas for the company's international expansion.

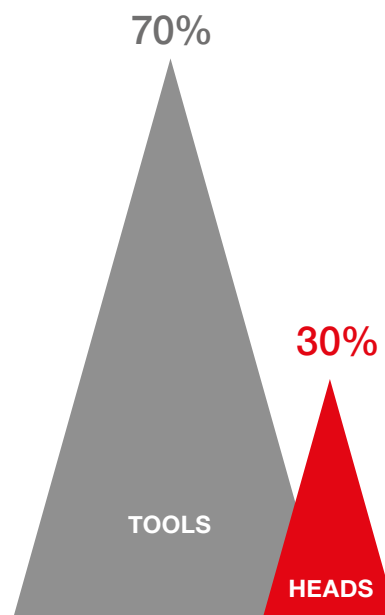
Significant growth was reported in recent years on the Indian, Chinese, United States, and South American markets

€ 21 million

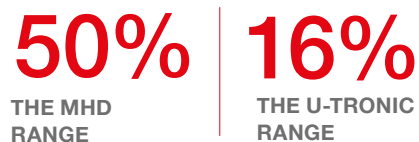
Total sales in 2024



GEOGRAPHICAL DISTRIBUTION OF TOTAL SALES



REVENUE DISTRIBUTION



COMMERCIAL PERFORMANCE

1.2.1 Materiality assessment

Materiality assessment is the key tool to identify and define material topics, that is all those aspects of economic, social, and environmental sustainability that are relevant to the company and its stakeholders, which are then described and reported in the **Sustainability Report**.

To define the priority content and guide future strategic choices in the ESG field in a structured way, in 2024 D'Andrea carried out a **double materiality assessment**. The aim was to identify the **sustainability issues most relevant to its business**, and its **stakeholders** and for the **competitive context** the company operates in, by assessing both their relevance in terms of impacts generated by the company, and their **potential financial relevance**, in line with the approach required by European legislation (**CSRD – ESRS**) and with voluntary reference standards. The **VSME standards do not provide for** a double materiality assessment, which is the reason D'Andrea decided to adopt the methodology proposed by the ESRS standards.

In particular, downstream of the materiality process **the following material topics were identified:**



Occupational health and safety and training and employee development, areas where the company has already implemented structured initiatives that are appreciated by stakeholders;



Equal treatment and equal opportunities, connected to D'Andrea's historical attention to an inclusive work environment;



Circular economy and waste management, strictly linked to production processes and the precision technologies employed;



Energy consumption and (Scope 1 and 2) greenhouse gas emissions, important environmental issues in a manufacturing context;



Repairability, innovation, and product eco-design, consistent with the company's positioning in high-precision mechanics;



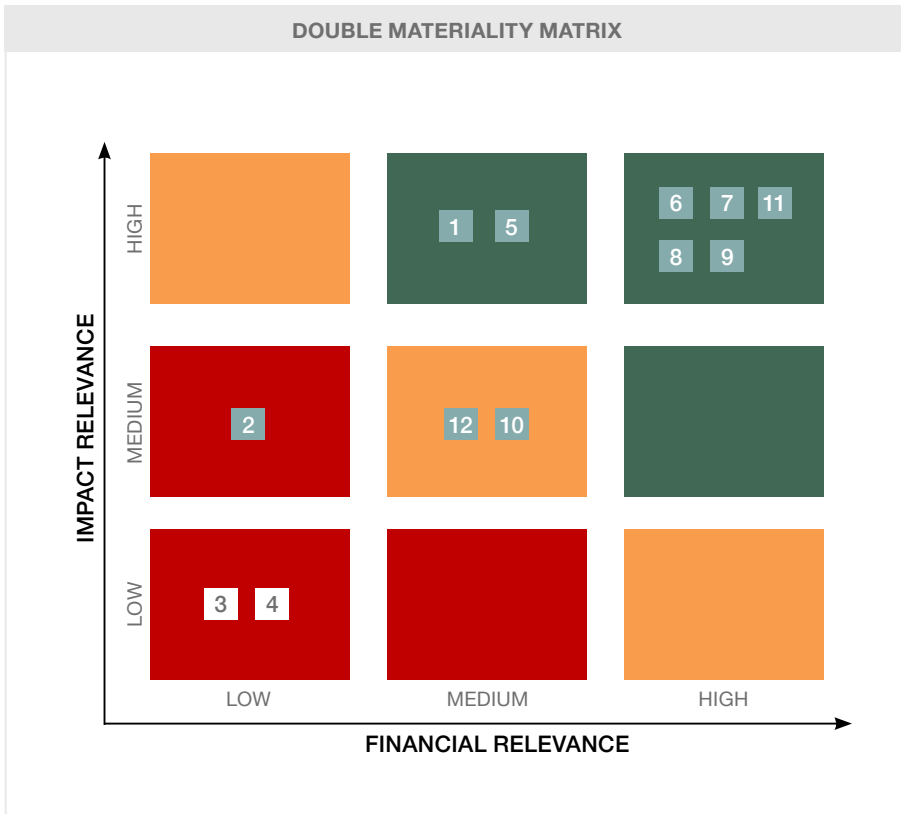
Distribution of economic value and relationships with suppliers, reflected by the centrality of the supply chain and technical partnerships;



Governance and compliance, fundamental to ensure continuity, transparency, and product quality in the long term.

Following the materiality assessment, the issues related to water and air pollution and to water withdrawal and consumption were found to be non-material. Once the material topics were identified, the corresponding **VSME standards** were selected, to ensure D'Andrea's key metrics were reported.

Although the company does not have any specific regulatory obligations, it aims to initiate R&D projects to explore the issues of repairability and reusability, in line with the requests of the European Union and the market. These projects, still in the preliminary stages, will be developed and detailed in future sustainability reports.



Relevant topics

- Topic 6** Repairability of products, innovation, and product eco-design

- Topic 7** Equal treatment and opportunities for all

- Topic 8** Human resource training and development

- Topic 9** Promoting occupational health and safety

- Topic 11** Promoting lasting and inclusive economic growth through supplier relationships

- Topic 5** Circular economy and waste management

- Topic 1** Energy consumption

- Topic 2** (Scope 1 and 2) greenhouse gas emissions

- Topic 12** Governance and Compliance

- Topic 10** Contributing to the local community

- Topic 3** Air, water, and soil pollution resulting from production processes

- Topic 4** Water withdrawal and consumption





ENVIRONMENTAL METRICS

2.1

RISKS CONNECTED TO CLIMATE CHANGE

C3 Greenhouse gas emission reduction targets and climate transition

C4 Climate risks

D'Andrea S.p.A. has not yet formulated an **analysis or assessment regarding economic impact and operations**, that **climatic and catastrophic risks** could have on its business, nor has it implemented a specific **policy** to manage impacts related to climate change or set targets to reduce greenhouse gas emissions. However, **potential impact areas**, were identified which were then **analysed** by the management.

