



# **SUSTAINABILITY REPORT 2024**

EXECUTIVE SUMMARY

# Contents of the Sustainability Report

Below is the structure of the content of the **second Sustainability Report** of the Borghi Group, referring to the 2024 fiscal year, prepared in accordance with the “GRI Sustainability Reporting Standards,” using the in accordance reporting approach.



LETTER TO STAKEHOLDERS
METHODOLOGICAL NOTE
1. BORGHİ GROUP
2. APPROACH TO SUSTAINABILITY
3. OUR BUSINESS
4. SOCIAL RESPONSABILITY
5. ENVIRONMENTAL RESPONSABILITY
APPENDIX

# Highlights



**1960**

**Borghi Group  
founded**

**3**

**3 Business  
Unit: Borghi,  
FOR, T.Erre**

**+ 260**

**Million in  
revenue in  
2024**

**1**

**Integrated  
Management  
System**  
for Quality, Environment, Health  
and Workplace Safety

**7**

**7 manufacturing  
companies and 1  
joint venture in  
China**

**20**

**Countries in  
which the  
Group  
operates**

**1.962**

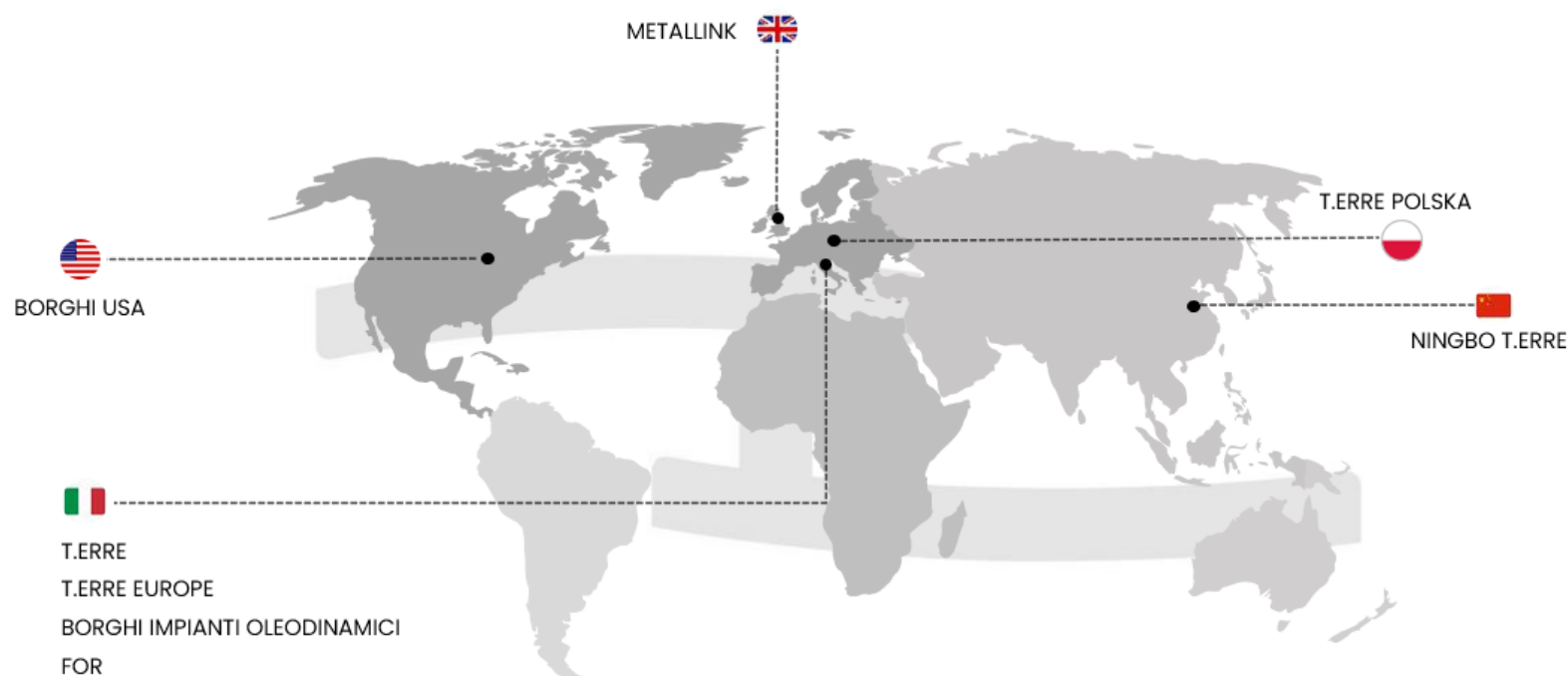
**Employees as  
of 31.12.2024**

**29%**

**Of total energy  
consumption from  
renewable sources**

# The Group's History and Companies

Group Borghi, founded in 1960 in Bologna by Oliviero Borghi, has been operating for more than sixty years in the design, development, and production of tubes and fittings for applications in the Automotive Passenger Cars, Automotive Truck & Bus, Agriculture, Construction, Material Handling, and Mining sectors.



**Group Borghi is composed of seven manufacturing companies located in Europe and the United States, along with a Joint Venture in Asia, employing a total of 1,962 people.**

The companies are organized into three Business Units, based on sector specializations, all of which are characterized by a strong commitment to innovation in technologies and processes. This approach ensures the Group's competitiveness in the global markets in which it operates, serving major OEMs and Tier 1 suppliers worldwide.



# Governance e values

## MISSION

To be a Group capable of providing effective solutions in the production of pipes and fittings used across various sectors, from Automotive to Mining, with a focus on eco-sustainability, while striving to meet customer needs and create value for shareholders, employees, and the community, all within the framework of respecting the ethical principles and conduct rules outlined in the Code of Ethics.

## VISION

To be at the forefront of innovation in managing activities by researching materials and production solutions that keep the Group as a leading reference for customers, designers, and competitors.

## VALUES

HONESTY AND RESPECT

QUALITY AND INNOVATION

CORPORATE SOCIAL RESPONSIBILITY

INDIVIDUAL RESPONSIBILITY

