

**CARRON
GROUP
SUSTAINABILITY
REPORT
2021**

CARRON
GROUP
SUSTAINABILITY
REPORT

2021



CARRON

TABLE OF CONTENTS

LETTER TO STAKEHOLDERS	4		
1 CARRON GROUP AND SUSTAINABILITY	6	5 ENVIRONMENTAL ASPECTS	48
1.1 HISTORY	8	5.1 PLANNING	50
1.2 AREA OF ACTIVITY	11	5.2 ENERGY CONSUMPTION	52
1.2.1 Restoration and renovation	11	5.2.2 SCOPE 1	55
1.2.2 New constructions	11	5.2.3 SCOPE 2	57
1.2.3 Infrastructure	11	5.2.4 Net zero strategy	58
2 GOVERNANCE	12	5.3 WATER CONSUMPTION	62
2.1.1 Structure and governance, Carron Spa	14	5.4 WASTE	64
2.1.2 Structure and governance, Carron BAU	15	6 PILOT CONSTRUCTION SITE	66
2.2 LEGALITY RATING AND CODE OF ETHICS	16	6.1 MATERIALS AND WASTE	68
2.2.1 Organisational, management and control model pursuant to (Italian) legislative decree 231/2001	16	6.2 EMISSIONS	71
2.3 LEGALITY RATING	17	6.3 WATER CONSUMPTION	73
2.4 CERTIFICATIONS	18	6.4 HEALTH AND SAFETY ON THE CONSTRUCTION SITE	74
2.4.1 Integrated quality, environment and safety management system	18	7 OBJECTIVES	76
2.5 GREEN BUILDING AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)	21	8 METHODOLOGICAL NOTE	80
2.6 MATERIALITY MATRIX	24	9 GRI CORRELATION INDEX – CARRON SPA AND CARRON BAU	82
3 ECONOMIC/GOVERNANCE ASPECTS	26	10 GRI CORRELATION INDEX – PILOT CONSTRUCTION SITE	88
3.1 VALUE SHARING	27		
3.2 PROJECTS AND DONATIONS	30		
4 SOCIAL ASPECTS	32		
4.1 PERSONNEL	33		
4.2 GENDER EQUALITY	35		
4.3 TRAINING	38		
4.4 HEALTH AND SAFETY	40		
4.5 USER HEALTH AND SAFETY	43		
4.6 THE SUPPLY CHAIN	44		
4.6.1 Supplier Social Assessment	45		
4.6.2 Supplier Environmental Assessment	46		



CARRON GROUP AND SUSTAINABILITY

1

1 CARRON GROUP AND SUSTAINABILITY

'Together we grow' has always been the distinctive vision of the company and the Carron family.

Founded in 1963 by Angelo Carron, the company has constantly evolved under the banner of innovation and transversality, developing in terms of type of intervention, size, portfolio and production value. In 2001, after the premature death of the founder, the baton was passed to the second generation and today all five of his children lead the Group, which continues to grow with the same forward-looking vision with which it was born.

Today, Carron Group is recognised as one of the most important Italian companies in the field of construction and restoration. It is among the top thirty leading companies in Italy for the realisation of large civil and infrastructure works that it manages both as a builder, promoter of public-private partnership initiatives, and real estate developer. It counts more than two hundred and thirty employees, generating an allied industry that employs around one thousand people every day. The Group is headquartered in San Zenone degli Ezzelini (Treviso province) and has branch offices in Milan and Rome. It is also present in the Trentino-South Tyrol region where it operates with the company Carron Bau Srl, based in Varna (Bolzano province).

In addition to efficiency, the Group's development follows the path of sustainability, with a historical focus on corporate welfare and a real commitment to protect and support the local communities in which it operates, through cultural, sporting and social activities.

In our relentless commitment to reaching ambitious goals, our multidisciplinary expertise ensures that our customers, both in the private and public sector, obtain excellent results in terms of quality and timely delivery of the works. We are aware that through our works we can contribute to improving the daily lives of those for whom they are designed.

1.1 HISTORY

1963

The company's history spans over 50 years, based on the solid foundations laid by Cav. Angelo Carron in 1963, in the historical headquarters in San Zenone degli Ezzelini, Treviso.

Angelo Carron is nicknamed 'Knight of Challenges' for his entrepreneurial spirit that leads him to diversify his business in the 1980s, from civil construction to infrastructure and the restoration of historic buildings

2001

Angelo dies prematurely in 2001 at the age of 58 and is succeeded by his children: Diego became President of the group and his sisters Arianna, Paola, Marta and Barbara took on managerial positions in the most important sectors.

The company sets new ambitious goals, increasingly widening its business horizon in the Triveneto area.

2014

Carron SpA records its best performance of the five-year period in terms of production value. Carron Group also strengthens its presence in the South Tyrol, founding Carron Bau in April 2014, a company that shares the same philosophy as Carron SpA, based on rigour and development of the local area and human capital. Carron Bau goes from strength to strength, recording an annual turnover of between 20 and 30 million euros

2015

Operating results and performance capabilities see the Group rank among the leading companies in the sector at a national level: in June 2015 at the annual Global Strategy event at the Palazzo della Borsa, Carron earns recognition as a model and example of doing business during the deepest economic crisis of the post-war period.

The Group continues to expand in the other regions of central and northern Italy (Piedmont, Emilia-Romagna, Tuscany and Lazio).

2017

The year 2017 also marks the finalisation of the new organisational structure, which consists in the separation of activities in the real estate sector from the Group's core business in construction: an evolution that follows the logic of rationalisation and efficiency that has always guided our corporate management, with the objective of improving our performance and satisfying the expectations of our stakeholders.

2018

Yet, in addition to efficiency, the group's development pursues sustainability, with continuous and wide-ranging corporate welfare and social investments. Welfare initiatives include free check-ups and mammograms for employees, but also investments in the social sphere. Carron Group contributes to the non-profit Fondazione Altre Parole to improve cancer treatment and in August 2017, together with other businesses in the Veneto foothills, it founds Elios, a new non-profit organisation to provide support to the local health authority ULSS 7 on a number of healthcare projects. The first project materialises in December with the donation of a digital operating theatre to the hospital in Bassano, the first in northern Italy to have technology for state-of-the-art minimally invasive surgery capable of improving the quality of treatment for cancer patients.

2019

The Group continues to grow, with production output rising to 217 million and an increasing project portfolio. This growth corresponds to a quantitative but also qualitative evolution as the company confirms its natural ability to penetrate its target market by understanding how to act on its changing needs and consequently expanding its range of action. In the words of Group President Diego Carron: "The excellent performance recorded in 2019 confirms our Group as one of the leading players in the Italian construction sector. This is an important achievement, particularly if we consider the deep and devastating economic crisis of recent years which, as we all know, has now dramatically reappeared with the Coronavirus pandemic. [...]

Our principles evoke 'business and ethics', values that are inseparable and which only by standing together have the ability to change the world. Business without ethics generates monsters, while ethics without business adds no value. We must always remember this, especially during hard times'.

2020

In spite of the sudden and prolonged red light that COVID-19 imposed on activities at construction sites, the Group's works portfolio at the end of 2020 amounts to 826 million euros.

2021

The San Zenone-based company founded by Angelo Carron in 1963, which today sees the entire second generation involved, continues to grow and confirm itself as an exclusive partner for the entire Italian building and restoration market.

Carron Group stands out for its strategic ability to diversify, which allows it to move extremely effectively both in the public sector, intervening in major civil and infrastructure projects, and in the private sector as a general contractor, developer and promoter of the most important real estate initiatives in the residential and healthcare sectors.



1.2 AREA OF ACTIVITY

The Group has carried out major infrastructure and civil construction works, which enabled the company and its personnel to gain valuable experience in managing large projects in specialised sectors.

Carron Group's three main business areas are:

1.2.1 RESTORATION AND RENOVATION

The conservation of architectural heritage with historical and artistic value requires careful restoration work and the mastery of materials and techniques that respect tradition.

With know-how acquired through years of experience in the sector, Carron is able to carry out highly prestigious interventions in the field of industrial archaeology and preservation and restoration work.

With appropriate consolidation operations to ensure durability, the recovery of materials subjected to accurate analysis and cataloguing, and the collaboration of carefully chosen craftsmen, Carron has restored the original appearance of important buildings such as Venetian villas and period palaces, restoring splendour to ancient buildings that now take on new, modern functions.

1.2.2 NEW CONSTRUCTIONS

Public, commercial, office and residential construction: sectors that the Group has always been involved in. An ever-changing, often unpredictable market, in which Carron moves with speed and accuracy of execution.

Public buildings such as school complexes and sports centres demand modern structural solutions, roofs made with state-of-the-art techniques and materials.

Shopping and multi-purpose centres represent complex, large-scale projects, leaving the company with the difficult task of taking on execution times.

Office and residential centres require special attention to the treatment of materials and finishes, interior decoration, and the delicate balance between architectural and structural solutions and customer requirements.

1.2.3 INFRASTRUCTURE

Carron is also active in the infrastructure sector, realising important works that ensure essential services for citizens and the environment. In this sector, the company delivers a wide range of interventions: from interregional and local roads and the redevelopment of urban spaces, such as squares and boulevards, to entire infrastructure works, from water purification plants to the construction and reinforcement of canals and weirs, as well as complex intake and drainage systems.



GOVERNANCE 2

2 GOVERNANCE



2.1.1 CARRON SPA STRUCTURE AND GOVERNANCE

PRESIDENT

Arch. Diego Carron

BOARD OF DIRECTORS

Diego Carron	President
Marta Carron	Vice President
Paola Carron	CEO
Arianna Carron	CEO
Barbara Carron	CEO

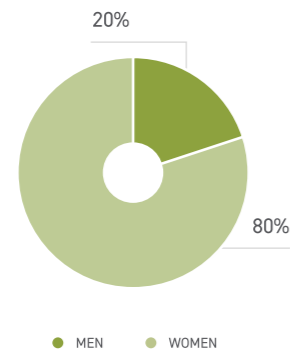
BOARD OF STATUTORY AUDITORS

Marco Contessotto	President
Primo Ceppellini	Statutory Auditor
Alberto Da Dalto	Statutory Auditor
Alessandra Poloniato	Alternate Auditor
Paolo Girotto	Alternate Auditor

SUPERVISORY BOARD (Italian) Leg. Decree no. 231/2001

Francesco Schiavon	President
Marco Contessotto	Member
Andrea Dal Negro	Member

Members of Carron SpA
Board of Directors by gender – 2021



2.1.2 CARRON BAU STRUCTURE AND GOVERNANCE

PRESIDENT

Arch. Diego Carron

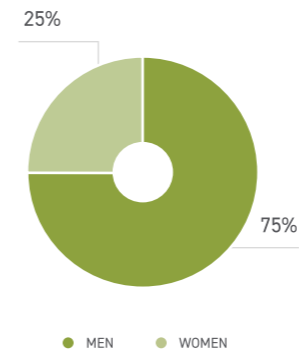
BOARD OF DIRECTORS

Diego Carron	President
Christian Lechner	Managing Director
Chris Untergasser	Managing Director
Marta Carron	Managing Director
Aldo Gobatto	Managing Director
Andrea Nardi	Managing Director
Franco Barina	Director
Paola Carron	Director

ORGANISMO DI VIGILANZA D.Lgs. 231/2001

Marco Contessotto	President
Andrea Dal Negro	Member
Giovanni Carlini	Member

Members of Carron BAU
Board of Directors by gender – 2021



2.2 LEGALITY RATING AND CODE OF ETHICS

Carron Group uses tools that explicitly enshrine the company's ethical value: the so-called 'principles of lawfulness' which allow the Group to present itself as an ideal player in the establishment of new business relations

2.2.1 ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO (ITALIAN) LEGISLATIVE DECREE 231/2001

Following the adoption and effective implementation of the Organisation, Management and Control Model provided for in Legislative Decree 231/2001 (MOG 231/2001), any sanctions against the company are precluded, while the Group's activities are constantly monitored and the entire organisational structure is made accountable for its actions.

The MOG 231/2001 provides for the administrative liability of legal persons. The adoption of this model prevents crimes being committed through defining the internal regulations and precepts verified by the Supervisory Body through auditing and monitoring the information flows regarding the activities carried out within the various areas of the company.

2.2.1.1 CARRON CODE OF ETHICS

Carron Group has adopted its own Code of Ethics, which represents the set of rights, duties and ethical principles adopted by the company vis-à-vis employees, public administrations, shareholders and third parties. With its adoption, the company commits itself to acting in a transparent and lawful manner, making explicit a series of principles that enhance the Group's ethics (see the requirements of the ANCE (Italian Association of Private Construction Contractors) Code).

2.2.1.2 ANCE CODE OF ETHIC

The Code of Ethics adopted by ANCE establishes an ethical commitment with the objective of protecting freedom to conduct a business, transparency and lawfulness in the construction sector. By adhering to the initiative, Carron Group wants to contribute to the achievement of these goals by following the provisions contained therein.

2.3 LEGALITY RATING

The Italian Competition Authority (AGCM) has awarded Carron Group a maximum three-star LEGALITY RATING.

The legality rating is a tool aimed at promoting and introducing principles of ethical behaviour by assigning a rating on compliance with the law to requesting companies and, more generally, on the level of attention paid to the proper governance of business.



2.4 CERTIFICATIONS

Third-party certification plays a strategic role in the company's day-to-day business: on the one hand, it is an extraordinary process-sharing tool available to all employees, and on the other, it is a sure guarantee of the reliability of the company's procedures and processes.

Carron Group has adopted an Integrated Quality, Environment and Safety Management System compliant with the requirements of the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI EN ISO 45001:2018 standards, in order to achieve the objectives set out in the company policy.



2.4.1 INTEGRATED QUALITY, ENVIRONMENT AND SAFETY MANAGEMENT SYSTEM

The system complies with the new international standards UNI EN ISO 9001:2015, UNI EN ISO 14001:2015 and UNI ISO 45001:2018. The three management systems are certified in accordance with the standards for the construction sector, for the following activities:

- Design, construction, renovation and maintenance of construction, infrastructural (road and railway) and hydraulic engineering works;
- Restoration of real estate under protection.

The Group operates using the certified Quality Management System, also with regard to the Environment and Safety.

The system has been pre-established in order to achieve general objectives with the aim of:

- Rationalising and optimising both management and executive activities consistent with the new organisation of the Group, by implementing the use of computerised processes;
- Minimising errors;
- Guaranteeing customer satisfaction, namely by assuring customers that the work, in technical and economic terms, is accomplished and maintained with the required quality, and also allowing external verification on the Integrated Management System;
- Orienting corporate culture towards environmentally-friendly behaviour (control and rationalisation of the consumption of water and energy resources, correct management and separation of waste and waste produced) and operated in compliance with the binding legislation and the voluntary regulatory framework (UNI EN ISO 14001);

- Pursuing the best possible conditions in terms of health and safety and hygiene in the workplace, in accordance with the requirements of current legislation and the ISO 45001:2018 framework;
- Managing activities also with the aim of preventing accidents, injuries and occupational diseases and safeguarding the health of workers, company assets, third parties and the community in which the companies belonging to the Group operate, thereby arranging the purchase, operation and maintenance of plant, machinery and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement;
- Ensuring the widest possible dissemination of all information notices regarding health and safety risks in the workplace and the intervention procedures in emergency situations that may harm persons or the environment;
- Reducing the general negative environmental impacts during the performance of activities through an assessment of the same already in the planning phase and through an accurate selection, assessment and awareness-raising of suppliers and contractors;
- Seeking clear and direct forms of internal and external communication that give evidence of transparent behaviour and are founded on respect and collaboration;
- Seeking the satisfaction of all internal and external stakeholders;
- Maintaining the certification of the company's Integrated Management System.

The Integrated Management System policy is based on participation and involvement at all levels according to the critical nature of the tasks and responsibilities of each operator. The objective is that of continuous improvement, both in terms of meeting customer requirements and the effectiveness of the Integrated Management System. Finally, as per standard, company objectives are reviewed annually.