The **summer heat** was the main **climate risk** identified, with a direct impact on business operations, in particular on **precision machining**. High temperatures negatively affect the work environment, machinery, and the pieces themselves, making it difficult to maintain the tolerances required by **quality standards**.

This could cause non-compliance and the consequent rejection of products by customers. To address this problem, the company installed **air conditioning in the workshop**, to control the temperature during periods of extreme heat.

Catastrophic risks are also an important topic, in particular in relation to the insurance obligations provided for by the 2024 Budget Law. Among the real risks, strong **cloudbursts and water bombs** resulting in **floods** are the most significant. The proximity of a river and a canal to D'Andrea's headquarters increases the likelihood of significant impacts.



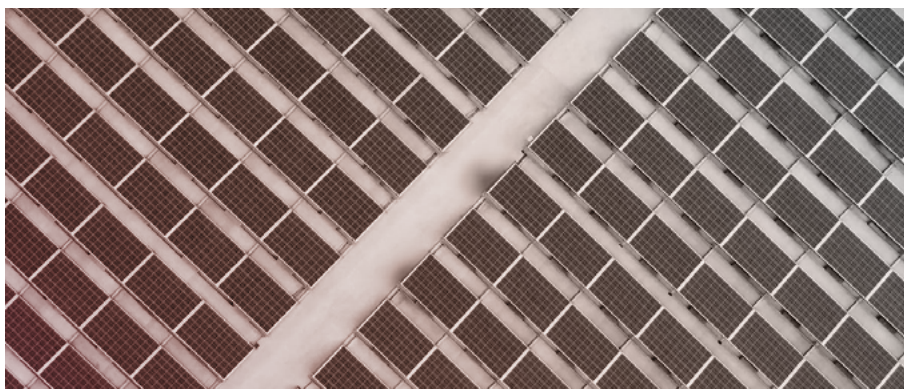
Air-conditioning system

INSTALLED IN THE WORKSHOP TO COMBAT HEAT WAVES

In 2025 D'Andrea took out a voluntary **optional warranty** for “flooding and cloudbursts” due to the inability of the ground to drain and/or absorb water and the consequent accumulation caused by short but very intense rain.

2.2

ENERGY CONSUMPTION AND EMISSIONS



- B3** Energy and greenhouse gas emissions
- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- C2** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy

D'Andrea does not purchase electricity from renewable sources, however in 2025 the **purchase of renewable energy with Guarantee of Origin**, was foreseen in line with the company's commitment to an energy transition. Furthermore, in 2011 the company installed **photovoltaic panels** on the warehouses at the Lainate headquarters that ensure the production of renewable energy, with the aim of **expanding the generative capacity** in the coming years by installing new panels.

In 2025 D'Andrea will **purchase renewable energy with Guarantee of Origin**, in addition to the energy produced by its **photovoltaic panels**.

The company car fleet is made up of vehicles acquired through rental, as well as **hybrid vehicles** which were recently added. Currently, there are no fully electric vehicles.

In **2024** 718.5 MWh of the **electricity purchased**, was entirely of non-renewable origin. This was in addition to the self-produced energy with the photovoltaic panels, which contributed to meeting demand and to a marginal extent was fed into the grid and sold.



90.0 MWh

THERMAL ENERGY
FROM RENEWABLE SOURCES

As for fossil fuels, the energy consumed in 2024 was **651.6 MWh**, also including **natural gas** used for heating and production processes and diesel and petrol.

Therefore, adding both electricity and the energy derived from fossil fuels, total energy consumption in **2024**, amounted to approximately **1,460 MWh**, **1,370.1 MWh of which non-renewable and 90.0 MWh renewable**.

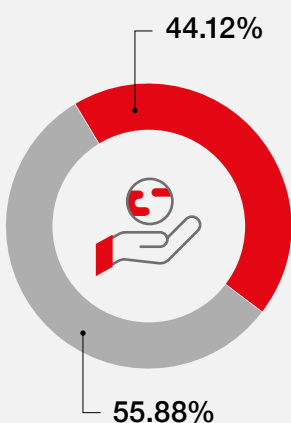
ENERGY CONSUMPTION TOTAL 1,460 MWh

Electricity	Renewable (photovoltaic)	90.0 MWh	808.5 MWh
	Non-renewable	718.5 MWh	
Fossil fuels from company vehicles	Petrol	16.0 MWh	105.9 MWh
	Diesel	89.9 MWh	
Fossil fuels from mixed-use vehicles	Petrol	4.3 MWh	80.3 MWh
	Diesel	76.0 MWh	
Gas heating	Renewable		465.5 MWh
	Non-renewable	465.5 MWh	

In line with the requirements of the VSME standard, the **Scope 1 carbon footprint** (emissions mainly resulting from company vehicles and fuel consumption for heating) **and Scope 2** (emissions resulting from indirect emissions related to the consumption of purchased electricity) were also calculated. The process was carried out based on the **GHG Protocol** methodology, which is widely recognised and capable of providing reliable and comparable data on greenhouse gas emissions.

Self-produced energy with photovoltaic panels **does not affect CO emissions₂**, since the latter was equal to 0.

SCOPE 1 + SCOPE 2 EMISSIONS



- Scope 1 emissions
- Scope 2 LB emissions

Scope 1 emissions	t CO ₂ eq	244.6
Scope 2 LB emissions¹	t CO ₂ eq	309.8
Scope 2 MB emissions	t CO ₂ eq	359.7
Scope 1+2 LB emissions	t CO₂eq	554.4
Scope 1+2 MB emissions	t CO₂eq	604.3

In 2024, D'Andrea S.p.A.'s energy intensity was 26.1 tCO₂/m².

The company currently does not have any data to calculate Scope 3 emissions.

¹ Location Based emissions were calculated using average emission factors of the national energy mix (renewable sources and fossil sources) of the location where the energy was consumed. D'Andrea S.p.A. did not purchase energy with Guarantee of Origin in 2024

² The greenhouse gas intensity was calculated by dividing "gross Scope 1 and Scope 2 greenhouse gas emissions" by the data "revenues from sales and services (in monetary units)". The Location Based value of Scope 2 emissions was used for the calculation. The ratio is expressed in tCO₂ per million euro

2.3

INCOMING FLOWS AND WASTE

- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- B7** Use of resources, circular economy, and waste management
- C2** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy

During 2024, D'Andrea S.p.A. identified and monitored the main **materials used** in its production processes. Analysis of incoming flows made it possible to determine the total amount of materials used by the company, which amounted to 284,489 kg. This figure was the total materials needed for **production activities**, the processing procedures and **packaging** of finished products.

INCOMING FLOWS		U.M.	2024
Materials used	Raw materials for production	kg	248000
Materials used	Associated process materials	kg	3693
Materials used	Semi-finished goods	kg	1825
Materials used	Packaging materials	kg	29626
Materials used	Finished products	kg	1345
Total materials used	Total materials used	kg	284,489.00



284,489 kg

TOTAL INCOMING MATERIALS USED BY THE COMPANY FOR PRODUCTION, PROCESSING, AND PACKAGING

Starting from the 2025 Report, the percentage of **recycled material used in raw materials** will be monitored and reported. The aim will be to collect and report data related to the use of recycled material, to improve the transparency and efficiency of production processes.