CLARITY

COURAGE

SENSE OF BELONGING

# Governance e values

The Group aims to **define and uphold ethical principles and responsibilities** in the conduct of its business activities. To reinforce this commitment, starting in 2024 the Group adopted a **Code of Ethics** for its European-based companies. The Code sets out the core values, standards of conduct, and guiding principles that the Group follows in the exercise of its business and in its relations with stakeholders, ensuring full compliance with applicable laws and regulations.

## MOG 231/01

The Borghi Group has adopted the **Organization, Management and Control Model (MOG 231)** with the aim of promoting a transparent approach to business management towards stakeholders, preventing unlawful conduct, and ensuring that business activities are carried out in accordance with ethical principles. In compliance with Legislative Decree 231/2001, Gruppo Borghi S.p.A. has therefore established a Supervisory Body (OdV).

## WHISTLEBLOWING

The Whistleblowing system, implemented across all Italian companies, was updated in 2023 **to incorporate compliance with the latest regulatory requirements under Legislative Decree 24/2023**, which transposes the EU Whistleblowing Directive. This update grants whistleblowing a primary role in preventing regulatory violations while ensuring more effective protection for whistleblowers.

# Approach To Sustainability

In 2024, the Group continued its sustainability reporting journey by enhancing the process carried out in the previous year and conducting an **impact materiality assessment in line with the GRI 3: Material Topics (2021)** standard. The objective was to identify the most relevant issues on which to focus its actions. The assessment was carried out through a structured approach that included the following phases:

- Context analysis
- Impact identification
- Impact assessment
- Validation of results

MATERIAL THEMES 2024
Responsible Business Conduct
Energy Consumption, Emissions and Climate Change
Employee well-being and development
Circular economy and waste management
Relations with local communities
Employee health and safety
Customer satisfaction and product compliance
Water resource management
Protection of human rights in the value chain

## CARBON PRODUCT FOOTPRINT – FOR

The **Product Carbon Footprint** makes it possible to measure the amount of greenhouse gas (GHG) emissions generated throughout the product’s life cycle. To determine the total GHG emissions generated, the assessment considered emissions associated with the materials used, inbound transportation, production processes, packaging, outbound transportation, and end-of-life disposal.