The objectives and resources used to achieve them are defined by the company on an annual basis following a review of the Integrated Management System and may be updated according to organisational and process changes or strategic decisions concerning the Group's market policy. The achievement of objectives is monitored on the basis of parametric values in order to objectively evaluate the achievement and take decisions based on factual information.

Particular attention is paid to the environmental and safety aspects in the workplace by applying the Management System, with constant action by all personnel involved, assisted by the Internal Prevention and Protection Service composed of a supervisor and three employees.

2.4.1.1 Attestazione CQOP SOA



CQOP SOA verifies the general and technical/economic requirements that companies must meet to obtain the SOA certification required to participate in tenders and to execute public works for amounts exceeding 150,000 euro. Carron Group is SOA-qualified for the categories and classifications as per the qualification certificate issued by CQOP SAO S.p.A.

2.4.1.2 GBC ITALIA



Carron Group is a member of the Green Building Council Italia, a non-profit association part of the international GBC network that aims to accelerate the spread of a sustainable building culture by driving market transformation. This certification facilitates a global vision of sustainability (from planning to actual construction), exploiting all possible means for reducing the various environmental impacts and harmful emissions in the construction of buildings. It also establishes a market value for green buildings, stimulating competition between companies in terms of the environmental performance of constructions and encouraging conscious consumption, also among end users.

2.4.1.3 White List



As an activity exposed to the risk of mafia infiltration, pursuant to Article 1, paragraph 53 of (Italian) Law 190/2012, White List registration is mandatory for Carron Group. The Group is therefore on the list of executors of works not subject to mafia infiltration attempts (so-called White List) for the province of Treviso. Given its validity of only 12 months and the obligation to update it by immediately notifying any corporate changes that have occurred, the monitoring of mafia infiltrations and relevant criminal convictions for all the company's top management is constant, correct, rapid and verified.

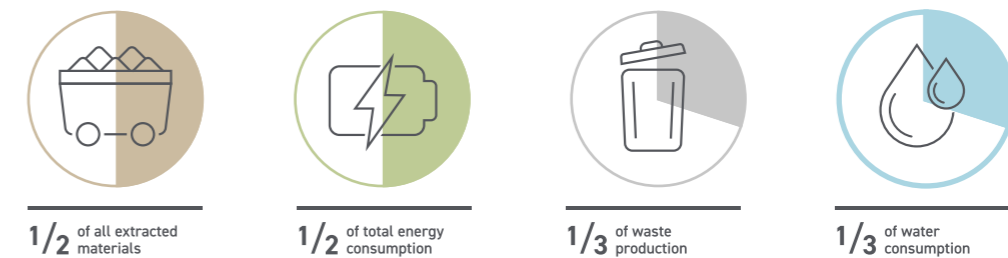
2.5 GREEN BUILDING AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

'Sustainable development is development that meets the needs of the present, without compromising the ability of future generations to meet their own needs'

2030 Agenda for Sustainable Development,
United Nations Department of Public Information

The goal of the 2030 Agenda's 15-year plan is to return a better world than the one we currently have. All signatory countries, including Italy, are called upon to introduce an approach in line with the 17 sustainable development goals set by the United Nations. Social, economic and environmental development will only be truly sustainable when each objective is fully achieved.

Considering the life cycle of buildings, the construction sector is responsible for:



Construction industry consumption in Europe (Eurostat, 2016)

Given its environmental significance, construction can no longer escape a new awareness: constructing buildings with a low environmental impact is not just a possibility. Protecting our planet has now become a necessity. Hence the introduction of green building, a discipline that puts the health of man and the environment before the construction of buildings, favouring the use of natural, regional, recycled and recyclable building materials and techniques that enable significant energy savings.

The construction of buildings with natural and local materials creates a virtuous circular economy, which in turn drives a redistribution of resources and favours local production and economic cycles, increasing the average wealth distributed in that region.

Green building encourages both the development of new professional figures and new labour specialisations, and the emergence of new forms of production and industry, closely linked to the territory and the natural or rural environment in which they are located.

Below are the SDGs on which green building has a direct impact according to the World Green Building Council.



.....

This goal is well suited to green building and the design of buildings with a very high energy performance. Thanks to the special **thermal insulation** characteristics of buildings, heating and cooling efforts are reduced, resulting in **lowered energy supply** and related environmental costs.



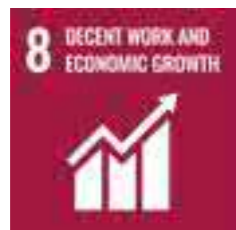
.....

Green building is among the most **resilient, innovative and responsible forms of construction**. It provides ideal **living comfort** for schools, kindergartens, gyms and social and community facilities. It requires a sustainable energy investment for the entire taxpaying community and has the impact of **lowering gas and particulate emissions**.



.....

The simple **preference for natural and renewable resources** such as clay, lime, hemp, cereal straw, sheep's wool, cork, and wood, as well as the use of **recycled materials** such as cellulose fibre, foam glass or reclaimed brick, automatically drives the construction industry to adopt environmentally friendly industrial processes.



.....

Environmental and social sustainability are cornerstones of bioarchitecture, in which ecological materials are used that prevent environmental degradation and promote the specialisation and reskilling of the workforce towards a new building culture, based on health, safety and dignity in the workplace.



.....

The materials used in green building are for the most part free of chemicals or pollutants, i.e. they come from nature and are completely **biodegradable**. This means they do not need to be disposed of and transported to landfills, reducing costs and environmental impact.



.....

Green building contributes significantly to the **reduction of construction-related waste**: a large quantity of **materials** can be completely reabsorbed by the Earth that produced them. Green building therefore makes sure to prevent and reduce all forms of marine pollution, combat desertification, restore degraded land and strive for a world without land use.



.....

The **responsibility is global**: it is possible to ensure that as many people as possible live in healthy homes that are free of toxic substances and that this creates a **knock-on effect** to improve the surrounding environment. A city that is built in a sustainable manner creates **general well-being** and has an economic and social impact that **is not limited to the property owner** alone.



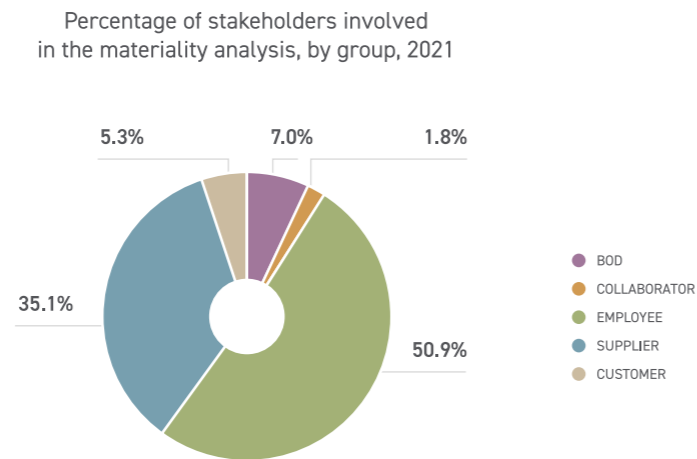
.....

Green building works to eliminate harmful substances, non-recyclable waste and petroleum-derived materials through a variety of techniques, including geothermal systems; phyto-purification of rainwater; thermal insulation and breathability of the building; use of recycled, crop or crop waste materials; and use of low-energy materials.

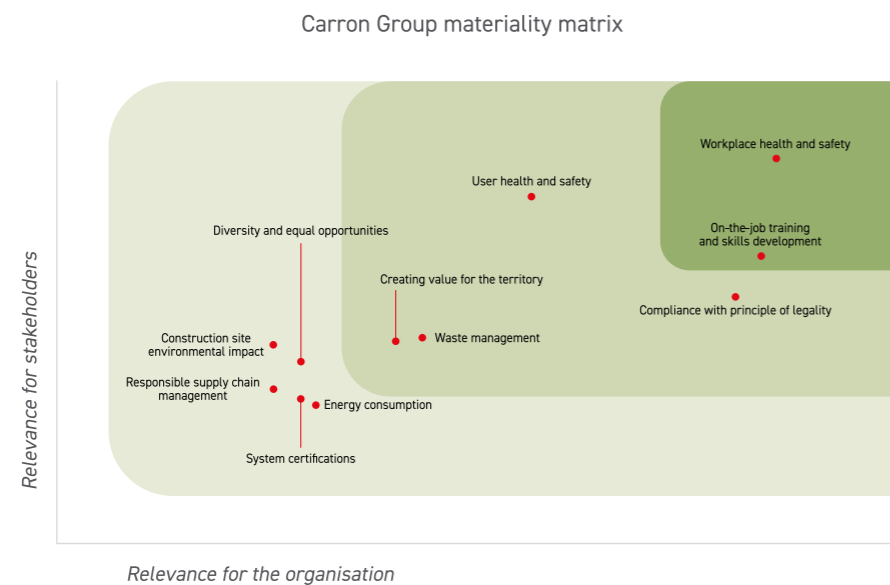
2.6 MATERIALITY MATRIX

In sustainability reporting, materiality is the principle that determines which relevant topics are important enough to make their reporting essential in a Sustainability Report, so that communication of the Group's performance and impacts is targeted and effective.

Carron SpA and Carron Bau sent an online questionnaire to the main stakeholders in order to identify the most important topics. The stakeholders involved are divided into groups as follows.



The result of the analysis of the responses is expressed in the materiality matrix: the x-axis shows the average of the responses of the organisation (Board of Directors, Sustainability Committee, Executives and other managers), while the y-axis shows the average of the responses of collaborators, suppliers, customers and employees (excluding those in administrative and management roles).

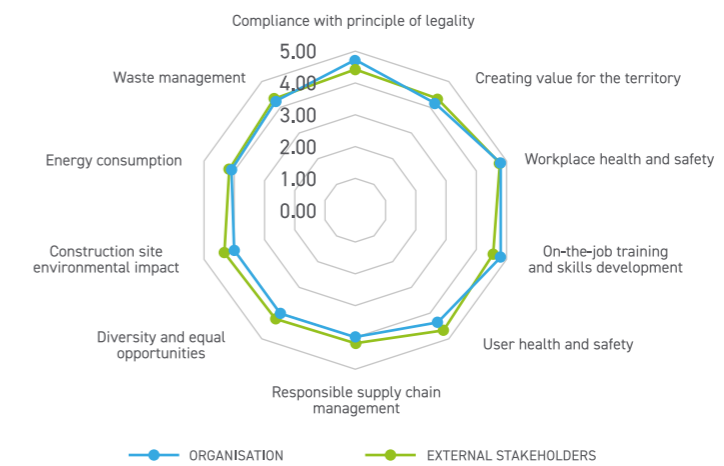


The topics, which are material from this evaluation, are those which on both the x and y axes received a score greater than or equal to 4 on a Likert scale of up to 5. In the table below, they are divided according to ESG (environmental, social and governance) criteria:

ECONOMIC/GOVERNANCE ISSUES	SOCIAL ISSUES	ENVIRONMENTAL ISSUES
Responsible supply chain management	Health and safety at work	Ecological impacts of construction sites
Respect for the principle of legality	On-the-job training and skills development	Waste management
Creating value for the territory	User health and safety	Energy consumption
Diversity and equal opportunities		

Subsequently, the differences in evaluation between the organisation and the stakeholders for each proposed topic were taken into account. These are shown in the radar chart below.

Score variation between the organisation and internal stakeholders



These topics will be looked at in more detail in the following sections, in order to provide stakeholders with a faithful representation of the ongoing development – with a view to consistent and transparent communication – but above all to provide clear indications of the development horizon and the relevant projects, objectives, responsibilities, metrics and activities implemented.

ECONOMIC/ GOVERNANCE ASPECTS

3

Unless otherwise specified, the data presented in the following sections refer to Carron Group, meaning Carron SpA, headquartered in San Zenone degli Ezzelini (Treviso province) and Carron Bau Srl, based in Varna (Bolzano province).

3 ECONOMIC/GOVERNANCE ASPECTS

3.1 VALUE SHARING

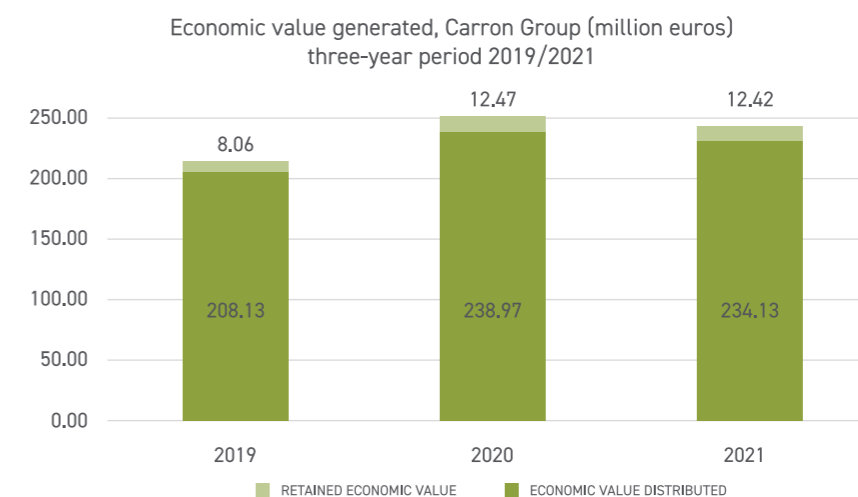
The reporting of the economic value generated and distributed provides a complete picture of the relations between the Group and the socio-economic system of which it is part. It is a reclassification of the information in the financial statements that makes it possible to highlight how much wealth is generated by the company and how it is shared with stakeholders.

The data were processed in accordance with the GRI standard by highlighting the following stakeholder categories: suppliers, employees, capital providers, public administrations and local communities.

The results for the three-year period are shown in the following table, where retained economic value means the wealth that is reinvested in the company at the end of the year.

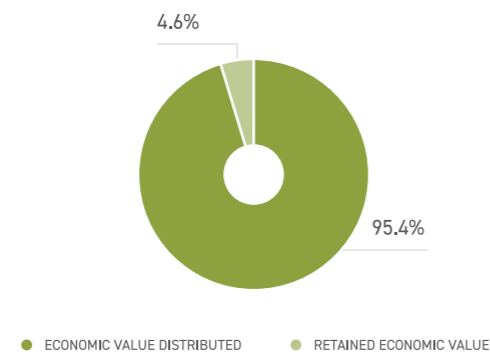
Economic value generated and distributed, Carron Group Three-year period 2019/2021			
	2019	2020	2021
Economic value generated	216,186,926.00	251,704,532.00	246,543,101.00
Economic value distributed	208,128,378.82	238,969,429.65	234,127,330.74
Trade payables	182,338,609.00	213,407,018.00	207,119,751.00
Employees	18,299,407.00	19,113,542.00	20,302,583.00
Capital providers	1,958,899.00	2,009,682.00	1,935,416.00
Public administrations	5,453,983.82	4,313,708.65	4,715,356.74
Local communities	77,480.00	125,479.00	54,224.00
Retained economic value	8,058,547.18	12,735,102.35	12,415,770.26

The ratio between distributed and retained value is represented in the chart, as follows:



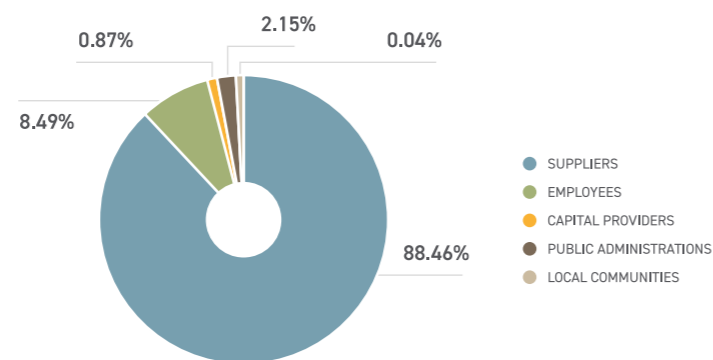
As seen in the graph, on average over the three-year period about 95.4% of economic value generated was distributed to stakeholders in the form of payments to suppliers, salaries and benefits, payments to public administrations and investments to support local communities. The remaining 4.6% was reinvested in the company.