As for waste management, D'Andrea S.p.A. operates in compliance with current European regulations, which govern the stages of waste production, classification, separation, collection, storage, and final disposal.

TYPE OF WASTE		U.M.	2024
Hazardous and non-hazardous waste	Total waste generated	kg	84005
Hazardous waste redirected to recycling or reuse	Other recovery operations (R1; R10-R13)	kg	140
Hazardous waste destined for disposal	Other disposal operations (D2-D9; D12-D15)	kg	37,330
Total hazardous waste	Total waste generated	kg	37,470
Non-hazardous waste redirected to recycling or reuse	Other recovery operations (R1; R10-R13)	kg	46,535
Total non-hazardous waste	Total waste generated	kg	46,535
Hazardous and non-hazardous waste	Total waste redirected to recycling or reuse	kg	46,675
Hazardous and non-hazardous waste	Waste destined for disposal	kg	37330

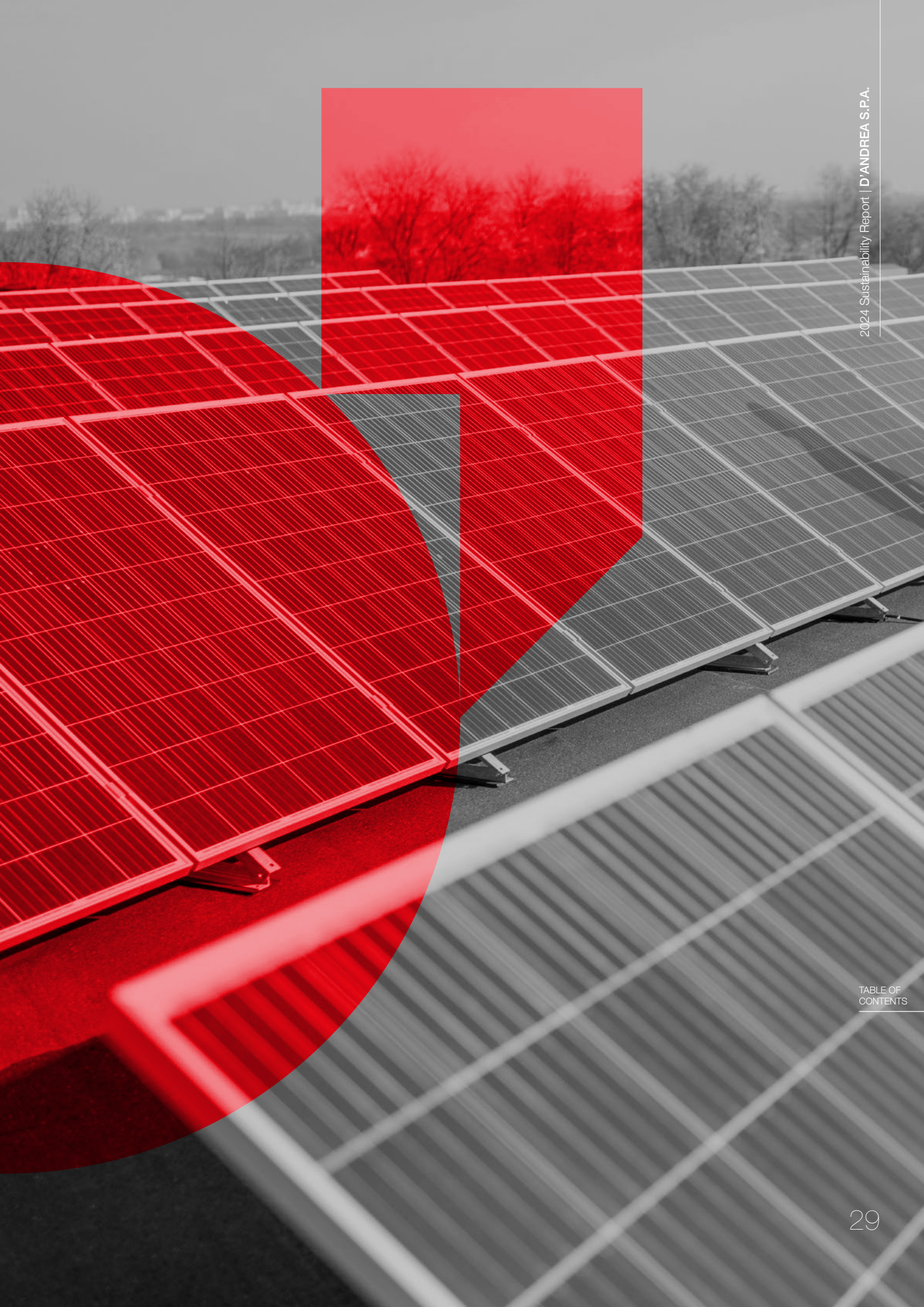
Production activities and packaging generate both solid and liquid hazardous and non-hazardous waste. In particular, the majority of **hazardous waste** is oily emulsions for mechanical processing. While the **non-hazardous waste** is divided into different categories, such as filings and shavings of ferrous materials, paper and cardboard packaging, and wooden packaging. Waste classification takes place according to current regulations, in particular using CER codes.

D'Andrea's waste management is based on **established operating procedures**, aimed at correct separation, collection, storage, and disposal.

External suppliers for waste recovery and disposal are selected after verifying they have the necessary authorisations and certifications. These subjects are periodically monitored to ensure they maintain the requirements, also by checking updated documentation.



Currently there are no **formalised procedures**, but they are scheduled in view of the implementation of an environmental management system in accordance with the **ISO 14001** standard.







SOCIAL METRICS

3.1 OWN WORKFORCE

3.1.1 General characteristics of the workforce

- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- C2** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy
- B8** General characteristics
- C5** Other general characteristics of the workforce



82
EMPLOYEES

As of December 31, 2024, the company workforce was composed of **82 employees**, all **located in Italy**, of which **74 men and 8 women**, all hired with **permanent contracts**, to ensure the best possible level of contractual stability. All employees are all employed full-time, except for one employee who has a part-time contract.

The reduced female presence in the company (10%) reflects the characteristics of the metalworking sector, where female employment presence is around 20%³. It is a sector traditionally dominated by men, especially in the production roles, which are a significant part of the company.