## DECARBONIZATION PLAN – T.ERRE

In previous years, the Business Unit carried out a **Carbon Footprint** study to analyze and quantify the GHG emissions of the business activities of T.Erre, T.Erre Europe, and T.Erre Polska, in compliance with UNI EN ISO 14064.

**2025 Objective:** to define GHG emissions reduction targets for Scope 1, Scope 2, and Scope 3, calculated in accordance with the criteria of the Science Based Targets initiative (SBTi). In addition, the Business Unit aims to develop a Decarbonization Plan.

# The Group's stakeholders

In conducting the materiality analysis, **stakeholder engagement** was crucial, enabling us to gather their expectations and opinions.

To update the materiality analysis for the 2024 Sustainability Report, the Group involved the following stakeholder categories:



Employees

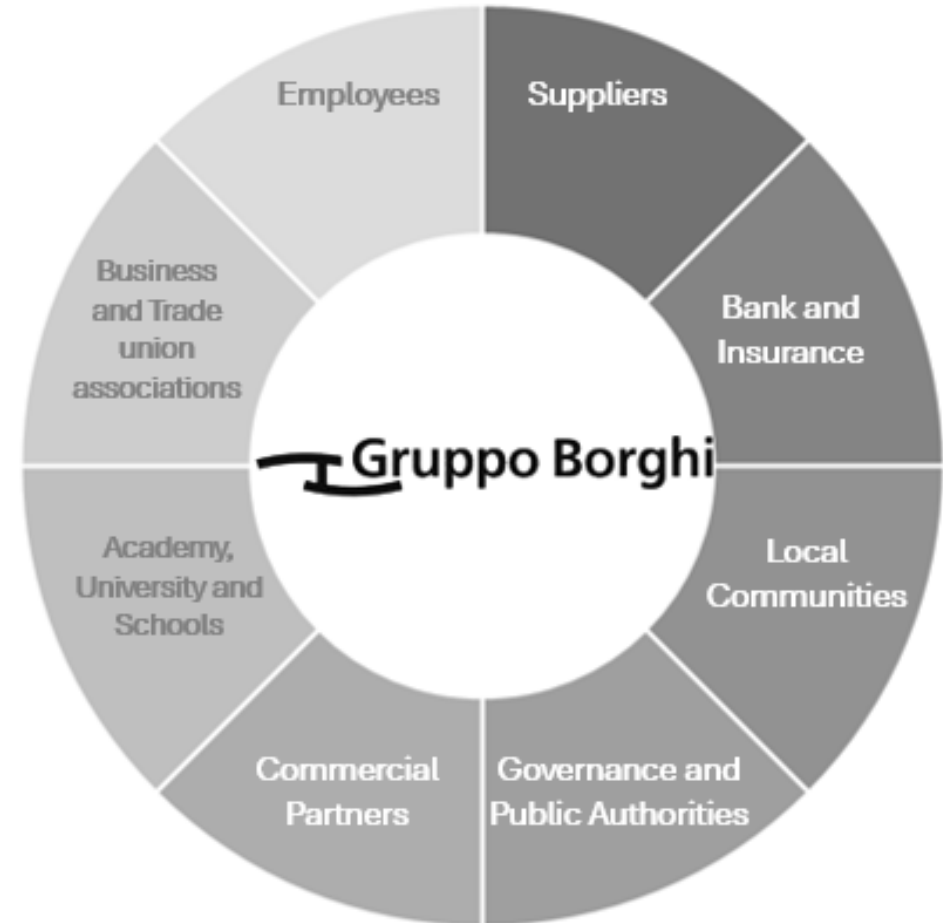


Customers



Suppliers

## THE STAKEHOLDERS OF THE BORGHI GROUP



# Business and markets served

The Group's versatility is reflected in the variety of markets in which it operates: each company specializes in multiple application fields, enabling Gruppo Borghi to maintain its competitiveness across different sectors. The markets served by the Group include Automotive Passenger Cars, Automotive Truck & Bus, Agriculture, Construction, Material Handling, Mining, and other applications.