Percentage of economic value distributed and retained on average by Carron Group – three-year period 2019-2021



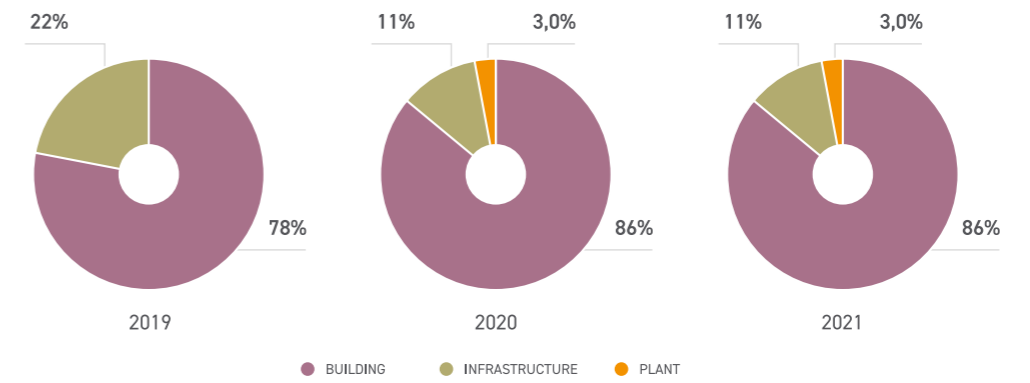
Approximately 88% of the value distributed over the three-year period is transferred to suppliers in the form of payments; approximately 9% is attributable to workers' salaries; 2% is directed to public administrations in the form of taxes and fines; and the remaining 1%, which on average over the three-year period corresponds to approximately 85,000 euros per year, is invested in local communities in the form of donations, acts of charity, infrastructure investments and events.

Value distributed per stakeholder category average over three-year period, 2019/2021



Revenue breakdowns by segment are available from the consolidated financial statements, with figures as at 31 December 2021.

Breakdown of revenue by segment, Carron Group



Financial statements data, 2020

3.2 PROJECTS AND DONATIONS

THE INITIATIVE TO HUMANISE ONCOLOGY CARE WITH THE FONDAZIONE ALTRE PAROLE ONLUS



Courses on creative writing, narrative medicine, music therapy and martial arts, along with psychological support for patients and their families through systemic family therapy are all offered through this network. These are just some of the activities carried out by the Fondazione Altre Parole in promoting "Well-being in Oncology". The initiatives in which the Group Carron has participated since the inception of the foundation, chaired by Dr Fernando Gaion, are aimed at enacting an entire series of opportunities to help people affected by the "disease of the century" to enrich their spirit and continue to express themselves, in the knowledge that everything that goes into a person regaining their life is considered as care. The Fondazione Altre Parole Onlus promotes patients coming into contact with the art world, through painting, writing, music, and a wide variety of emotional experiences. The Carron Foundation works towards changing the reception areas within healthcare sites from an aesthetic and architectural perspective, as well as on an organisational level, to ensure that patients are able to exercise their role as protagonist and not merely a passive spectator in the care provided. It is a commitment that involves not only the patient but also their family. Through Family Therapy, the foundation's specialists assist families during the patient's clinical procedures, underlining the repercussions that may impact upon the entire relational system, with the objective of improving the quality of life for members of the entire family. This objective is pursued by strengthening social support and always putting people first.

WITH 'I BAMBINI DELLE FATE' FOR A DIFFERENT VIEW OF SOCIAL ISSUES



Carron collaborates with I Bambini delle Fate, a social enterprise that since 2005 has worked to provide economic support for social inclusion projects and pathways for families affected by autism and other disabilities. The aim is to spread a different view of social issues, without dismissing or minimising the burden of daily challenges and hardships, and talk about, with a smile, the potential of children and young people, and the great strength of their families.

COMMITMENT WITH ELIOS ONLUS TO IMPROVE THE QUALITY OF HEALTHCARE



With the association ELIOS Onlus, founded in August 2017, of which Carron is one of the 24 corporate and professional entities, we have already reached an important goal in improving the quality of healthcare by donating state-of-the-art equipment to Ulss7 every year. ELIOS - an acronym for Esperienza, Lavoro, Obiettivo, Sanità (being Experience, Work, Objective, Health) - completed its first project in December 2017, offering a latest-generation digital operating room in the San Bassiano hospital, which works in conjunction with the Santorso and Asiago structures. Thanks to this room, the hospital in Bassano has become the first in Italy to offer such avant-garde instrumentation, being innovative technology for minimally-invasive surgery, which results in a significant reduction in terms of discomfort and risks for the cancer patients, whilst also diminishing the social burdens of post-operative recovery. This investment of several hundred thousand euro came about following Elios' meetings with health leaders, working in partnership with Ulss 7. "Our goal is to help bring important innovations to hospitals," explain the siblings Arianna, Paola, Marta, Barbara and Diego Carron. "The role of those in business is to contribute to the social and economic development and well-being of the territory in a broad sense".

SOCIAL ASPECTS

4

4 SOCIAL ASPECTS

4.1 STAFF

Carron Group recognises the centrality of human resources as a key success factor, within a framework of mutual loyalty and trust between employer and employee.

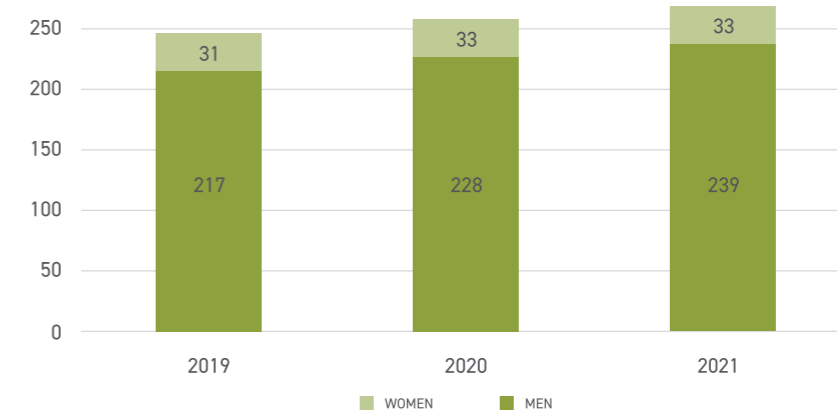
Human resource management is based on respect for the personality and professionalism of each individual, offering equal opportunities to all employees on the basis of their professional qualifications and individual capabilities.

Carron Group does not discriminate on the basis of age; religion; sexual, political or trade union orientation; and opposes all forms of favouritism, in both its recruitment and internal promotion practices.

Carron Group employees are 100% covered by collective bargaining agreements, and as at 31/12/2021 are distributed by job title, gender and age group, as follows:

Employees by professional category, gender and age group, Carron Group - Year 2021												
KPI	< 30			30-50			> 50			TOTALE		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0	0	0	1	0	1	5	0	5	6	0	6
Junior managers	0	0	0	5	0	5	3	1	4	8	1	9
White-collar workers	21	6	27	100	22	122	25	4	29	146	32	178
Blue-collar workers	7	0	7	40	0	40	32	0	32	79	0	79
Total	28	6	34	146	22	168	65	5	70	239	33	272

Carron Group employees, three-year period 2019-2021



Carron Group's workforce continues to grow, demonstrating the company's solidity, which not only encourages new hires for growth and expansion, but also has a low turnover rate compared to the Great Resignation phenomenon of the past two years.

Positive turnover rate

Group level

Year	Turnover
2019	12.1%
2020	14.1%
2021	15.3%

Positive turnover rate (new hires) in the period / headcount at start of period * 100

Negative turnover rate

Group level

Year	Turnover
2019	12.1%
2020	8.9%
2021	11.1%

Negative turnover rate (leavers) in the period / headcount at start of period * 100

Overall turnover rate

Group level

Year	Turnover
2019	24.2%
2020	22.4%
2021	25.9%

Overall turnover rate (new hires + leavers in the period) / average headcount in the period * 100

Turnover compensation rate

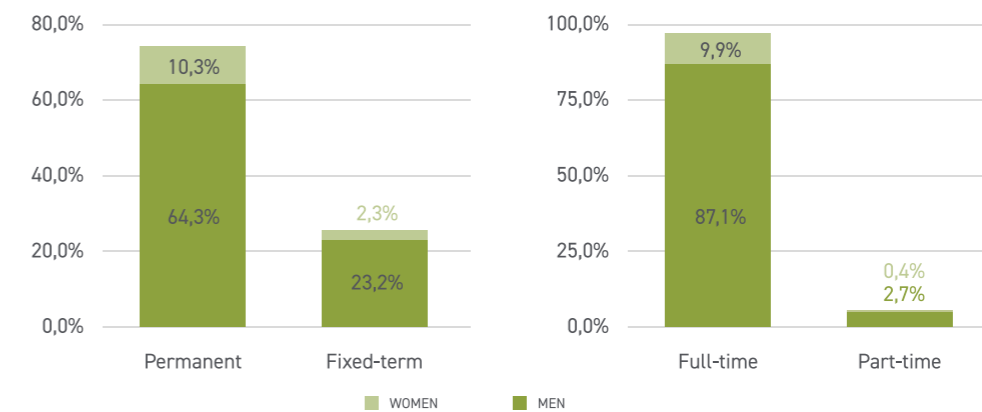
Group level

Year	Turnover
2019	100.0%
2020	159.1%
2021	137.9%

Overall turnover rate (new hires + leavers in the period) / average headcount in the period * 100

Work-life balance for Carron employees is enabled not only by part-time work, which is granted on request to facilitate home/work balance, but also through the Homework project for easy and convenient remote working via the company's cloud platform.

Employees by type of contract and gender, Carron Group – 2021



4.2 GENDER EQUALITY

Employees by gender (%) Carron Group (2021)



Equal opportunities for women are one of the main aspects that generally need to be improved in society. The construction industry has traditionally been a male-dominated sector, a situation justified, among other things, by the harsh working conditions.

Once women enter the workforce, they face a number of challenges to stay in the industry and subsequently reach leadership positions. These challenges include the difficulty of moving in a male-dominated sector, the lack of female role models and mentors, and working conditions (such as long working days and the high number of work trips to distant locations) that are not favourable or adaptable to family care commitments that are still greatly unbalanced towards the female gender.

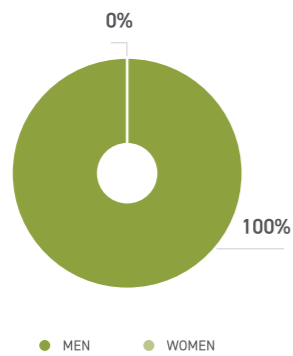
However, the evolution of the sector towards greater mechanisation allows men and women to access and perform the same professional tasks with substantially equal rights and opportunities.

In addition to this, in the recent past new professions have been created in the construction sector, for example, through energy efficiency and improvement processes, also with a view to sustainable construction: these areas offer a promising future for specialised professionals, regardless of gender.

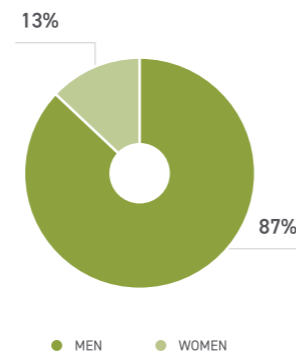
Carron Group has always been committed to fostering inclusion and fairness at work, despite the fact that there is still a significant gender gap in the company resulting from the specific industry and socio-cultural context.

The predominance of the male gender in the company is particularly evident in the blue collar function – which accounts for 29.3% of the total number of employees – where no women are present. Management positions (directors and middle managers) and the board are equally accessible to both sexes, based on the candidate’s skills.

Percentage of executives by gender – 2021



Percentage of managers by gender – 2021



Since this imbalance has historical, cultural and social reasons, the recognition of equal rights of access to professional positions is not in itself a sufficient condition for effective access.

Thus, if from the point of view of educational and training background, hiring potential is not influenced by gender, on the other hand access to similar career prospects is conditioned by lower local mobility and the persistent greater constraints linked to the role of women in the family, which is still a central one.

All of the above applies in general to the construction sector, and it is a situation that is not only Italian but likely characterises the entire continent, with territorial and geographical variations.

In spite of these limitations - which can therefore still be described as structural, Carron Group respects its employees starting with the basic guarantees recognised by law, with the same base wage established by the national collective bargaining agreement.

In this sense, Carron has given ample evidence of its availability – even recently – and willingness to ensure professional and working continuity even in cases of maternity leave close to one another, with the additional benefit of remote working at the end of the maternity period. Part-time work also plays a significant role here, with seven women and one man employed with such contracts.

The pay gap between men and women at Carron SpA and Carron Bau is justified by the fact that length of service – which is rewarded with seniority increments – and overtime hours mainly concern male employees.

GRUPPO 2021

GRI 405-2: Ratio of women’s pay to men’s pay for each employee category

Corporate categories		Men	Women	Ratio
Executives	€	18,061	0	-100.0%
Middle managers	€	12,092	3,579	-70.4%
Level 1 employees	€	697	729	4.6%
Level 2 employees	€	0	1,580	-
Level 3 employees	€	4,847	1,760	-63.7%
Level 4 employees	€	6,016	3,486	-42.1%
Level 5 employees	€	8,385	5,896	-29.7%
Level 6 employees	€	10,068	2,520	-75.0%
Level 7 employees	€	10,270	0	-
Average pay gap		42,104	17,970	-57.3%

WELFARE CARE: JOINING THE “PREVENZIONE È VITA” PROJECT

Carron Group has been part of the WelfareCare project since 2017, because ‘we care about welfare’. Our interest is in initiatives that promote the safety and well-being of our workers.

WelfareCare

Carron Group has partnered with the Prevenzione è Vita (Prevention is Life) project to provide women in Carron Group aged 40 to 49 years with the option to have free mammograms in the closest affiliated diagnostic centres.

Preventive screening is essential for early detection of breast cancer, the most frequent neoplasia in women. This is because the probability of making a full recovery is directly related to receiving an early diagnosis.

In Italy, screening programmes include a free mammogram for women aged 50 and 70 years of age, once every two years. Just in the last few weeks, the San Giacomo hospital in Castelfranco has activated a new senology clinic that operates on a voluntary basis to provide prevention services to women of pre-screening age.

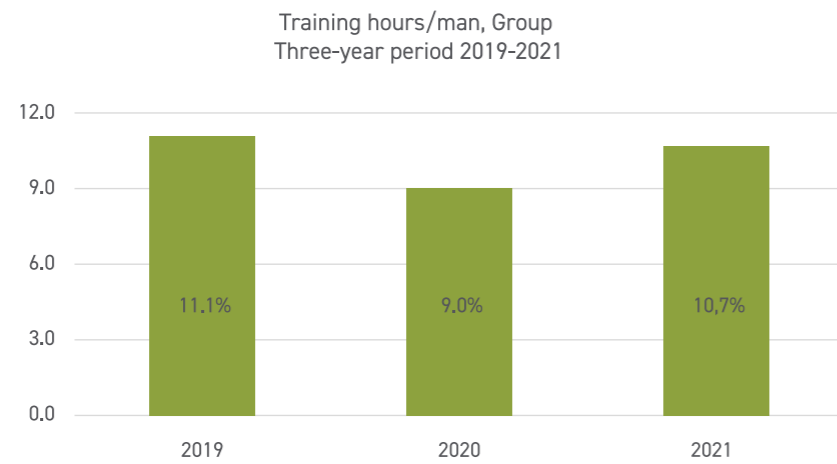
The “Prevention is Life” programme implements our health protection initiatives, the values of which inspire us also to offer free check-ups.