100%
PERMANENT

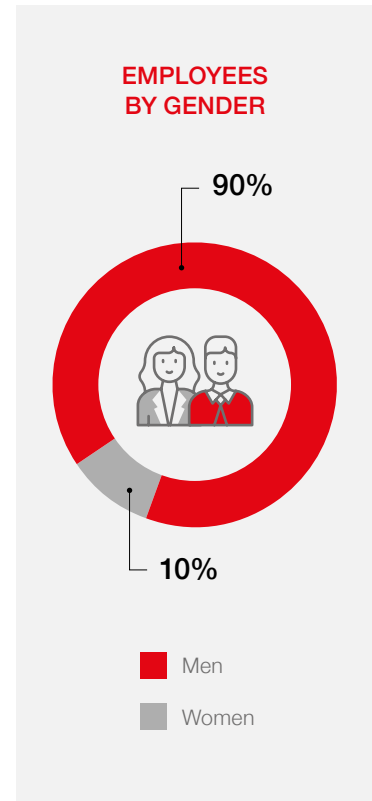
The age group most represented in the company is between 30 and 50 years old, with 58 employees (71%), while 17 are over 50 (21%) and finally 7 employees who are under 30 (8%).

In 2024, D'Andrea's workforce saw the entry of a new male employee, compared to the termination of six employment relationships. This generated a turnover rate or **turnover**, of **7%**.

The company's staff was made up of 3 male managers, 18 male employees, and 8 female employees. The most heavily represented group was that of workers, consisting of 53 men.



7%
TURNOVER RATE



³ The characteristics of female employment in metalworking companies in Italy, FIM CISL [REPORT- gender equality -FIM-2023.pdf](#); In the metalworking industry, only one in five employees is a woman, Il Sole 24 Ore [In the metalworking industry, only one in five employees is a woman - Il Sole 24 ORE](#)

In 2024 the company hosted 6 students who carried out a program of transversal skills and orientation (**PCTO**), providing them the opportunity to complete their training directly in the company. For some of these students, the experience developed into a stable placement within the company staff as early as 2025.

D'Andrea S.p.A. recognises the importance of a **good work-life balance** and, for this reason, provides its employees with some benefits designed to enrich their work and personal experience.

To ensure greater work flexibility, the company implemented a **39-hour working-week**, thanks to an internal bargaining agreement. On Fridays, employees only have to work 7 hours. Furthermore, D'Andrea provides for an hourly flexibility of one hour in the morning (from **8:00 to 9:00**), and in the evening, to meet the individual needs of its employees.



As for **work-life balance**, the company provides several benefits, including a **free canteen** for employees and **free blood tests**, thanks to an internal bargaining agreement. **Remote work**, although not provided as a formalised option in 2024, was **granted on request** to employees whose duties were compatible with performing activities remotely and who have children under 14 years old or with particular health needs (caregivers).

Although a formal periodic review was not planned for employees, the company encourages informal and continuous **communication**. Meetings, even individual ones, are organised based on needs or specific requests. The company demonstrates that it open to dialogue, also in relation to the meetings scheduled and planned by the unions.



In 2025, the company plans to launch a **company benefit** platform called **Corporate Benefit**, which will offer discounts and economic benefits to its employees.



6 students

GUESTS OF THE COMPANY COMPLETED A COURSE IN TRANSVERSAL SKILLS AND ORIENTATION (PCTO)



Free

CANTEEN FOR EMPLOYEES



Free blood

TESTS



Company regulations

GOVERN THE MAIN ASPECTS OF WORKFORCE MANAGEMENT



The Whistleblowing System

ACCESSIBLE TO EMPLOYEES, COLLABORATORS, SUPPLIERS, AND OTHER EXTERNAL SUBJECTS



The 231 Model

IS EXPECTED TO BE IMPLEMENTED BY 2026

3.1.2 Diversity and human rights

- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- C2** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy
- B10** Remuneration, collective bargaining and training
- C5** Other information about the workforce – Policies and procedures on human rights
- C7** Serious human rights incidents

All 82 D'Andrea S.p.A. employees are covered by the **National Collective Bargaining Agreement (CCNL) for the metalworking industry**, thus ensuring compliance with basic social protection and minimum wage measures, which are mandatory by law. In addition to what is established by the CCNL, D'Andrea is committed to exceeding the minimum wage, by providing economic conditions higher than those established by the collective bargaining agreement.

The company implemented a **company regulation**, dating back to March 2021, which regulates topics concerning the workforce such as absences, attendance, overtime, business trips, company working hours, safety, and other supplementary agreements, such as company medical check-ups and reimbursement for glasses.

In 2024, a **whistleblowing system** was set up, accessible to employees, collaborators, suppliers, and other external figures who wish to make reports. The system guarantees anonymity to the people who make reports to the company and expressly prohibits any form of retaliation. The reporting channel is easily accessible through a dedicated section on the company's website. To date, no reports of any kind have been received.

D'Andrea currently does not have a formal **code of conduct** or any **specific policy on human rights** for its workforce. However, the company is committed to developing a **231 Model**, which is planned to be implemented by 2026, which will include policies and guidelines on human rights, issues of child labour, forced labour, but also discrimination, equal treatment, prevention of harassment and violence.

No serious incidents related to human rights, or any **discrimination**, occurred inside its workforce during 2024. Furthermore, the company is not aware of any confirmed incidents involving workers in the value chain, local communities, consumers, or end users.

In 2024 it was not possible to carry out a full calculation of the **gender pay gap**, since the available salary data did not allow for a reliable estimate that included all components (fixed and variable).

Also considering the company size (below the threshold of 150 employees, as provided by the VSME), the company is committed to enhancing the monitoring of wage data in the coming years, with the goal of making a more comprehensive analysis available in future reports.

3.1.3 Occupational Health and Safety

- B9** Occupational health and safety
- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- B10** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy



At the moment, D'Andrea S.p.A. does not have a formalised policy or a structured system to manage occupational health and safety. However, the company strictly complies with all legal obligations on the matter, ensuring its employees' health is protected. In accordance with current regulations, Personal Protective Equipment (PPE) is regularly distributed and fitness for the job medical examinations are carried out regularly.

As for the machinery, most of it is modern and equipped with advanced safety systems, such as safety blocks in case of any open doors.

During 2024 **2 injuries** were recorded, both of minor severity, which resulted in a total of 129 days of recovery. The injuries were caused by accidental impacts during normal operational activities. The **injury rate** for the year 2024 was **2.84⁴** (out of a total of 140,959 hours worked), while **no deaths occurred**.

“ A strategic objective for the future is to achieve **ISO 45001 certification**, scheduled for 2026, which will ensure the implementation of a more formal and structured management system for occupational health and safety, in line with international best practices.

⁴ The injury rate was calculated following the guidelines of the VSME standards, as follows: (number of work-related injuries during the reference year / total hours worked in a year by all employees) x 200,000

3.1.4 Training

- B10** Remuneration, collective bargaining and training
- B2** Practices, policies, and future initiatives for the transition towards a more sustainable economy
- C2** Description of practices, policies, and future initiatives for the transition towards a more sustainable economy

In 2024 the total number of **training hours provided** to employees was **719.5**. The majority of the training hours, 96% of the total, focused on **voluntary training**, consisted of courses on ISO 9001, courses on sustainability, internal training on soft skills, English language courses, and finally additional voluntary hours on occupational health and safety. The remaining 4% of the hours, on the other hand, concerned mandatory training required by law.