**AUTOMOTIVE PASSENGER CARS**



**AUTOMOTIVE TRUCK & BUS**



**AGRICULTURE**



**CONSTRUCTION**



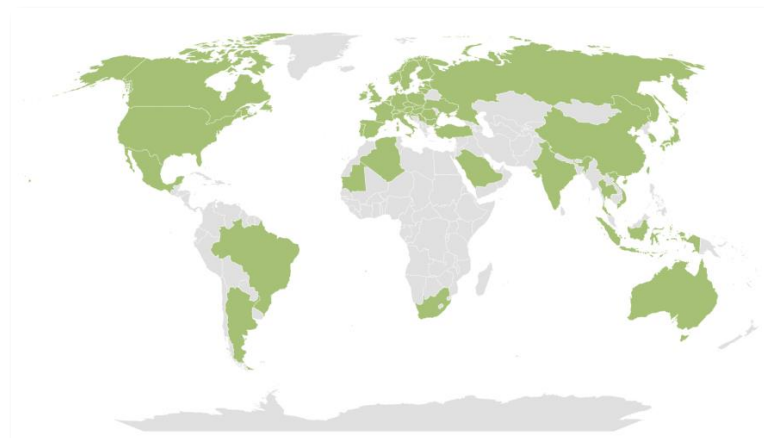
**MATERIAL HANDLING**



**MINING**



**Geographic distribution of Borghi Group customers**



# Quality in what we do

The Borghi, FOR, and T.Erre business units share a quality management approach based on three common elements: risk mapping, objective planning, and continuous monitoring. All companies implement systems to identify and mitigate risks, taking actions to ensure compliance with quality requirements. They define annual objectives and improvement plans to monitor and optimize processes. Additionally, they conduct audits and sample inspections to ensure product conformity, with a constant focus on customer satisfaction and the validation of achieved results.

**RISK MANAGEMENT**

**PLANNING**

**CUSTOMER  
SATISFACTION**

**CONTROLS**

**VALIDATION**

**CONTINUOUS  
IMPROVEMENT**

In 2024, no non-conformities occurred regarding health and safety impacts of products and services.

Considered an essential element, the Group has chosen to integrate quality into the Integrated Management System, with the aim of defining the objectives to be achieved and the actions to be undertaken to deliver products that meet customer requirements.



**ISO 9001**  
**QUALITY MANAGEMENT  
SYSTEM**

*Borghi Impianti Oleodinamici S.p.A, Metallink  
L.t.d., Borghi USA Inc., FOR S.p.A., T.Erre S.r.l., T.Erre  
Europe S.r.l., T.Erre Polska Sp.Z.o.o.*



**IATF 16949**  
**QUALITY IN THE  
AUTOMOTIVE SECTOR**

*FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., T.Erre  
Polska Sp.Z.o.o.*



**TISAX**  
**INFORMATION SECURITY IN THE  
AUTOMOTIVE SECTOR**

*T.Erre S.r.l.*

# Supply chain management

The Group is committed to establishing trust-based relationships with its **supply chain** through continuous dialogue and product/component control activities that contribute to the creation of the final product.

The Group's production processes primarily use steel, rubber, plastic, aluminum, and other materials. To monitor its supply chain, the Group's Quality function conducts **audits of its suppliers**.

Relationships with suppliers are based on the principles outlined in the **Code of Ethics**.

## BORGHI IMPIANTI



Preference for suppliers with ISO 9001 certification



Definition of a Code of Conduct, distributed starting in 2025



Periodic performance monitoring, non-conformity management and presence of certifications

## FOR



Supplier selection based on ISO 9001 certifications, with preference for ISO 14001 and 45001



Periodic performance monitoring and risk analysis



Request for signature of the Code of Ethics and CSR self-certification

## T.ERRE



Supplier selection based on ISO 9001 and preference for IATF 16949, SO 14001, ISO 45001



Supplier ratings on costs, quality and logistics, with annual audits based on scores



Integrated Supply Materials Specifications, to regulate relationships with suppliers