4.3 TRAINING

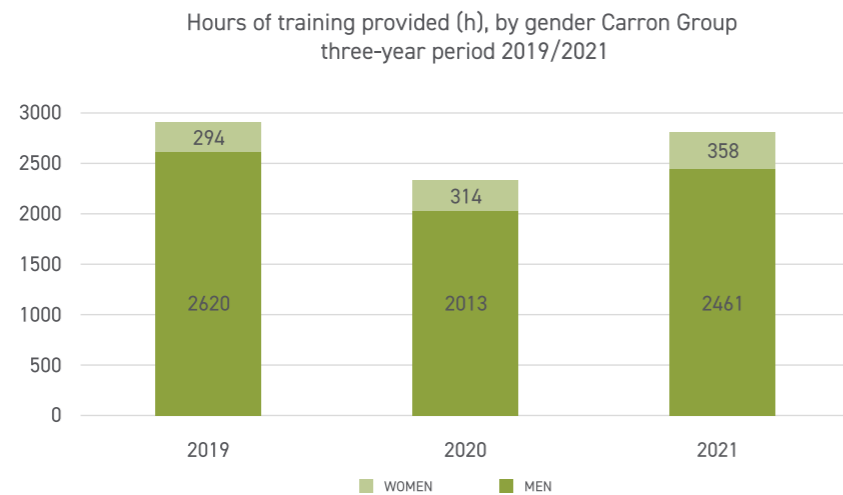
The continued improvement and development of its employees, also through training initiatives, is a priority issue for Carron Group.

The aim is to enable a greater vertical and horizontal mobility of all business functions, as well as to improve know-how and skills in order to enhance customer satisfaction and launch new projects and business areas. Employee training is an essential tool for increasing awareness of innovation and, as a result, company competitiveness.

In 2020, training and professional development was affected by the restrictions caused by COVID-19, both from a regulatory point of view and due to the protocol banning gatherings, but where possible and permissible, Carron Group still carried out training activities remotely.



Man hours of training over the three-year period remained stable despite the difficulties arising from COVID-19, demonstrating the company's investment in continuous learning.

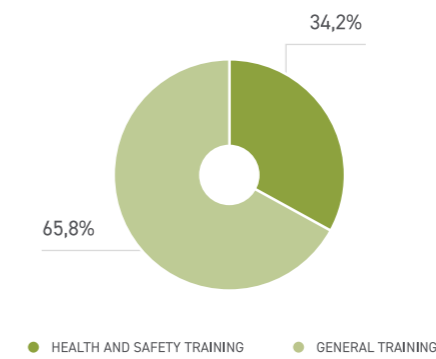


These restrictions are still in place, although they are close to being relaxed. This has allowed for better planning for the immediate future and for calibrating developmental training needs and the associated budget. This will allow – among other things – the development of safety training, both job-related and developmental.

Current training courses:

- Fire prevention training
- Top- and bottom-slewing cranes
- Earthmoving machines
- Elevating work platforms with and without stabilisers
- Scaffolding
- First Aid

Distribution of training hours (%), Group - 2021



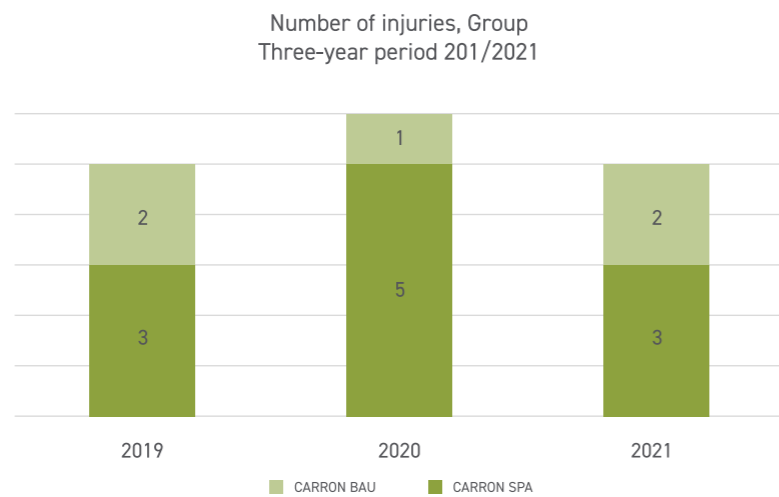
During the apprenticeship period, the company provides young workers with experienced tutors whose task is to work closely with the young apprentice for the duration of the individual training plan, passing on the necessary skills and ensuring the integration of external and internal training.

4.4 HEALTH AND SAFETY



The Group manages activities also with the aim of preventing accidents, injuries and occupational diseases and safeguarding the health of workers, company assets, third parties and the community in which the companies belonging to the Group operate.

Every choice and every procedure is geared towards this goal: the purchase, operation and maintenance of plant, machinery and equipment, the organisation of workplaces, and the definition of operating methods and organisational aspects, with a view to continuous improvement.



All personnel are trained, informed and regularly updated on possible health and safety risks in the workplace and asked to act accordingly to avoid occupational injuries and illnesses.

The effectiveness of these preventive actions is monitored through the systematic collection and use of safety statistics as an effective tool to motivate a company's governing bodies towards the pursuit of safety performance improvement targets.

Carron Group's frequency and severity rate values are constant, demonstrating that the Integrated Management System procedures are applied and adhered to by all employees.

Frequency rate

How many accidents occurred per million hours worked in a given period.

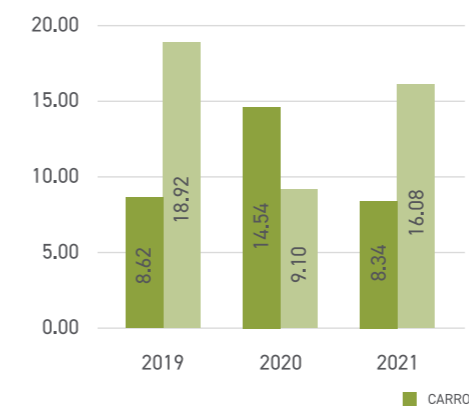
$$\text{Frequency rate} = \frac{\text{no. accidents} \times 1,000,000}{\text{no. hours worked}}$$

Severity rate

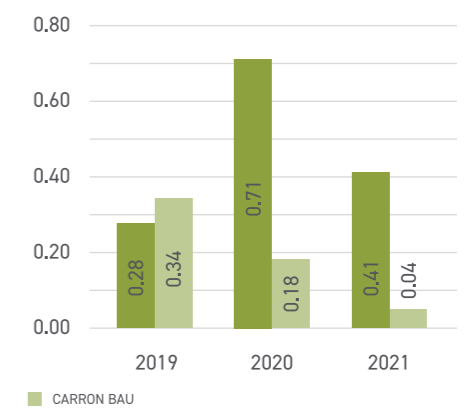
Number of work days lost to accidents per 1,000 hours worked in a given period

$$\text{Severity rate} = \frac{\text{no. work days lost to accidents} \times 1,000}{\text{no. hours worked}}$$

Frequency rate - three-year period 2019/2021



Severity rate - three-year period 2019/2021



Full evacuation drills with emergency simulation are undertaken periodically, while operational meetings between supervisors, the site safety officer and the site safety officer's assistants are held on a weekly basis to verify any corrective actions following accidents or injuries, to intervene with reminders or repetitions if there are repeated reports on the same subject, and to plan future procedures (if necessary) for the next special works.

The Group adopts specific provisions for monitoring the compliance of the conduct of any person acting on its behalf, in order to detect and eliminate any situations of risk in a timely manner.

Given the articulation of activities, the Group adopts a system of delegation of powers and positions, with the assignment of tasks being issued in explicit and specific terms to people with suitable capabilities and skills.

CARRON BAU - PERIODIC CHECK-UPS

When it comes to health, the workplace is among the most important factors to take into account. The company's primary objective is to safeguard the health of its employees, and it works to ensure a healthier environment for its employees by offering them a comprehensive medical check-up service as part of its collaboration with a private clinic.

The Sant'anna nursing home in Merano (BZ), state-of-the-art centre based on prevention through the use of the most modern early diagnosis techniques, has an agreement with Carron Group. It offers a complete health check-up for employees and collaborators, with particular attention to age groups and those who work off-site. In addition to providing a range of blood and heart tests and X-ray examinations, the centre issues medical reports and conducts final examinations/interviews with individual patients. Where necessary, follow-up examinations are carried out at the same clinic, again free of charge for employees. This health check-up is offered every two years.



4.5 USER HEALTH AND SAFETY



Customers are entitled to non-hazardous products.

Many national and international regulations consider health and safety protection as a primary objective. Customers expect products and services to perform their intended functions satisfactorily, without health and safety risks.

At the customer's request, Carron Group fulfils its orders following certain protocols for obtaining specific certifications. In particular:

- WELL certification is a system that defines the parameters by which buildings can improve people's lives by focusing on their comfort. It is based on a holistic view of building interiors and an analysis of the impact they have on our behaviour and well-being. Supported by numerous medical and scientific studies, it aims to improve the interactions between human beings and the built environment in order to achieve healthier and more comfortable buildings, while also increasing productivity.



- LEED and BREEAM certification promotes a sustainability-oriented approach, recognising the performance of buildings in key areas such as energy and water saving, reduction of CO2 emissions, improvement of the ecological quality of interiors, materials and resources used, design and site selection.



- WIRED certification assesses the quality and resilience of digital infrastructure in buildings. It is a digital connectivity rating scheme that serves as an independent benchmark and provides owners with insights to improve their building's digital infrastructure.



4.6 THE SUPPLY CHAIN

The negative socio-environmental impacts of a company are not only produced by direct activities, but are also related to the supply chain, characterised by products and services.

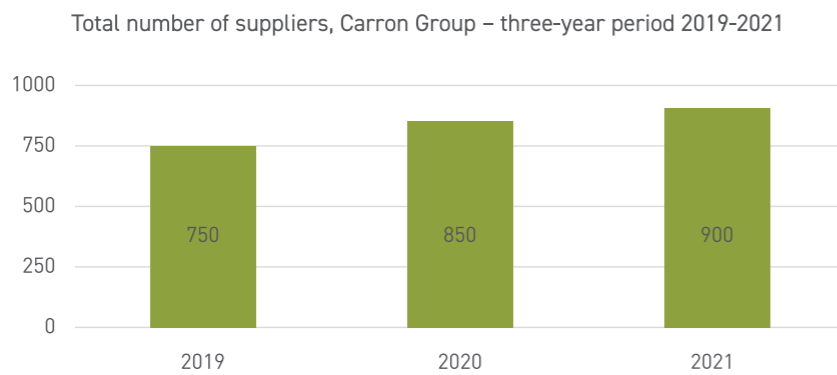


Carron Group has prepared a procedure that clearly sets out supplier qualification criteria so that they are selected according to their ability to provide products and services that meet the company's quality, environmental and safety requirements.

Suppliers are identified on the market and then selected on the basis of ethical, technical and site criteria. Information is gathered by means of a questionnaire, market surveys and site visits. The additional documentation required in the selection process that candidates must adhere to includes:

- **Ethical qualification:**
 - Declaration in lieu of certificate of registration with the Chamber of Commerce.
 - Declaration in lieu of certification concerning cohabiting family members.
 - White list or declaration pursuant to Article 89 of (Italian) Legislative Decree 159/2011 for legality protocol.
- **Technical qualification:**
 - List and information on suppliers in purchasing department management software.
 - Letter with commitment to communicate any changes in requirements.
- **Site Qualification:**
 - Documents pursuant to (Italian) Legislative Decree 81/08.

Every two years, the qualification status of each supplier is reconsidered on the basis of the assessed eligibility requirements, the analysis of Non-Compliances and the correct management of them.



The growing number of suppliers is in line with the Group's broad portfolio of work, which is expanding in terms of both economy and personnel.

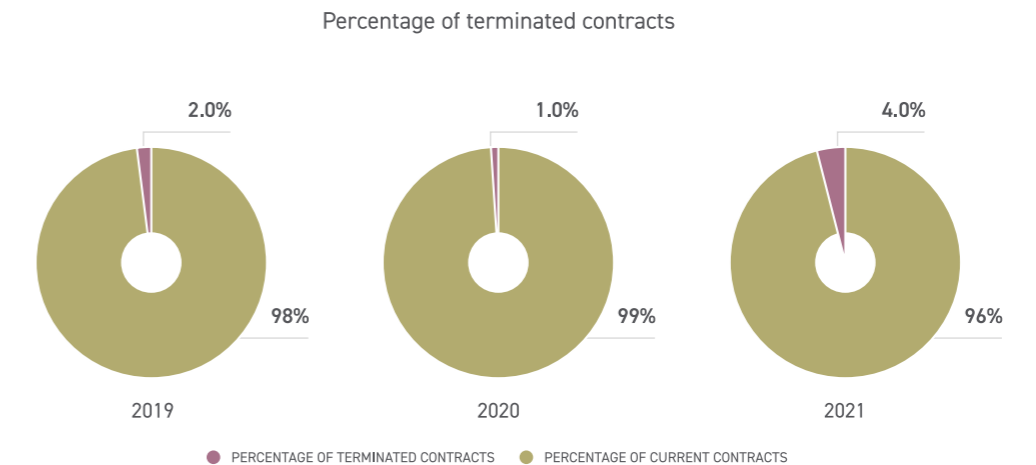
4.6.1 SOCIAL EVALUATION OF SUPPLIERS

100% of new suppliers who do business with Carron Group are assessed using social criteria. This figure has remained constant over the three-year period 2019/2021. The Group only works with companies that respect human rights and labour dignity.

Following checks and further evaluation, relations with the Group are terminated if there are found to be significant potential and existing negative social impacts.

- The negative social impacts identified in Carron Group's supply chain are:
- Failure to pay employees;
 - Non-payment of contributions (DURC);
 - Suspicion of mafia infiltration;
 - Failure to comply with the security plan;
 - Failure to register on the white list.t

The percentage of contracts terminated over the last three years for the reasons listed above is shown in the graphs below:



4.6.2 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

The use of raw materials, soil modification, the production of hazardous and non-hazardous waste, air pollution, and the production of noise and vibrations in construction are unavoidable negative environmental impacts in the building industry.

These impacts can be mitigated when entering into contracts or other agreements, as well as through constant collaboration with suppliers.