719.5

TOTAL TRAINING HOURS PROVIDED



96%

DEDICATED TO VOLUNTARY TRAINING

NUMBER OF TRAINING HOURS PROVIDED AND COMPLETED BY EMPLOYEES BY GENDER CATEGORY OVER THE COURSE OF THE YEAR

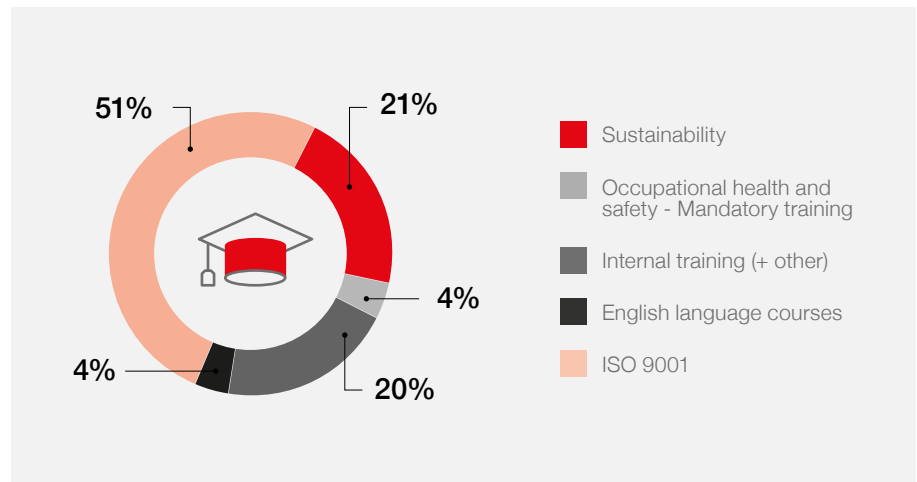
	2024
Total hours for Women	528
Total hours for Men	191.5

Total hours of training for employees

Average training hours for "Men"	7.19
Average training hours for "Men"	23.94

Average number of training hours per employee

	8.82
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In 2025, D'Andrea plans to organise a **sustainability training session** which will be provided to all employees.

3.2

THE LOCAL COMMUNITY



The more we give ourselves to others, the more we open the door to Life, which will pour over us in abundance. Let us learn to transform giving into a way of life: after all, it is what nature usually does.

Marino D'Andrea
Company Founder



D'Andrea and social issues: reasons and essential features of a forty-year commitment to local communities

D'Andrea S.p.A.'s commitment to social issues originated from an initiative from the Chair Ermanno D'Andrea and dates back to the end of the 1980s, long before the advent of social media networks and the emergence of the Sustainability Report: it therefore did not begin for promotional reasons or reporting obligations, but out of a genuine desire to promote social, cultural, and economic development in various local communities, also in memory of a philanthropic intention that the founder Marino D'Andrea did not have the time to fulfil, given that he passed away prematurely.

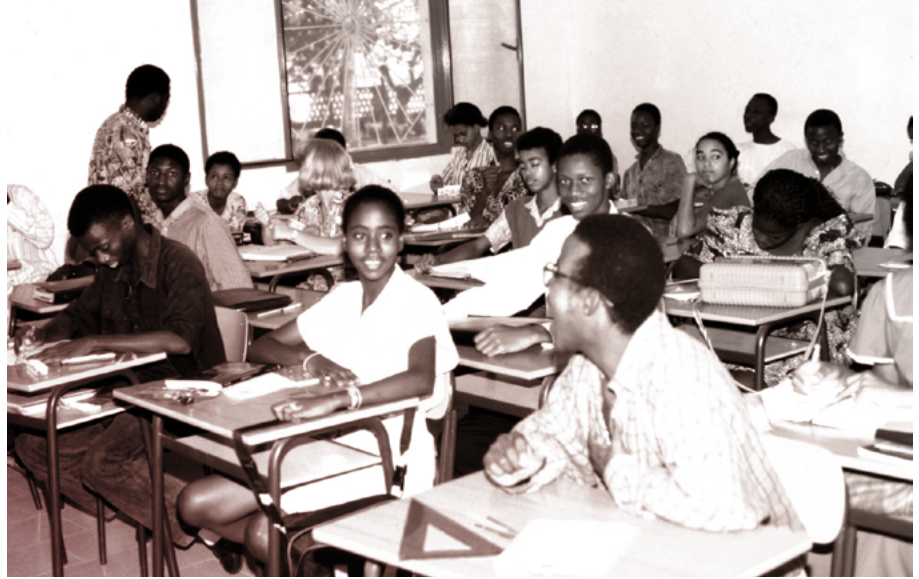
D'Andrea S.p.A.'s social commitment is distinguished by its objectives and methods of implementation: it does not seek welfare or charity for its own sake, but rather the creation of lasting value for people, communities, and the local area. Furthermore, it does not end with purely considerable economic support but focuses on the operational contribution of the D'Andrea family, as recalled by the president Ermanno himself: "We always follow the projects we support closely, we put our mind and time into them".

Developed on these ethical and methodological foundations, this commitment has also been progressively formalised in corporate governance, providing for the reinvestment of a portion of profits in socially oriented initiatives, with the aim of contributing to the sustainable development of local communities and the creation of shared value in the long term.

D'Andrea S.p.A.'s social engagement focuses on creating lasting value for people, local communities, and the local area

Projects in Guinea Bissau: the origin of D'Andrea S.p.A's commitment to social causes

Commitment to social issues took its first steps at the end of the 1980s, when Ermanno D'Andrea, driven by a feeling of indignation, decided to personally engage in assisting the population of Guinea-Bissau, one of the smallest and poorest countries in the world, identifying two specific areas to intervene in: education and schooling.



In synergy with **Pime**, and in collaboration with the Diocese of Bissau, D'Andrea S.p.A. financed and coordinated projects for the construction of 13 schools, 4 curricular textbooks, 1 cultural centre, and several wells, water facilities, and residences for volunteers and teachers between 1989 and 2014.

Among these, particular importance was paid to the **Pope John XXIII Classical and Scientific High School**, which is now considered to be the most important higher education institution in the country. The company's commitment in Africa continued until the mid-2010s and ended when all the projects that had been started were able to stand on their own two feet and be financially and operationally autonomous.

Commitment to Local Communities

The nearly twenty-year commitment in Africa left not only the tangible and still living infrastructures in Guinea as a legacy, but also a **culture of "concrete and active solidarity"** in the corporate background, which since the late 1990s has had the opportunity to further materialise with important initiatives for local communities in Molise and Lombardy.