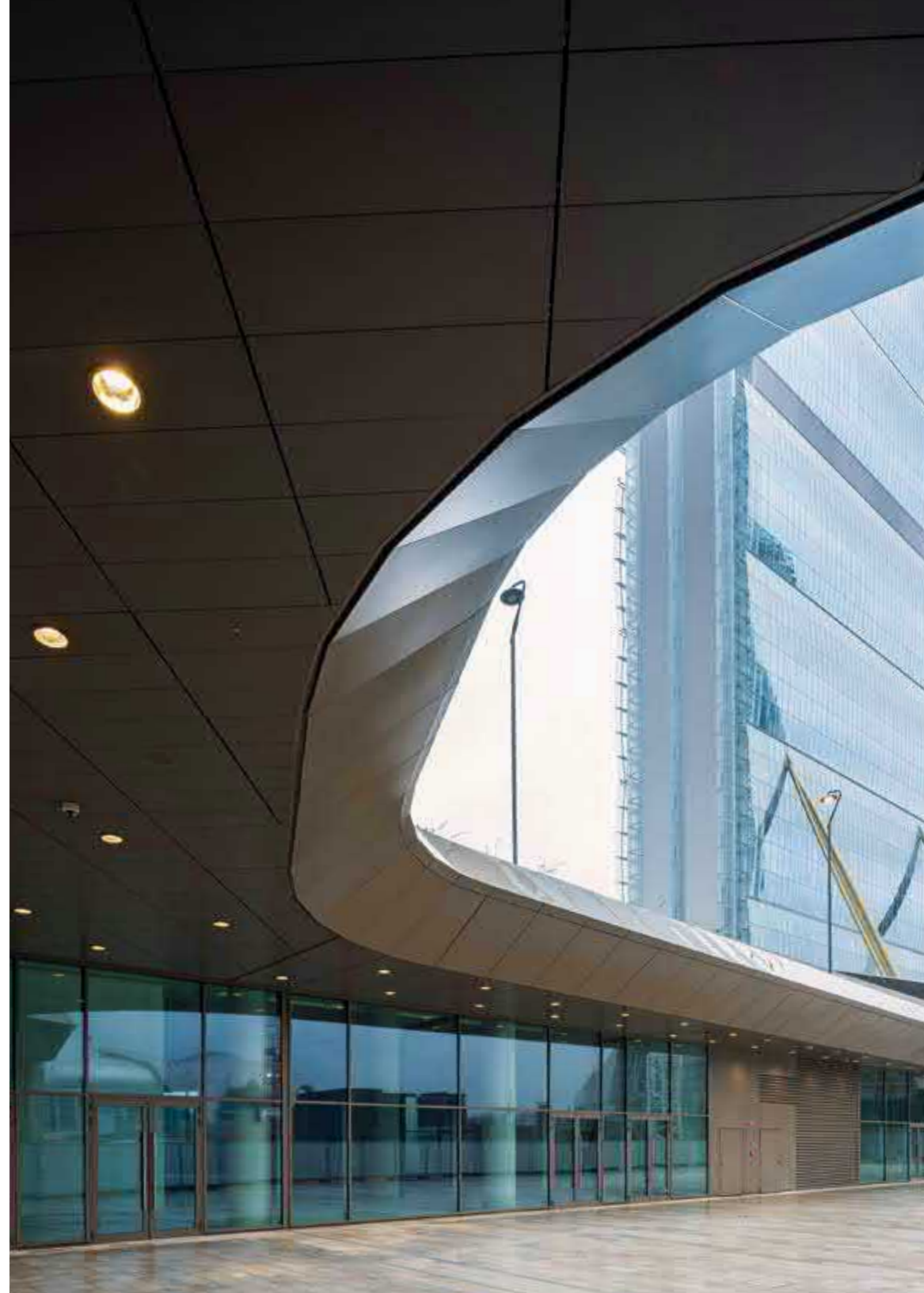
Carron Group is committed to selecting new suppliers also on the basis of environmental criteria and monitoring their activities to ensure socially and environmentally ethical partnerships, right from the start of the supply chain.

Where evaluations reveal current or potential negative environmental impacts, improvements are agreed upon to ensure long-term collaboration at high performance levels.

The percentage of new suppliers assessed according to environmental criteria has grown steadily over the last three years, reaching 15% in 2021.

Compared to social assessments, the percentage is lower because social criteria are mandatory by law for participation in tenders and collaborations, while some environmental criteria, such as the UNI ISO 14001:2015 standard certifying an Environmental Management System, are voluntary.

Percentage (%) assessment of new suppliers using environmental criteria over the three-year period 2019/2021



ENVIRONMENTAL ASPECTS

5



5 ENVIRONMENTAL ASPECTS

The built environment has a significant impact on many sectors of the economy, jobs and quality of life. It requires large amounts of resources and accounts for about 50% of all extracted raw materials.

The construction sector is responsible for more than 35% of total waste generation in the EU. Greenhouse gas emissions from the extraction of materials, the production of construction products, and the construction and renovation of buildings are estimated at 5-12% of total national greenhouse gas emissions. Improved material efficiency could save 80% of these emissions.

To increase material efficiency and reduce climate impact, the European Commission is launching a new global strategy for a sustainable built environment based on lessons learnt over the years. This strategy will ensure coherence between relevant policies such as climate, energy and resource efficiency, construction and demolition waste management, accessibility, digitisation and skills. It will promote the principles of circularity throughout the life cycle of buildings through a mix of regulatory approaches, sustainability diagnosis and certification schemes, and revision of recovery targets for the sector, both in quantitative and qualitative terms ⁽¹⁾.

Carron intends to contribute to this change of course by demonstrating how it is possible to preserve and enhance environmental resources even in the construction sector. This decision is taken in advance of legal obligations (e.g. the future extension of the non-financial reporting obligation, which is brought forward with the publication of this report), consistent with the corporate vision that has always combined the effectiveness of performance with the efficiency of actions, under the banner of responsibility and core values shared with all employees.

Underlying this approach, Carron Group's production activities are managed in strict compliance with current environmental legislation. All necessary investigations are carried out in advance to verify the possible environmental risks arising from the Group's characteristic activities in order to prevent any risk and damage.

The Group is also committed to spreading and consolidating a culture of environmental protection and pollution prevention among all its employees and subcontractors, developing risk awareness and promoting responsible behaviour by all employees.

⁽¹⁾ https://ec.europa.eu/growth/industry/sustainability/buildings-and-construction_en

5.1 PLANNING

Soil consumption.

Soil consumption is a phenomenon associated with the loss of a fundamental environmental resource due to the occupation of land that was originally agricultural, natural or semi-natural.

The phenomenon refers to an increase in artificial land cover linked to settlement dynamics. This process is mainly due to the construction of new buildings and infrastructure, expansion of cities, densification or conversion of land within an urban area, and local infrastructure.

The concept of soil consumption is therefore defined as a change from **non-artificial land cover** (non-consumed soil) to **artificial land cover** (consumed soil).



Aware of the fact that its business sector presents some critical issues related to environmental protection, Carron Group is committed to enhancing and protecting the territory as a common good and respecting the environment around its construction sites by carrying out preliminary environmental impact assessments in order to better direct project implementation and environmental monitoring management during the construction phase.

For Carron, this approach is not a challenge, it is standard practice. Reducing general negative environmental impacts when carrying out works through an assessment of these impacts at the planning stage and through careful selection, evaluation and awareness-raising of suppliers and contractors, is one of the general objectives included in Carron Group's Integrated Health, Safety and Environment System.

NEW TECHNOLOGIES - BUILDING INFORMATION MODELLING



BIM as an opportunity to optimise processes

Carron Group continues on its path of digitisation and information standardisation through Building Information Modelling, not only in response to the growing challenges posed by clients, but also and above all with the desire to improve construction processes in order to gain a competitive advantage.

This represents an advantage in terms of reducing errors and redundancies during the construction phase, thanks to greater coordination of technical information, which BIM facilitates by making data more accurate and at the same time accessible and easier to visualise.

The team dedicated to BIM management and coordination is supported by specialised staff and site technicians in order to facilitate the use of the new tools and promote the exchange of skills and 'on-the-job' training that are essential for the digital translation of site needs.

Innovative support for order management

The BIM project is central to the information management optimisation project undertaken since 2018, with the ambition to create a virtual construction site in order to anticipate construction issues, but also to support the time-related (4D) and economic (5D) planning of construction schedules, thus improving the efficiency of the entire process.

For this purpose, Carron Group is adopting standard classification systems used for the construction and parameterisation of information models, to enable the rapid and semi-automated evaluation and computation of jobs and the transfer of quantitative information to the technical management system, and then to the site team. This has allowed us to improve forecast reliability and therefore project performance monitoring.

Digitalisation always at the service of people

Carron Group was among the first to embark on the road to digital transformation, understanding its great potential. Today, it continues in this direction, continuing to develop new ideas and embracing the latest technologies.

For the security of intangible assets, the Group uses the Egnyte platform that ensures the team is fully operational wherever they are, operating in the cloud and sharing any necessary archive material in real time. This way of working across people, place and time proved its strength during the COVID-19 pandemic lockdown period.

The digital approach, which is not only operational but also linked to the company's well-known propensity to change and innovate, proves to be a winning business lever that, while offering a panel of services always at the service of people, also shields them from the frequent risks of manual error and loss of valuable data.

5.2 ENERGY CONSUMPTION

Even today, buildings are responsible for around 30% of the world's energy end-use and 39% of energy-related CO2 emissions. This is why energy consumption is being increasingly placed at the forefront in the building sector, both during the construction phase and during the life of the building structure.

Given the importance of intelligent and responsible management of energy use, the construction of high-performance buildings, the energy upgrading of existing ones, and the use of high-efficiency heating and cooling technologies are now central to the practices of every leading company in the sector.

Carron Group is committed to complying with the trend lines of current regulations in terms of energy with a view to continuous improvement, from the construction site to the building's use phase.

Among the priorities outlined in the recent net zero carbon strategy developed by Carron Group are to purchase green energy with Renewable Energy Certificates (RECs) for 30% of energy consumption; to offset electricity consumption by generating at least 5% of renewable energy on site (e.g. solar panels on caravan complexes, solar-powered temporary lighting systems, solar-powered cameras and variable message signs); and to reduce overall fuel consumption by 10% through better planning and logistics. Specific strategies may include:

- Reducing the number of deliveries;
- Reduction of downtime;
- On-site reuse of soils or other materials to reduce truck traffic to and from the site;
- Reduction of on-site travel; proper planning of logistics, such as setting up material in the immediate vicinity of the installation site;
- Acceleration planning without additional resource consumption;
- Preferential transport of materials by water/railway over road transport (distribution or third-party logistics);
- On-site plants (cement/asphalt production) instead of the transport of material to the site from long distances;
- Prefabrication of off-site elements and installation on site.

In practical terms, Carron SpA sets several targets that realise the above points, implementing the use of alternative fuels such as biodiesel in heavy equipment for at least 5% of total fuel consumption, the purchase of hybrid or fully electric vehicles for at least 50% of the fleet, and the use of electrified equipment for at least 20% (compared to gas or diesel engines).

For construction sites, the company intends to implement an integrated energy consumption management system during the construction phase through automated/digitised monitoring systems, such as energy management software allowing intelligent performance monitoring and the use of equipment and machinery connected to this system.

Energy consumption data is reported per operating centre.

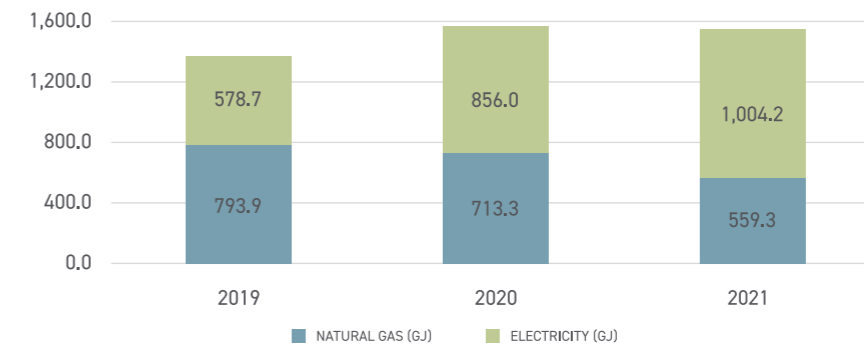
5.2.1.1 CARRON SPA

In line with the most recent energy policy guidelines – which have become even more urgent in the light of changes in the geopolitical scenario – pushing towards the electrification of energy utilities, including thermal utilities, Carron Group has invested in an innovative air conditioning and climate control system powered by heat pumps with an installed capacity of 459 kW for its headquarters in San Zenone degli Ezzelini. This system has delivered significant energy savings compared to the previous set-up, implying the gradual abandonment of fossil fuels (specifically natural gas) in favour of electricity obtained from renewable resources, in this case from the 398 kWp photovoltaic plant.

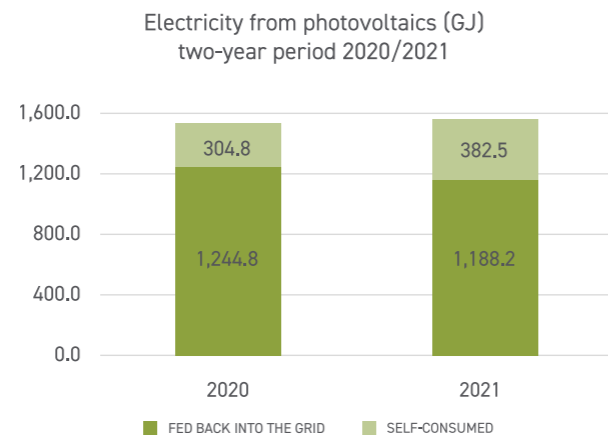
This has led to an increase in electricity consumption that has replaced natural gas for office heating/air conditioning.

A residual amount of natural gas is still consumed to heat the basement and main hall.

Energy consumption (GJ), Carron SPA
three-year period 2019/2021



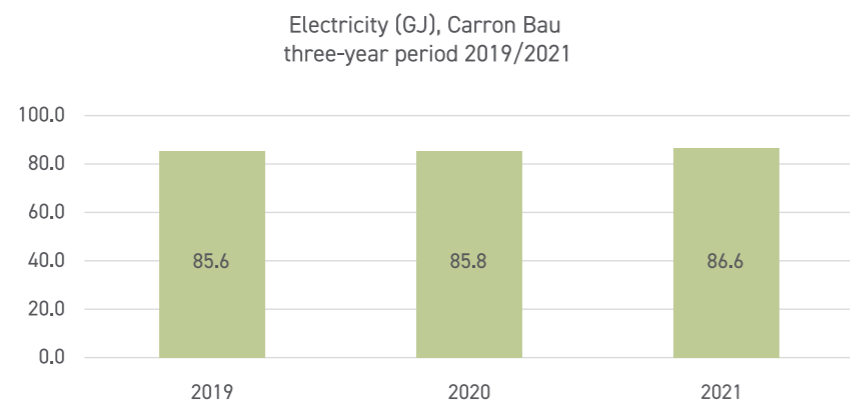
The installation in 2011 of a proprietary photovoltaic system on the roofs of the San Zenone headquarters has led to the following flattering values of self-produced and self-consumed energy:



In 2021, 27.6% of the energy consumed by Carron SpA came from its own photovoltaic system on the roof of its Treviso headquarters, while the remaining electricity purchased and consumed came from 100% certified hydroelectric renewable sources thanks to the 'Energia pulita - Green energy' project with Dolomiti Energia.

5.2.2.2 CARRON BAU

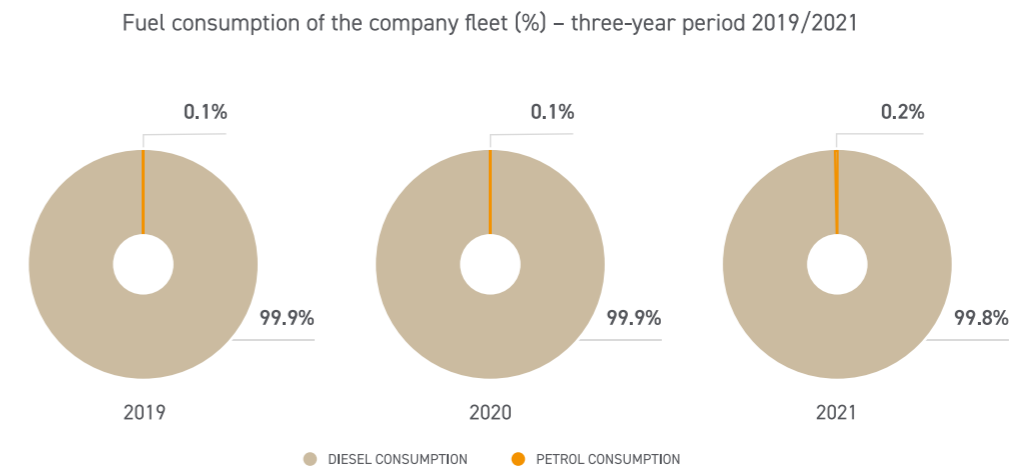
Carron Bau has invested in LED lighting and presence detection systems to optimise energy consumption. However, electricity consumption remained constant as the site has experienced simultaneous economic and personnel expansion.