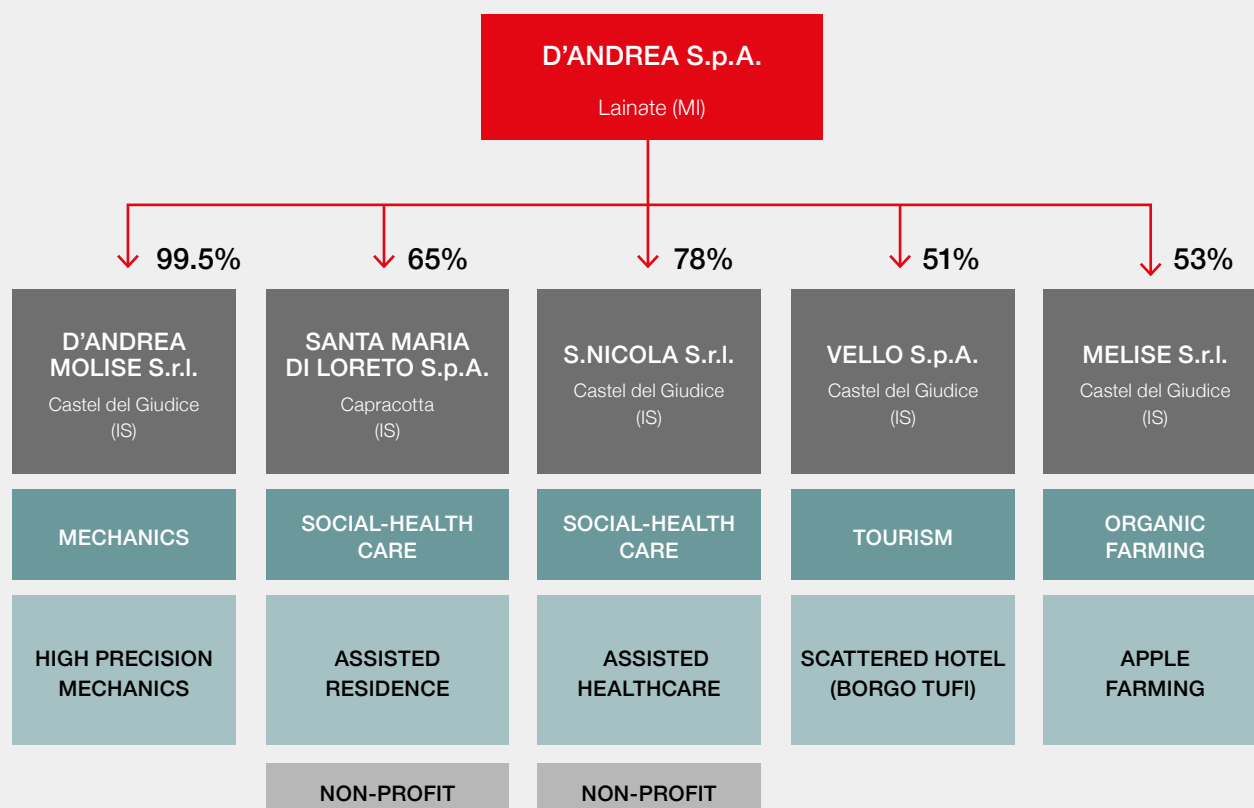
Projects in Molise

At the end of the 1990s, Ermanno D'Andrea decided to fulfil a lifelong dream he shared with his father, Marino: **to open a branch of the company in Molise**. The process began in 1999 and ended in 2002, with the commissioning of the Castel del Giudice plant (a municipality bordering their hometown Capracotta) with “ **D'Andrea Molise**”, which today employs 25 people.

In Chair Ermanno D'Andrea's plans, the opening of the Castel del Giudice office was only the first step in a broader plan to support his hometown. In just a few years, D'Andrea, in collaboration with the Municipal Administration, promoted and funded projects for the benefit of the entire territory of Alto Molise, with the overall aim of stopping social, economic, and demographic decline in the area.

D'Andrea's involvement in these initiatives did not end with the launch of the projects, but continues to this day, **on a daily basis**: D'Andrea S.p.A., holds the **majority shares** in the company groups involved in these projects, **not for profit**, but with the exclusive aim of financially supporting (and not only) these companies and covering any potential losses.

D'Andrea promotes and funds projects for the benefit of the entire community in Castel del Giudice



Commitment to the elderly and the vulnerable: the “San Nicola” nursing home and the “Santa Maria di Loreto” retirement home

The “San Nicola” nursing home was the only one in Molise for 20 years



The “San Nicola” nursing home was opened in 2002 and for the following 20 was the **only nursing home in Molise**. Managed by San Nicola Srl, 78% controlled by D’Andrea S.p.A. and chaired by Ermanno D’Andrea, it caters to elderly people who are not self-sufficient and people with disabilities (it currently has **35-40 residents**).

Even the “Santa Maria di Loreto” retirement home in Capracotta, inaugurated in 2008 and managed by Santa Maria di Loreto S.p.A., 65% controlled by D’Andrea S.p.A and also chaired by Ermanno, has **special characteristics**: it is a *shared house*, without the strict time constraints that generally govern these communities; it does not use foodstuffs, but only fresh and quality products. Furthermore, the majority of the **42 residents** are inhabitants of Capracotta who had left the municipality, only to return once they reached old age.



35-40

RESIDENTS AT THE “SAN NICOL NURSING HOME

42

RESIDENTS AT THE “SANTA MARIA DI LORETO” RETIREMENT HOME



The commitment to the redevelopment of the village and the area around Castel del Giudice



The Borgo Tufi scattered hotel

Started in 2003 thanks to a synergy between the Municipality of Castel del Giudice, D'Andrea S.p.A, and Ricci Guido Srl (owned by Enrico and Gianfranco Ricci), "Borgo Tufi" is managed by Vello S.p.A, 51% owned by D'Andrea. The village is made up of about 40 small independent houses, spread through alleys and small squares, created by restoring old stables and barns. Common facilities include conference rooms, a wellness centre with a swimming pool and a panoramic terrace, and spaces for cultural events. The

project, recognised as an example of eco-sustainable tourism, revitalised the local economy, safeguarded the architectural heritage, and created an active community around a new model of scattered hospitality.

Melise: a project with a triple impact

Also part of the regeneration process undertaken together with the Municipal Administration, in 2003 the agricultural company Melise srl was also established, 53% controlled by D'Andrea S.p.A, with the aim of **recovering abandoned land** (caused by a decline in the population) in the municipal territory and give it new life, by cultivating and marketing apples and other products, such as organic jams and high-quality fruit. In recent years, the cultivation of apples has been joined by the cultivation of brewing barley to produce a well-regarded **farmhouse beer**. The now over twenty-year activity in Melise has therefore had a **triple impact**: visual-landscape, socio-economic and demographic (it provided work for young people and migrants involved in the ministerial "SAI" project, who then remained in Castel del Giudice).



Commitment to Local Communities: Projects in Lombardy

Alongside these initiatives, commitment to the local community in Lombardy has also grown. In particular, in recent years the company has supported important projects, which reflect the company's and Chair Ermanno D'Andrea's historic attention to education, training, and disadvantaged people.