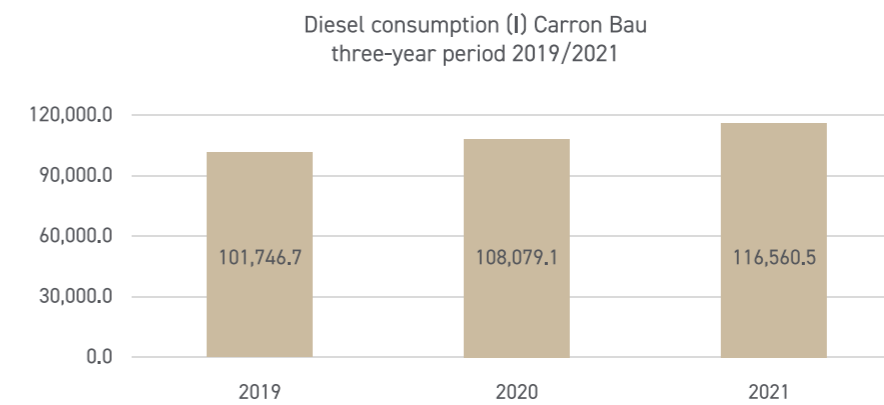
5.2.2 SCOPE 1

Carron Group leases its own fleet, used for commercial and production purposes. The main consumptions were diesel fuel, needed to move the vehicles, and petrol, used to a limited extent after the recent renewal of the fleet.

Fuel consumption, together with the natural gas needed to heat the offices in the winter, influenced the calculation of Scope 1 (tCO22) emissions from sources owned or controlled by the company.



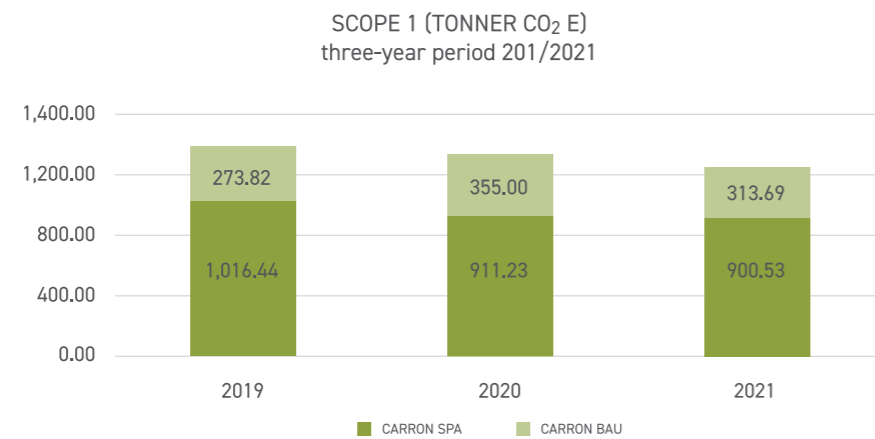
Company fleet data, Carron Cav. Angelo SpA



Company fleet data, Carron Bau

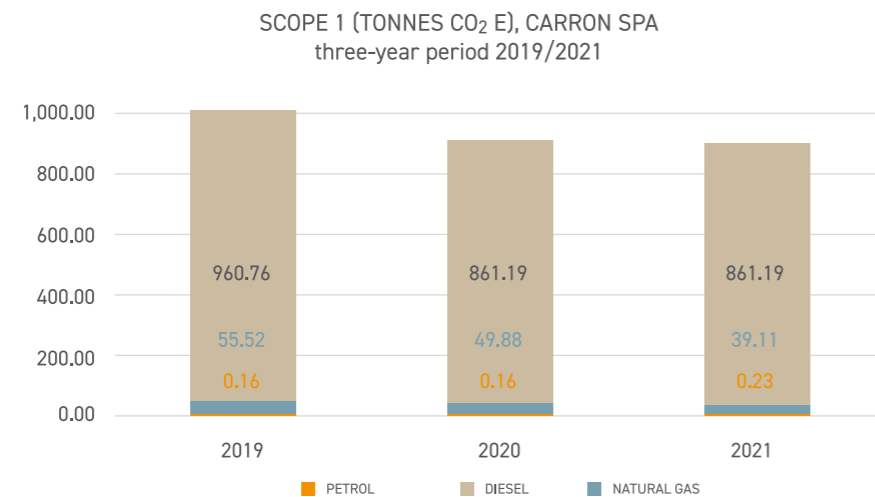
At Group level, emissions associated with direct consumption of fossil fuels were as follows:

Carron SPA	SCOPE 1 (t CO ₂ -eq)	Carron BAU	SCOPE 1 (t CO ₂ -eq)
2019	1,016.44	2019	273.82
2020	911.23	2020	355.00
2021	900.53	2021	313.69



SCOPE 1
Direct emissions generated by the company from sources owned or controlled by the company.

Carron SpA owns about 70% of the cars for company and mixed use, and all construction site vehicles. However, the biggest impact on Scope 1 calculation was diesel, accounting for around 95% of the total.



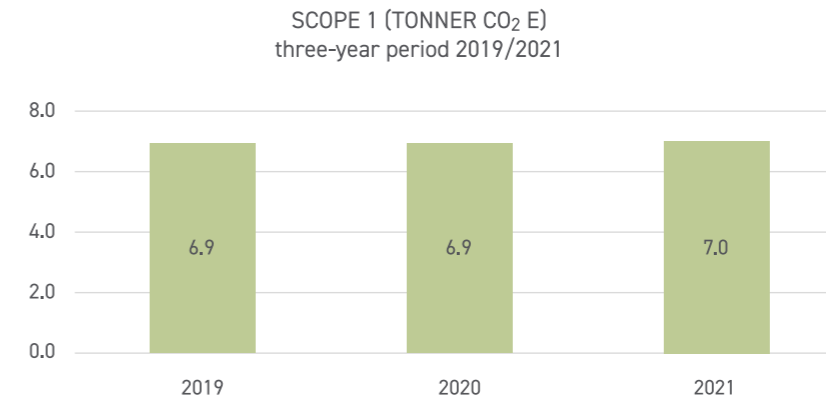
5.2.3 SCOPE 2 ^[2]

Investments aimed at consumption efficiency, the voluntary adoption of certified management systems, and the training and awareness-raising among people towards virtuous and environmentally friendly behaviour are the main levers for the efficient use of energy and natural resources and the reduction of corporate CO₂eq emissions.

SCOPE 2
Indirect emissions generated from the energy purchased and consumed by the company.

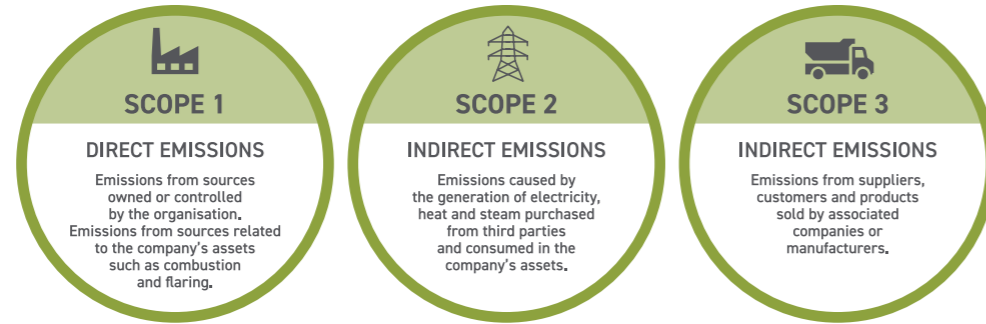
By using electricity from certified renewable sources (hydroelectric), Carron SpA has reduced its emissions in terms of tonnes of CO₂ related to electricity consumption to zero. Over 1,800 tonnes of CO₂ were avoided for the three-year period 2019/2021.

The calculation of Scope 2 is only for the Bolzano province premises. The increase in consumption is minimal and not proportional to the increase in personnel and turnover, as Carron Bau has implemented actions to reduce office energy consumption that have kept emissions constant despite the company's growth.



^[2] The emission factors used for the calculation of Scope 2 for Italy refer to the data published by ISPRA (‘Fattori di emissione di gas serra in atmosfera nel settore elettrico nazionale e nei principali paesi europei [Atmospheric greenhouse gas emission factors in the national electricity sector and in the main European countries] – 317’ ISPRA 2020).

5.2.4 NET ZERO STRATEGY



In order to contribute to the achievement of the Paris Agreement climate change targets, Carron is announcing a strategy to reduce its emissions and aim to reach climate neutrality by 2050.

The strategy provides for a set of organisational and operational procedures to achieve the following objectives:

1. Climate neutrality of corporate locations;
2. Climate neutrality of construction sites;
3. Minimisation of embodied carbon of new projects;
4. Zero emissions from transport;
5. Zero avoidable emissions from waste.

The company has set a target of zero Scope 1 and Scope 2 emissions by 2035 (**Carbon Neutrality**) and zero Scope 3 emissions by 2050 (**Net Zero**).

The operational and organisational procedures put in place to achieve the targets are described in the following table.

CARBON NEUTRALITY – SCOPE 1,2	
SUSTAINABLE MOBILITY	The Group will gradually replace the corporate fleet and use electric or low carbon fuel vehicles in order to progressively reduce Scope 1 emissions (owned vehicles) and Scope 3 emissions (leased vehicles). Most of the vehicles used by the Group are leased; therefore, there is considerable flexibility in management and quick access to the least emissive solutions.
	The goal is to convert 100% of the company fleet (owned and leased) to electric and low carbon fuel (biodiesel, hydrogen) vehicles by 2035 .

ELECTRIFICATION OF PLANT AND EQUIPMENT	In order to reduce emissions from operations, plant and equipment used on construction sites will be gradually electrified. The latter will only use renewable sources. This measure reduces the Scope 1 emissions attributable to the fuel consumption of owned plant and equipment and the Scope 3 emissions of rented plant and equipment.
	The Group has set a goal to maximise the use of electrical plant and equipment and implement energy efficiency measures by 2035 through the exploitation of Best Available Technology (BAT). Furthermore, measures to offset emissions will be put in place for all activities/machinery still using a residual amount of fossil fuels from 2026 . Over time, offsetting may be replaced by the reform of the EU ETS, which will internalise the cost of carbon by binding fossil fuel distributors/producers upstream in the supply chain.
SUPPLY OF ELECTRICITY WITH A GUARANTEE OF RENEWABLE ORIGIN	In order to neutralise Scope 2 emissions, Carron has entered into electricity supply contracts with a renewable energy guarantees of origin.
	Thanks to this measure, Carron SpA has achieved the target of reducing indirect emissions related to the production of electricity consumed at the Ca' Rainati (TV) site, corresponding to about 147 MWh in 2021 . From 2022 , in order to neutralise Scope 2 emissions from operations, the company will also enter into electricity supply contracts with guarantees of origin for construction sites.
ON-SITE RENEWABLE PLANTS	An on-site photovoltaic system has been installed at the headquarters, making emissions from all electricity consumption carbon neutral: about 252 MWh in 2021. Carron also fed 333 MWh of produced energy back into the grid during the year, helping to reduce emissions in the regional energy mix.
	The Group is committed to maximising the installation of renewable plants at its headquarters and operations by 2035 . Temporary photovoltaic systems will be installed on housing roofs at construction sites and, where possible, permanent on-site solar parks.
ENERGY EFFICIENCY MEASURES	Carron SpA has initiated a series of measures and initiatives to improve the energy efficiency of its premises and operating sites, with the aim of reducing consumption. In this regard, an energy manager will be appointed to prepare and implement an energy management plan aimed at identifying improvement operations. In addition, Carron recently carried out a LED relamping of its headquarters and will install automated control and regulation systems in the near future. In order to reduce consumption from operations, the best available technological solutions in terms of energy efficiency will be evaluated during the planning phase of the construction sites, supported by an integrated monitoring system for optimising power management.
	The goal is to rely on Best Available Technology (BAT) for premises and operating sites by 2025 .

Carron Group is aware of the strategic importance – for climate change mitigation – of managing and reducing **Scope 3** emissions in the construction sector. Throughout the EU, real estate and related sectors account for over 40% of energy consumption, over 50% of resource consumption and 46% of waste generation. Rethinking asset planning for sustainability and circularity has become an imperative for stakeholders across the value chain. In this regard, Carron is committed to a strategy aimed at value chain carbon neutrality by 2040.

In order to manage Scope 3 emissions, it is necessary to take measures across all phases of the business, in particular **the building design phase, supplier selection phase and operation monitoring**. The following measures will be applied to real estate projects, where Carron directly controls the design phase.

NET ZERO – SCOPE 3	
REDUCE THE ENERGY INTENSITY OF NEW PROJECTS	The largest share of emissions in the real estate sector is attributable to energy consumption over the lifetime of buildings. This emission category is not directly controlled by Carron SpA, but it can be managed by applying ad-hoc measures in the design phase. In this regard, the company is committed to considering the best solutions on the market in terms of energy efficiency in order to minimise consumption.
	The goal is to systematically use Best Available Technology in all new projects by 2035 .
	In addition to being energy efficient, the new projects will be integrated with systems and solutions to maximise the exploitation of on-site self-generated renewable energy. This measure will be crucial in decreasing peak demand for electricity from the grid and will allow balancing operations of the same, also contributing to the mitigation of electricity prices. The excess low-cost renewable energy will be fed back into the grid, helping to lighten the load on the national energy mix.
EMISSION REDUCTION	Carron intends to include on-site renewable plants in all new projects from 2030 . And from 2025, with the continued roll-out of electric vehicles in the transport market, all new projects will have dedicated areas with stations for recharging vehicles. This will help reduce transport emissions.
	Embodied carbon corresponds to the emissions released during the life cycle of a building, which includes the production and raw material supply phase, the construction phase, the operations phase (operational carbon) and the demolition and waste disposal phase. Managing this emission category is complex and requires material selection policies, partnerships with supplier, and integrated tracking and monitoring systems geared towards minimising embodied carbon and maximising system circularity.
EMBODIED CARBON OF BUILDINGS	The company has set itself the goal of selecting suppliers with a target to reduce emissions by 50% by 2025 compared to the market baseline and the remaining 50% by 2050 . BAT by 2030 and renewal by 2040 .

SITE VEHICLE MOBILITY PLANNING	Carron is developing site planning criteria to reduce emissions attributable to traffic at construction sites. The planning phase is carried out by analysing critical cases and preparing the relevant regulations to define routes and timetables, and requesting possible authorisations.
	These measures have already been implemented and will be applied at all Carron SpA construction sites from 2025 .
NET ZERO WASTE	The Group is committed to minimising avoidable emissions related to waste management. Indeed, the construction sector accounts for half of all materials extracted and 46% of the EU's total waste production. Improvements in the circular economy can have an important influence on reducing these impacts and transforming waste into new materials. Key strategies to promote circularity include increasing the use of recycled materials, increasing the durability and adaptability of buildings over time, and improving the recovery of materials for use as secondary raw materials.
	Carron SpA intends to reduce avoidable waste in new buildings to zero by 2035 and minimise waste in renovation/redevelopment projects by 2035 .

5.3 WATER CONSUMPTION

Water withdrawals are an insignificant aspect of the activities carried out by the Carron sites included in the scope of the report (Carron SpA and Carron Bau) and are mainly attributable to the use of toilets.

The company does not produce industrial waste water. It only produces domestic waste water, which goes into the sewage system.

5.3.3.1 CARRON SPA

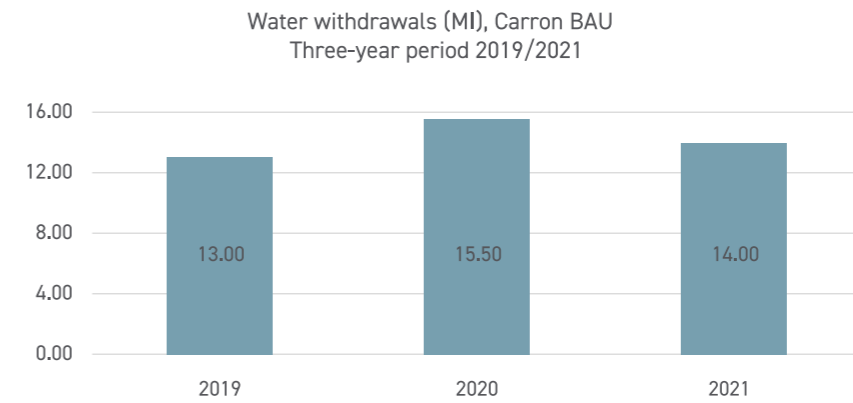
In addition to the toilet facilities, Carron SpA draws from wells for irrigation activities, and for the condensation fluid of the air conditioning system's cooling unit. Consumption is monitored with the principal aim of reducing the wastage of water for irrigation.