The commitment to people with disabilities and their families: the “Our Home” project

The “**LA-Fra**” (**La Fratellanza**) association has been working for over 50 years in Lainate to support young people with disabilities and their families. Since 1993 the main service provided has been assistance from the **Centro Diurno Disabili (CDD), (Day Centre for the Disabled)**, accredited by the Lombardy Region and hosted in a two-story facility with 25 beds. To address the emergence of new needs, in recent years the association also launched a new important initiative: “**Our Home**”. The project consists of redeveloping a historic Lainate house that was unused for half a century that has a large garden and is located in the city centre: **the young people at the La-Fra can therefore be an integral part of the beating heart of the local community**. The association acquired the area (owned by the Parish) and started the work planned in the project, the completion of which is expected by 2026: two apartments of different sizes (one for 2 people and another for up to 7) intended for people with disabilities for whom gradual paths towards independent living are considered necessary, and also creative workshops, a large flowered courtyard for gardening and horticultural activities, meeting places and services for the entire community (including a counselling desk for autism). From the beginning, the company has supported this project with **substantial financial contributions** as the largest private financier.



Commitment to culture and the education of young people

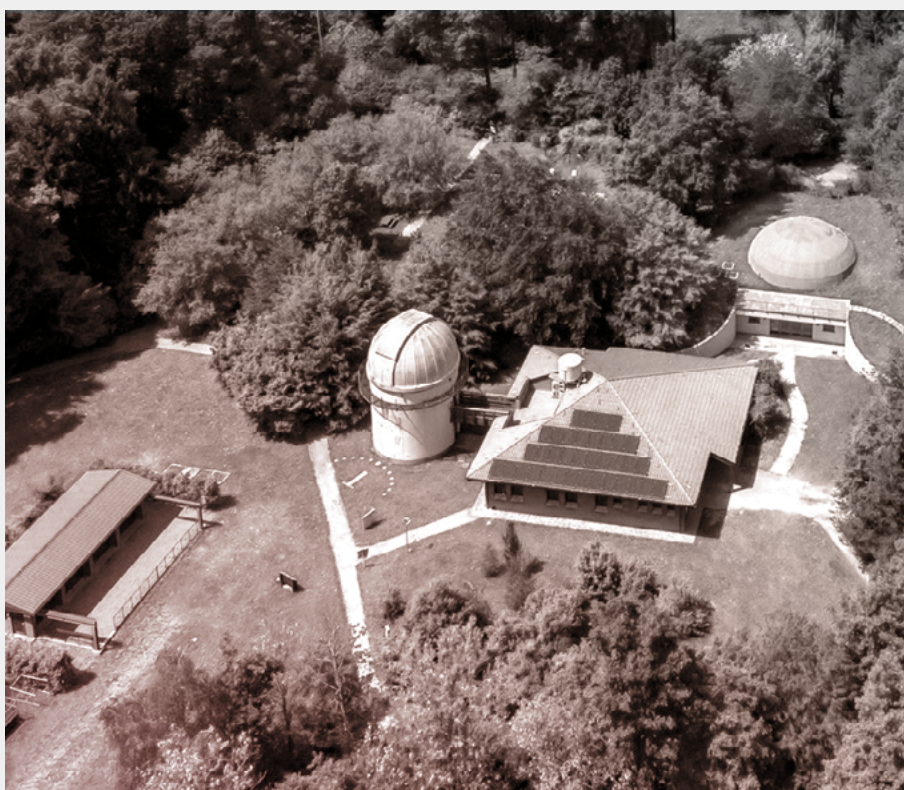


In 2018 collaboration with the **Astronomical Observatory in Tradate** began, also due to Ermanno D'Andrea's passion for astronomy. The company first contributed to upgrading the **telescope** and subsequently played a major role in the creation of the **Eco-Planetarium**, a planetarium that is environmentally non-impacting: D'Andrea S.p.A not only contributed financially, but also provided

fundamental technical and design input, from the chair. Once the **Eco-Planetarium** was completed economic aid was no longer needed, but support still continues today, with Ermanno's contribution and periodic donations of **astronomical charts** drawn up by him. Also, within the framework of its commitment to training young people, in 2021-2022 the company started collaborating with the **Politecnico di Milano**, aimed at creating a **racing car**, a university project focusing on practical training for students. In 2023 and 2025 D'Andrea S.p.A provided financial support, while in 2024 it supplied important components of significant economic value. The company's commitment to young people is complemented by collaboration with local high schools for **school-work alternation programmes and visits to the company**.



For years now we have also been committed to working in the social sphere, a commitment that we have even included in the company's articles of association: because life is not a solitary project, but it is carried out together with others



Ermanno D'Andrea





GOVERNANCE METRICS

4.1

GOVERNING BODIES

C9 Gender diversity in the governing body

In 2024, the Board of Directors was composed of 3 men (75%) and one woman (25%), for a total of 4 people. **The gender diversity ratio was therefore 33%.**

BOARD OF DIRECTORS

ROLE	NAME AND SURNAME	Gender	AGE as of the al 31/12/2024
CHAIR	ERMANNNO D'ANDREA	M	79
DIRECTOR	PIETRO MARINO D'ANDREA	M	51
DIRECTOR	AMEDEO D'ANDREA	M	49
DIRECTOR	MARIA GIUSEPPINA D'ANDREA	F	53

4.2

COMBATING BRIBERY AND CORRUPTION

B11 Convictions and fines for bribery and corruption

Despite the fact that D'Andrea S.p.A. does not have a **Code of Conduct or a 231 Organisational Model** the company did not **receive any convictions or sanctions** for violations of any anti-corruption and anti-extortion regulations, in 2024 or in previous years. Furthermore, D'Andrea S.p.A. implemented procedures aimed at preventing delays in payments to suppliers and, in 2024, was not involved in any legal proceedings related to such delays.

Currently, the company is actively engaged in implementing a **231 Model by 2026**, with the aim of strengthening its governance and compliance policies.

4.3 CERTIFICATIONS

C1 Strategy: business model and initiatives related to sustainability



D'Andrea initiated a certification process to consolidate its commitment to quality, with the aim of obtaining additional certifications that strengthen its commitment to sustainability and excellence.

It is currently **ISO 9001** certified for **quality management**, certification it first received about 20 years ago and that was recently renewed in 2024.