The sharp increase in water consumption in 2021 was due to a loss of water from the aqueduct network.

5.3.3.2 CARRON BAU

The values shown in the table represent an estimate of consumption based on meter readings taken over the years. Carron Bau's premises in Varna are rented, and consequently the landlord does not issue details of consumption, but sends a general invoice for various items.



All water withdrawals come from aqueducts and their discharge destination is also the public water system.

5.4 WASTE

5.4.1.1 CARRON SPA

Besides general office waste classified as municipal waste, Carron SpA's waste also includes construction site waste. The Treviso premises has a warehouse area for storing these materials.

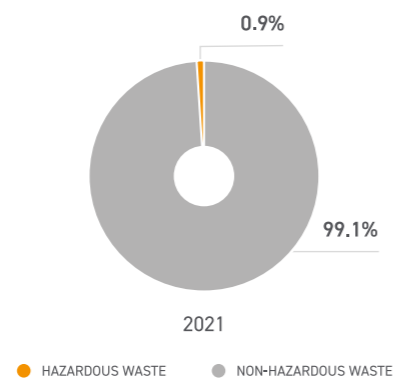
EWC code	Main types of waste - Year 2021	t
15.01.06	Mixed packaging	21.1
17.04.05	Iron and steel	17.2
20.01.38	Wood other than that mentioned in 200137	14.2
15.01.03	Wood packaging	11.8
15.01.01	Paper and cardboard packaging	4.8
16.02.14	Discarded equipment other than those mentioned in 160209 to 160213	3.6
	Other	8.8

51.9% of Carron SpA's waste was packaging, required for the storage and transport of raw materials from the warehouse to the construction sites.

An estimated 95% of the materials were recycled. ⁽³⁾

The percentage of hazardous waste was limited to 0.9% of the total

Waste sorting, Carron SpA – 2021



⁽³⁾ The estimate is based on the high recyclability of packaging, iron and steel. The estimate recovery of WEEE is 30%, in line with the European Parliament's assessments, while all hazardous waste is disposed of correctly. E-waste in the EU: facts and figures; European Parliament (2022), <https://www.europarl.europa.eu/news/it/headlines/society/20201208STO93325/rifiuti-elettronici-nell-ue-dati-e-cifre-infografica>.

5.4.1.2 CARRON BAU

The waste generated by Carron Bau is general office waste - classified as municipal waste - in the quantities indicated in the table.

General office waste (kg)	130.4
---------------------------	-------

PILOT CONSTRUCTION SITE 6

OSPEDAL GRANDO SRL – TREVISO

Construction of the new healthcare hub in Treviso, extension and modernisation of the current hospital

CONTRACTING ENTITY	Ospedal Grando S.r.l.
PLACE	Treviso (TV)
START DATE	14/03/2018
TYPE OF WORK	Collective
DESIGNER	L+Partners S.r.l. ; Poolengineering S.p.A.; Studio Architetto Follina

6 PILOT CONSTRUCTION SITE

In this Sustainability Report, Carron Costruzioni wishes to report on the ecological and safety impacts of a pilot construction site, in order to give uniformity of reporting both to the management aspects, the core of the company's headquarters, and to the operational aspects of the actual construction activity, carried out through a detailed contracting system.

To this end, the project for the construction of the new healthcare hub in Treviso, which involves the expansion and modernisation of the existing hospital – now at an advanced stage of completion – has been identified as a significant pilot case. The project is called the 'citadel of health' because of the hospital's new vision, focused on streamlining and optimising the facilities and services it provides.

At the heart of the project is the hospital's macro-area, the beating heart of the entire citadel from which the following five functional sub-areas can be accessed:

- **Office wing**, main entrance, start and end point of the main communication chain;
- **Administrative wing**, whose function is as described by its name;
- **Territorial macro-wing**, the centre of distribution of the most requested services, which will make it possible to provide healthcare to the greatest number of people;
- **Training wing**, in which training, research and teaching activities with the university will take place;
- Highly technological **logistics macro-wing**, conceived as a large dock, the port of arrival of goods, the production and distribution of energy received directly from the river Sile.

All this within a green area extending across 5 hectares.

The overall intervention covers an area of over 167,000 m² within which 90,000 m² consists of new structures and 57,000 m² of renovations.

Work on phase 1, which started in March 2018, is expected to finish in December 2022, with an expenditure amount of approximately 80 million euros.

The entire final and executive design was carried out according to Building Information Modelling (BIM) processes; the 3D (three-dimensional and parametric modelling for all disciplines), 4D (time) and 5D (cost) development phases allowed complete control of the project as required by the UNI 11337 standard, Building and civil engineering works - Digital management of the informative processes.

The executive project of the Treviso hospital macro-area was a finalist at the BIM&DIGITAL AWARDS 2019, and has achieved the LEED Italia standard.

6.1 MATERIALS AND WASTE

At its construction sites, Carron Group pays particular attention to the choice of construction elements and favours the efficiency of prefabricated materials, maximising their use.

According to these principles, the design, construction and management of a building, through an integrated approach, are aimed at preserving the environment by reducing the negative impact on it. It is therefore a matter of constructing, renovating or converting a building element in the most ecological and sustainable way by aiming to integrate systems or installations that exploit clean energies, using materials and construction techniques that lead to the creation of a true integration between the building, its inhabitants and the environment that hosts it.

Two main materials were used in the central phase of the construction and modernisation of Treviso hospital: concrete, for the construction of the foundations and the load-bearing structure of the buildings, and steel, for the construction of the reinforcement embedded within it.

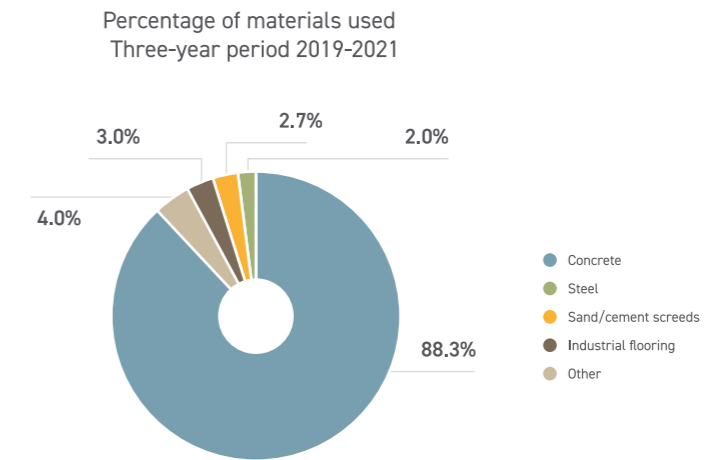
Following these, by quantity, are sand and cement screeds. These have been used to level the surfaces, to distribute the load of the elements above and to receive the final flooring.

Other high-consumption materials include waterproofing and insulation materials for the roofing of buildings and interior block and plasterboard masonry.

Ongoing works in the external areas include excavation and earthmoving, and utility networks of waste water and rain water collection and treatment systems.

No hazardous chemicals were used during the three-year reporting period.

Materials (t), three-year period 2019/2021				
	2019	2020	2021	TOTAL
Concrete	31 560	87 360	14 880	133 800
Steel	1 350	4 100	580	6 030
Sand/cement screeds	-	1 070	3 470	4 540
Glass	-	1 180	170	1 350
Aluminium	-	200	30	230
Plasterboard	-	-	1 000	1 000
Local PVC	-	-	101	101
Stoneware	-	-	161	161
Polyurethane insulation	-	-	75	75
Wool insulation	-	-	170	170
Industrial flooring	-	-	4 050	4 050



The purchase of prefabricated materials makes it possible to minimise site work and, more generally, the impact on the environment. The off-site processing of customised materials means that waste production during installation is eliminated and site time is reduced by 40%, as components arrive unpacked, thus eliminating the problem of dealing with packaging.

In addition, Carron SpA chooses EPD (*Environmental Product Declaration*) certified products that guarantee the use of significant amounts of recycled material, ensuring a lower environmental impact at all stages of the life cycle and the achievement of LEED credits.

The company is fully committed to a circular economy system in which materials used are almost entirely recycled (from external waste streams) or to be recycled (construction site waste reused in a beneficial way).

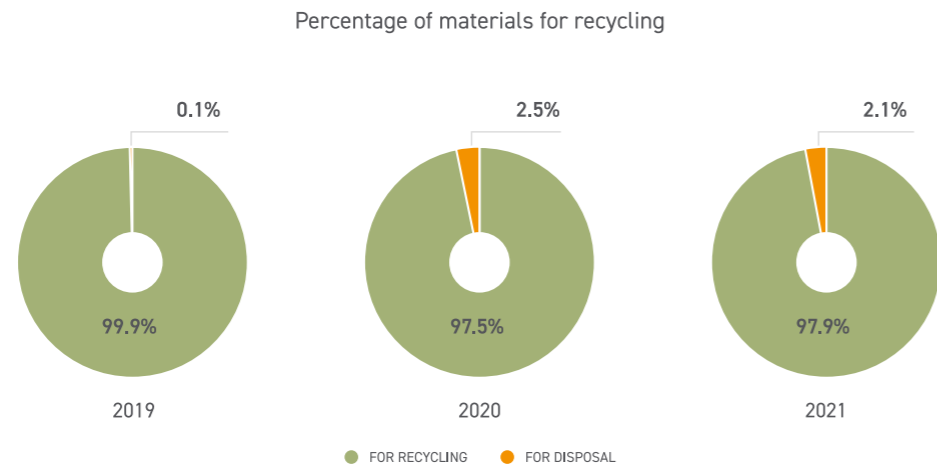
Carron SpA also makes sure to find a disposal site as close as possible to the construction site area to reduce the likelihood of loss or dispersion of waste and to limit the CO₂ emissions from vehicles.

During the construction phase, Carron Group ensures adequate and effective waste collection for both construction materials and individually produced waste by installing small collection points in several areas of the construction site and a centralised ecological island for the final collection of waste for disposal.

As far as the Treviso hospital site is concerned, the quantities of waste (in tonnes) are as follows:

Waste (t), three-year period 2019/2021				
EWC	Material	2019	2020	2021
170201	Wood	9.37	117.53	181.2
170904	Mixed waste from demolition and construction activities	65.85	414.11	10.6
170302	Bituminous mixtures	1,359.98	297.94	369.46
170101	Cement	4,382.7	1,706.04	3,807
150106	Mixed packaging	9.23	6.62	129.1
170405	Iron and metals	19.94	39.95	67.18
170802	Plasterboard	-	-	343.12
170107	Mixed concrete and brick	-	-	95.84
TOTAL		5,847.07	2,582.19	5,003.5

Carron SpA's virtuous waste management process – also with a view to contributing to the circular economy – has enabled almost all waste materials to be recycled over the past three years.



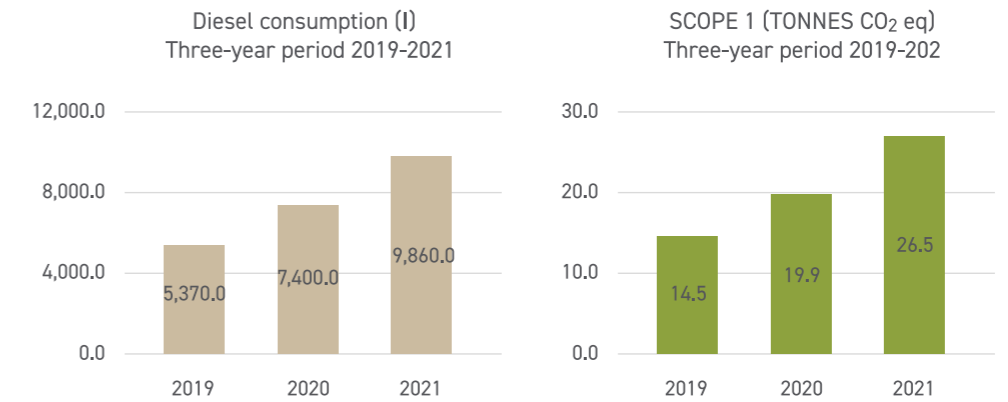
6.2 EMISSIONS

Accurate measurement of emissions is the starting point for developing one's climate strategy. It is essential to identify emission sources in order to take timely action to reduce one's own impact and to give credibility to the offsetting phase. This is why analysis is extremely relevant to the challenge of climate change ⁽⁴⁾.

The site consumption relates to the fuel needed to move vehicles, and the electricity for the use of smaller equipment and for lighting the site itself. Below, Scope 1 and Scope 2 ⁽⁵⁾ greenhouse gas emissions are analysed. These measures express, in CO₂e, the total greenhouse gas emissions directly related to pilot site operations.

SCOPE 1
Direct emissions generated by the company from sources owned or controlled by the company.

The consumption of diesel required to move construction site vehicles, as shown below, was therefore taken into account to calculate Scope 1 emissions.

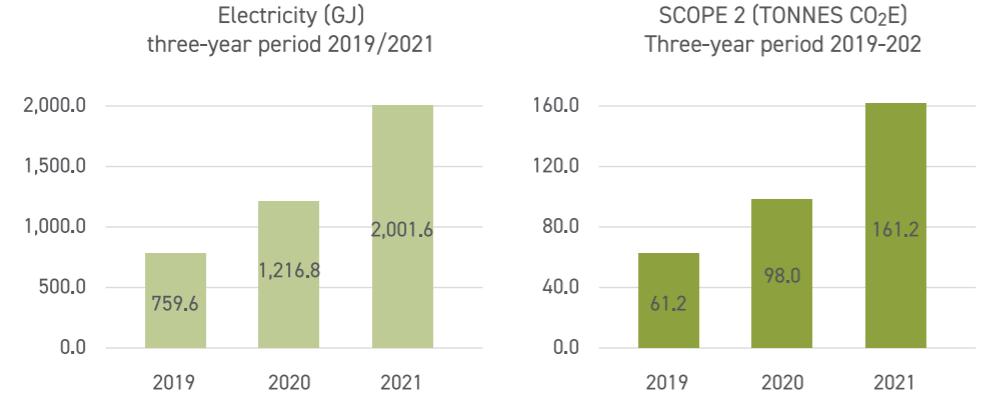


⁽⁴⁾ Greenhouse Gases (GHG) 'trap' heat in the atmosphere. These include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). It should be noted that water vapour, although responsible for a significant portion of the natural greenhouse effect, is not included in the count as it is not directly influenced by human activities. (Source: Kyoto Protocol).

⁽⁵⁾ The GHG Protocol groups emission sources into three distinct categories: Scope 1 (direct emissions), Scope 2 (indirect emissions from energy consumption) and Scope 3 (other indirect emissions from upstream and downstream activities of the organisation).

SCOPE 2
Indirect emissions generated from energy purchased and consumed by the company.

Electricity consumption and the corresponding Scope 2 are dictated by the works phases, in line with the project Gantt chart.

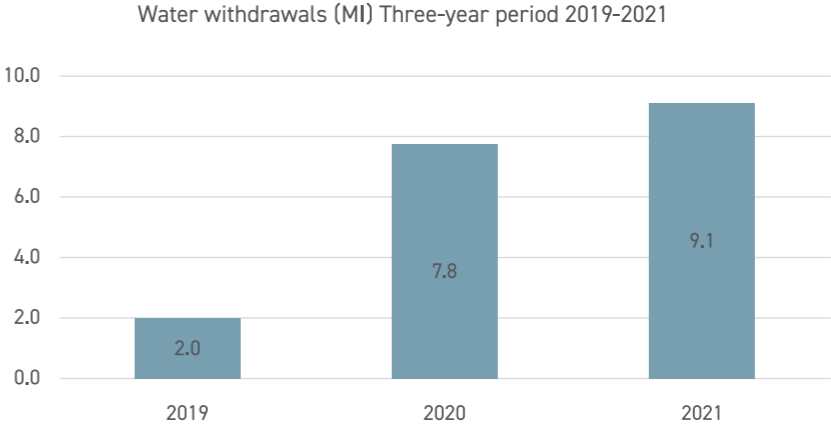


6.3 WATER CONSUMPTION

The main water withdrawals used for the site are those necessary for the personal hygiene of employees.

Water-saving devices, such as collection systems that reuse rain water for washing vehicles or tanks, are adopted during the various construction phases. Washing these as they leave the construction site ensures that the dust caused by the uplift induced by dirty tyres is eliminated, and contributes to the maintenance of road cleanliness. Consequently, any run-off from precipitation of roads does not lead to pollution of groundwater or other water bodies in the vicinity.

Water consumption from the mains during the three-year reporting period is as follows:



6.4 HEALTH AND SAFETY ON THE CONSTRUCTION SITE

The organisation ensures the quality of the safety processes and procedures of the certified Integrated Management System (Quality, Environment and Safety) used to identify possible hazards at work and to assess risks systematically and non-systematically, and to apply the hierarchy of controls in order to eliminate hazards and minimise risks.

The results of these review processes make it possible to collect non-conformities and activate the appropriate corrective actions with effectiveness assessments.

All personnel are trained, informed and regularly updated on possible health and safety risks in the workplace and asked to act accordingly to avoid occupational injuries and illnesses.

New operating personnel at the site undergo an induction programme in which all persons responsible for active on-site safety, routes and emergency contact persons are identified.

All these monitoring and continuous improvement activities resulted in Carron SpA recording no injuries in three years of site operations.

In 2019, there was a single incident that did not lead to injuries. The appropriate corrective actions were implemented immediately.

In 2020, a non-conformity related to a hazardous situation was assigned. This, too, was managed and corrected immediately following controls to identify the causes of the risk. Subsequently, training was provided to strengthen the safety culture on the construction site.

Finally, to protect the safety of site personnel, disciplinary measures were taken against one worker due to his lack of risk awareness, despite constant warnings. This reprimand allowed the company to clearly convey how seriously it is committed to the health and safety of all its workers.

COVID-19

In order to reconcile work with pandemic prevention and isolation in a family context, Carron Group carried out testing for employees and groups of workers closest to those who tested positive, with the aim of limiting contagion internally and among family members as much as possible.

Canteen stalls were reorganised and equipped with protective devices to ensure proper distancing. In addition, procedures were introduced to sanitise surfaces by using them in time slots.





OBJECTIVES 7

7 OBJECTIVES

While performing its activities, the Carron Group has undertaken a policy of sustainable development that aims to improve the company's performance in compliance with the expectations of its stakeholders.

These policies require a significant economic and organisational commitment, with the adoption of certified and recognised safety, environmental and quality management systems, and strict procedures that call upon all employees and partners to adopt responsible and correct behaviour.

We are proud of the many goals we have already achieved and confirm our firm and determined commitment to do our best to continue and possibly improve along this path.

ESG	OBJECTIVE	KPI	TIMEFRAME		
			Short term (1-2 years)	Medium term (3-5 years)	Long term (more than five years)
GOVERNANCE	• Revision of current code of ethics.	-			
	• Preparation of code of conduct for supply chain.	Preparation of code of conduct			
	• Learn more about Envision certification (training + partnership for implementation).				

ESG	OBJECTIVE	KPI	TIMEFRAME		
			Short term (1-2 years)	Medium term (3-5 years)	Long term (more than five years)
SOCIAL	<ul style="list-style-type: none"> Greater balance of gender equality among the various work categories, starting at managerial level. 	% of gender at various levels of responsibility; female figures in strategic positions.			
	<ul style="list-style-type: none"> Implementation of gender equality guidelines to monitor pay gap. 	Strategic plan for an inclusive work environment; management processes for gender quality and inclusion; post-maternity leave services.			
	<ul style="list-style-type: none"> Prepare a strategy with significant social impact + Implement a long-term strategy of positive social impact. 	-			
	<ul style="list-style-type: none"> Involve staff with a reward scheme linked to sustainable management of the organisation: co-responsibility, no one excluded, with a view to enhancing the human resources that are most committed to this issue. 	Sustainability contest in which the best ideas are rewarded with funds for their implementation.			
	<ul style="list-style-type: none"> Specific training for planners, procurement department, technical department, quality control, etc., aimed at assessing impacts throughout the building/ infrastructure life cycle with a view to minimising them. 	Specific training for planners, procurement department, technical department, quality control, etc., aimed at assessing impacts throughout the building/ infrastructure life cycle with a view to minimising them.			

ESG	OBJECTIVE	KPI	TIMEFRAME		
			Short term (1-2 years)	Medium term (3-5 years)	Long term (more than five years)
ENVIRONMENT	<ul style="list-style-type: none"> Achieve 100% of new suppliers assessed by environmental criteria. 	+85%			
	<ul style="list-style-type: none"> Reduce fossil fuel consumption and convert company fleet to electric. 	+100%			
	<ul style="list-style-type: none"> Implement a data collection and consumption monitoring system for the organisation's Scope 3 reporting. 	Create procedures for the specific objective or adopt a platform for data and fulfilment management at multiple sites.			
	<ul style="list-style-type: none"> CARRON BAU: change to electricity supplier with guarantee of origin, resulting in lower total CO₂ emissions 	-			
	<ul style="list-style-type: none"> CARRON SPA: reduce natural gas consumption in favour of self-produced renewable electricity, resulting lower total CO₂e emissions. 	-			



METHODOLOGICAL NOTE

8

8 METHODOLOGICAL NOTE

This first Carron Sustainability Report, was prepared and drafted according to the GRI (Global Reporting Initiative) standards, thus setting in motion a process of reporting and communicating social, economic and environmental impacts.

The Global Reporting Initiative is the most relevant standard setter active since 1997. Its aim is to define a framework for non-financial reporting, and has guided Carron through the process of preparing the Sustainability Report according to reporting principles, including broad contextual information and identifying and reporting on material issues.

Carron Group set the ball rolling by creating a dedicated internal work group assisted by consulting company eAmbiente srl, with the aim of communicating its commitment to sustainable social, environmental and economic development to internal and external stakeholders.

The information given refers to the organisation Carron SpA, headquartered in Via Bosco 14/1, 31020 San Zenone degli Ezzelini (TV); Carron Bau, headquartered in Via Forch 3, 39040 Varna (BZ); and a construction site that Carron Costruzioni considered a priority: Treviso hospital.

The reporting period runs from 1 January to 31 December 2021.

This report has been prepared in accordance with GRI Standards (Core option)

In accordance with the reporting principles for defining the content and quality of the Sustainability Report, Carron Group provides general background information and sustainability reporting practices such as profile, strategy, ethics and integrity, governance, and stakeholder engagement and dialogue.

The organisation shares with the reader of the 2021 Sustainability Report the method of handling significant topics (in technical jargon, material topics).

Each material topic is accompanied by a textual explanation of why that topic is considered material, where the impact occurs and how the organisation handles it.

For further information regarding the report, please contact:
info@carron.it

CARRON SPA
AND CARRON BAU
GRI CORRELATION
INDEX

9

9 CARRON SPA AND CARRON BAU GRI CORRELATION INDEX

GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 101 Reporting Principles 2016				
GRI 102: General Disclosure 2016				
Organisational profile	102-1	Name of the organisation	1 Carron Group and sustainability	
	102-2	Activities, brands, products, and services	1.2 Area of activity	
	102-3	Location of headquarters	Methodological note	
	102-4	Location of operations	Methodological note	
	102-5	Ownership and legal form	2.1.1 Structure and governance, Carron Spa 2.1.2 Structure and governance, Carron Bau	
	102-6	Markets served		For details of works please refer to the Reference Book on the company website
	102-7	Scale of the organisation	Methodological note	
	102-8	Information on employees and other workers	4.1 Personnel	
	102-9	Supply chain description	4.6 The supply chain	
	102-10	Significant changes to the organisation and its supply chain		This is the company's first Sustainability Report, therefore the information in the document has not been revised from previous publications
	102-11	Precautionary principle or approach	2.4 Certifications	
	102-12	External initiatives	3.2 Projects and donations	
	102-13	Membership of associations	2.2.1.2 ANCE Code of Ethics	
Strategy	102-14	Statement from senior decision-maker	Letter to stakeholders	
Ethics and integrity	102-16	Values, principles, standards, and norms of behaviour	2.2 Analysis of legality level and code of ethics	

GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 102: Informativa generale 2016				
Governance	102-18	Governance structure	2.1.1 Structure and governance, Carron Spa	
			2.1.2 Structure and governance, Carron Bau	
Stakeholder engagement	102-40	List of stakeholder groups	2.6 Materiality matrix	
	102-41	Collective bargaining agreements	4.1 Personnel	
	102-42	Identifying and selecting stakeholders	2.6 Materiality matrix	
	102-43	Approach to stakeholder engagement	2.6 Materiality matrix	
	102-44	Key topics and concerns raised	2.6 Materiality matrix	
Reporting practices	102-45	Entities included in the consolidated financial statements	Methodological note	
	102-46	Definition of report content and topic boundaries	Methodological note	
	102-47	List of material topics	2.6 Materiality matrix	
	102-48	Restatements of information		This Report is the first, so there are no revisions of information
	102-49	Changes in reporting		This Report is the first, so there are no changes in the reporting
	102-50	Reporting period	Methodological note	
	102-51	Date of most recent report	Methodological note	
	102-52	Reporting cycle	Methodological note	
	102-53	Contact point for questions regarding the report	Methodological note	
	102-54	Claims of reporting in accordance with the GRI Standards	Methodological note	
	102-55	GRI content index	GRI correlation index - Carron SpA and Carron Bau	
102-56	External assurance		The document is not certified by external assurance	

ECONOMIC TOPIC				
GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 201 Economic Performance 2016				
	103-1, 103-2, 103-3	Management approach	3.1 Value sharing	
	201-1	Direct economic value generated and distributed	3.1 Value sharing 3.2 Projects and donations	
ENVIRONMENTAL TOPIC				
GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 302 Energy 2016				
	103-1, 103-2, 103-3	Modalità di gestione	5.2 Energy consumption	
	302-1	Energia consumata all'interno dell'organizzazione	5.2 Energy consumption	
	303-4	Riduzione del consumo di energia	5.2 Energy consumption	
GRI 303 Water and Effluents 2018				
Specific information	303-3	Prelievo idrico	5.3 Water consumption	
	303-5	Consumo d'acqua	5.3 Water consumption	
GRI 305 Emissions 2016				
	103-1, 103-2, 103-3	Modalità di gestione	5.2 Energy consumption	
	305-1	Emissioni dirette di GHG (Scope 1)	5.2 Energy consumption	
	305-2	Emissioni indirette di GHG da consumi energetici (Scope 2)	5.2 Energy consumption	
GRI 306 Waste 2020				
	306-3	Rifiuti prodotti	5.4 Waste	
GRI 308: Supplier Environmental Assessment 2016				
	103-1, 103-2, 103-3	Modalità di gestione	4.6 The supply chain	
	308-1	Nuovi fornitori che sono stati valutati utilizzando criteri ambientali	4.6.2 Environmental assessment of suppliers	
	308-2	Impatti ambientali negativi nella catena di fornitura e azioni intraprese	4.6.2 Environmental assessment of suppliers	

SOCIAL TOPIC				
GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 401: Employment 2016				
	103-1, 103-2, 103-3	Management approach	4.1 Personnel	
	401-1	New employee hires and employee turnover	4.1 Personnel	
GRI 403: Occupational Health and Safety 2018				
Management approach	403-1	Occupational health and safety management system	4.4 Health and safety	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Health and safety	
	403-5	Worker training on occupational health and safety	4.4 Health and safety	
	403-6	Promotion of worker health	4.4 Health and safety	
Specific information	403-8	Workers covered by an occupational health and safety management system	4.4 Health and safety	
	403-9	Work-related injuries	4.4 Health and safety	
GRI 404: Training and Education 2016				
	103-1, 103-2, 103-3	Management approach	4.3 Training	
	404-1	Average hours of training per employee	4.3 Training	
GRI 405: Diversity and Equal Opportunity 2016				
	103-1, 103-2, 103-3	Management approach	4.2 Gender equality	
	405-1	Diversity of governing bodies and employees	4.2 Gender equality	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Gender equality	

GRI STANDARD	DISCLO-SURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 414: Supplier Social Assessment 2016				
	103-1, 103-2, 103-3	Management approach	4.6 The supply chain	
	414-1	New suppliers that were screened using social criteria	4.6.1 Social assessment of suppliers	
	414-2	Negative social impacts in the supply chain and actions taken	4.6.1 Social assessment of suppliers	
GRI 416: Customer Health and Safety 2016				
	103-1, 103-2, 103-3	Management approach	4.5 User health and safety	
	416-1	Assessment of the health and safety impacts of product and service categories	4.5 User health and safety	

GRI CORRELATION INDEX – PILOT SITE 10

10 GRI CORRELATION INDEX – PILOT SITE

ENVIRONMENTAL TOPIC				
GRI STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE SECTION	OMISSIONI/NOTE
GRI 301: Materials 2016				
	103-1, 103-2, 103-3	Management approach	6.1 Materials and waste	
	301-1	Materials used by weight or volume	6.1 Materials and waste	
GRI 302: Energy 2016				
	103-1, 103-2, 103-3	Management approach	6.2 Emissions	
	302-1	Energy consumption within the organisation	6.2 Emissions	
	303-4	Reduction of energy consumption	6.2 Emissions	
GRI 303: Water and Effluents 2018				
Informativa sulle modalità di gestione	303-1	Interactions with water as a shared resource	6.3 Water consumption	
Informazioni specifiche	303-3	Water withdrawal	6.3 Water consumption	
	303-5	Water consumption	6.3 Water consumption	

ENVIRONMENTAL TOPIC				
GRI STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 305: Emissions 2016				
	103-1, 103-2, 103-3	Management approach	6.2 Emissions	
	305-1	Direct (Scope 1) GHG emissions	6.2 Emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	6.2 Emissions	
GRI 306: Waste 2020				
	306-3	Waste generated	6.1 Materials and waste	
	306-4	Waste diverted from disposal	6.1 Materials and waste	
	306-5	Waste directed to disposal	6.1 Materials and waste	

SOCIAL TOPIC				
GRI STANDARD	DISCLOSURE	DESCRIPTION	REFERENCE SECTION	OMISSIONS/NOTES
GRI 403: Occupational Health and Safety 2018				
Management approach	403-1	Occupational health and safety management system	6.4 Health and safety on the construction site	
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.4 Health and safety on the construction site	
	403-5	Worker training on occupational health and safety	6.4 Health and safety on the construction site	
	403-6	Promotion of worker health	6.4 Health and safety on the construction site	
Specific information	403-9	Work-related injuries	6.4 Health and safety on the construction site	



Photo: Carron Archive

With the technical collaboration of **eAmbiente Group**



Carron Cav. Angelo S.p.A.

Via Bosco 14/1 - 31020 San Zenone degli Ezzelini (TV)
Tel. 0423 9657 - E-mail info@carron.it

Piazzetta del Liberty 8 - 20121 Milano
Tel. 02 86998023

www.carron.it

Carron Bau S.r.l.

Via Forch 3 - 39040 Varna (BZ)
Tel. 0472 832395 - E-mail info@carronbau.com
www.carronbau.com

www.carron.it