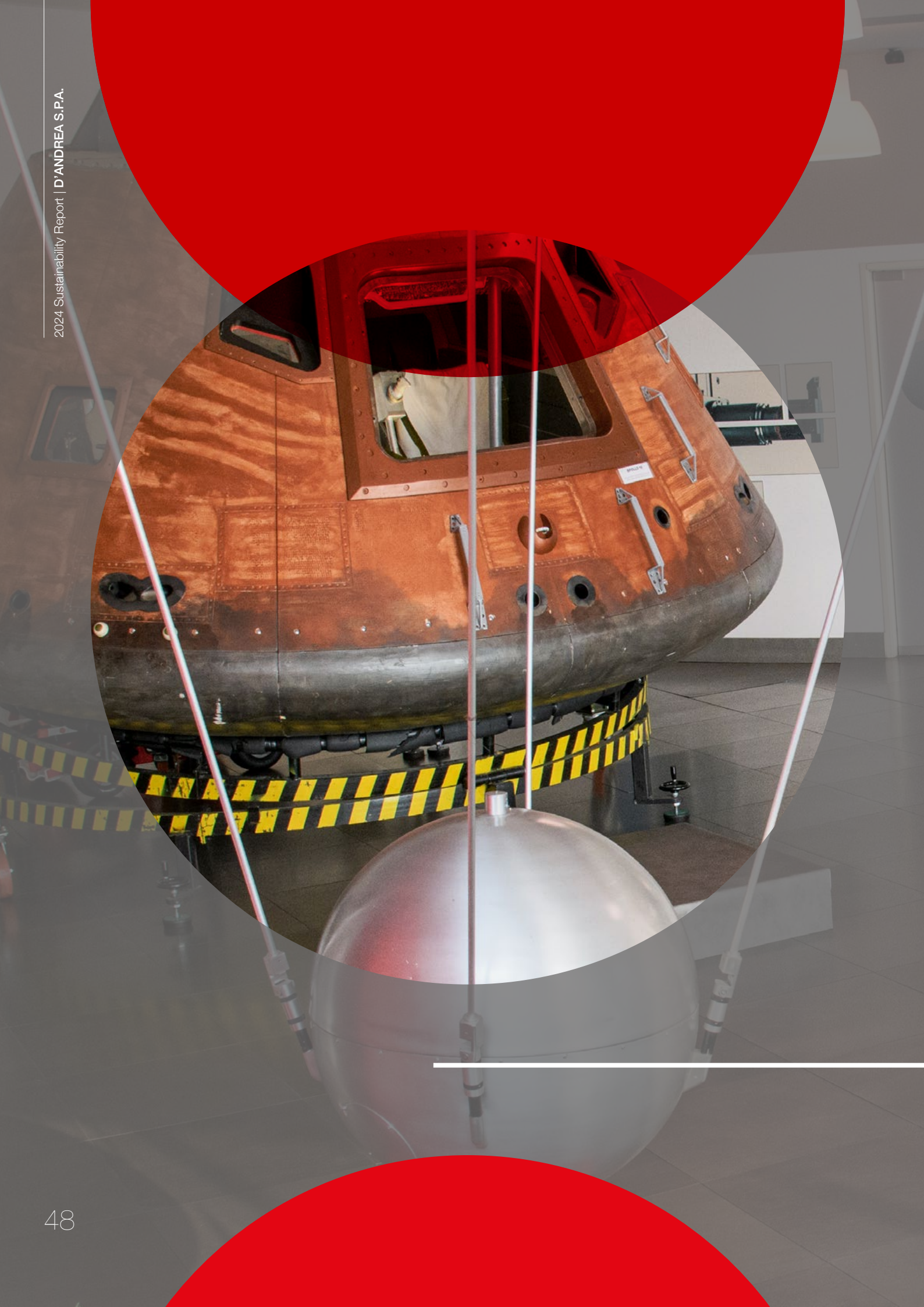
D'Andrea S.p.A. plans to obtain new certifications

to strengthen its commitment to sustainability and safety. Work to obtain these certifications will begin in 2025, with completion expected by the end of **2026**.

The main goals include:



- 1. ISO 45001 certification (Occupational Health and Safety):** The company plans to obtain ISO 45001 certification for all its plants.
- 2. ISO 14001 (Environmental Management System):** D'Andrea S.p.A aims to achieve ISO 14001 certification to consolidate the company's environmental commitment further.





D'ANDREA

ANNEX

5.1

CONTENT INDEX

D'Andrea S.p.A. drew up this report with **reference to VSME standards and, in a supplementary manner, to GRI standards** for the period from the 1st of January 2024 – 31st December 2024:

ENERGY CONSUMPTION	REFERENCE	NOTES
GRI 302 Energy (2021)		
302-1 Energy consumption within the organization		
302-3 Energy intensity	2 Environmental metrics;	
GRI 305 Emissions	2.2 Energy consumption	
305-1 Direct (Scope 1) GHG emissions;		
305-2 Energy indirect (Scope 2) GHG emissions		
INCOMING MATERIAL FLOWS AND WASTE	REFERENCE	NOTES
GRI 301 Materials		
301-1 Materials used by weight or volume	2 Environmental metrics;	
	2.2 Incoming flows and waste	
GRI 306 Waste		
306-3 Waste generated	2 Environmental metrics;	
306-4 Waste diverted from disposal	2.2 Incoming flows and waste	
306-5 Waste directed to disposal		
OWN WORKFORCE	REFERENCE	NOTES
GRI 401 - Employment		
401-1 New employee hires and employee turnover	3.1 Own workforce;	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1.1 General characteristics of the workforce	
GRI 2 General Disclosures		
2-7 Employees	3.1 Own workforce;	
2-8 Workers who are not employees	3.1.1 General characteristics of the workforce	
GRI 2 General Disclosures		
2-30 Collective Bargaining Agreements	3.1 Own workforce;	
2-26 Mechanisms for seeking advice and raising concerns	3.1.2 Diversity and human rights	
GRI 405 Diversity and Equal Opportunity (2021)		
405-1 Diversity of governance bodies and employees Information;	3.1 Own workforce;	
405-2 Ratio of basic salary and remuneration of women to men	3.1.2 Diversity and human rights	
	4.1 Governing bodies and diversity	

OWN WORKFORCE	REFERENCE	NOTES
GRI 404 Training and Education 404-1 Average hours of training per year per employee; 404-2 Programs for upgrading employee skills and transition assistance programs; 404-3 Percentage of employees receiving regular performance and career development reviews	3.1 Own workforce; 3.1.4 Training guaranteed to our employees; 3.1.1 General characteristics of the workforce	
GRI 403 Occupational Health and Safety 403-1 Occupational health and safety management system 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9 Work-related injuries	3.1 Own workforce; 3.1.3 Occupational health and safety	
GRI 406 Non discrimination 406-1 Incidents of discrimination and corrective actions taken	3.1 Own workforce; 3.1.2 Diversity and human rights	
LOCAL COMMUNITIES	REFERENCE	NOTES
GRI 413 Local communities 413-1 Operations with local community engagement, impact assessments, and development programs; 413-2 Operations with significant actual and potential negative impacts on local communities	3.2 The local community	
GOVERNANCE	REFERENCE	NOTES
GRI 2 General Disclosures 2-9 Governance structure and composition	4 Governance metrics; 4.1 Governing bodies	
GRI 205 Anti-corruption (2021) 205-3 Confirmed incidents of corruption and actions taken	4 Governance metrics; 4.2 Combating bribery and corruption	

With the methodological support of:



Graphic design by Ilaria Meoni, CSR Value Srl.

We thank all our stakeholders and key suppliers for their contribution, and all our colleagues at D'Andrea S.p.A. who worked to draft this Sustainability Report and provided support for its compilation.

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D'ANDREA[®]
THE ART OF PRECISION

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