# The people of the Group

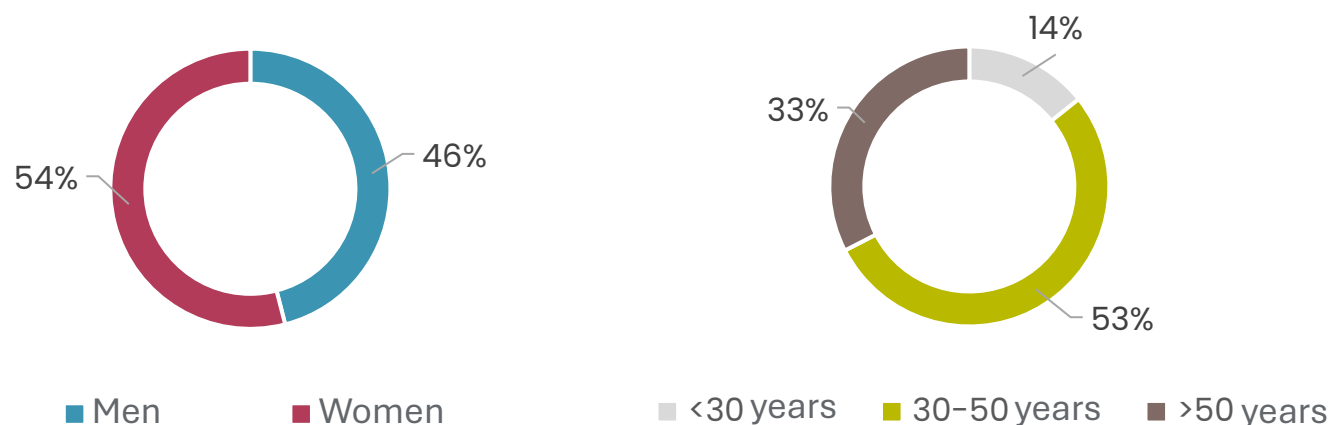
Employees represent a key resource for the success of Gruppo Borghi and serve as the driving force behind all business activities. Their skills, continuous commitment, and dedication are fundamental elements that foster the Group's innovation and growth.

**1.962**  
**employees**

at Group level as of December 31, 2024

*Compared to 2,259 employees as of December 31, 2023*

## Workforce composition\*



\*The composition data refers to 1,575 employees, which include the employees of the companies included in the reporting scope (the parent company Gruppo Borghi S.p.A. and the subsidiaries Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., T.Erre Polska Sp.Z.o.o., Borghi USA Inc. and Metallink L.t.d.).

## Our commitment to people's well-being

- ✓ The Borghi Group attracts talent thanks to its strong reputation and connections with local technical schools.
- ✓ Use of a dedicated platform for recruitment and personnel selection.
- ✓ Investments in employee well-being and benefits such as canteens, welfare vouchers, and flexible working hours for parents.
- ✓ Introduction of flexible working measures to improve work-life balance.
- ✓ Monitoring of the organizational climate through periodic analyses and support services to enhance employee satisfaction.

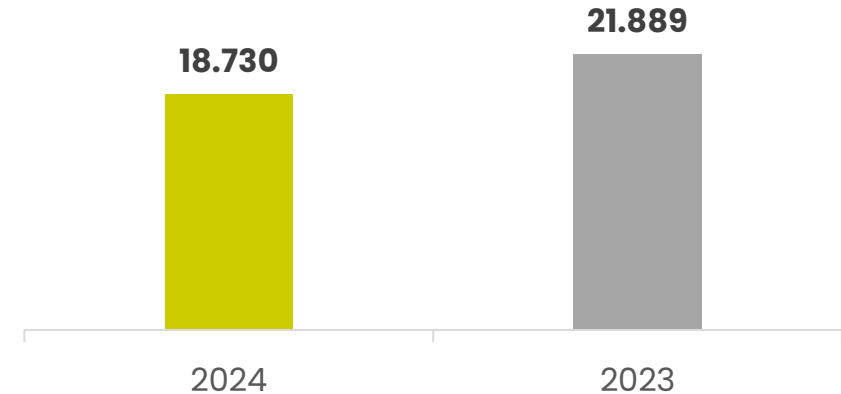
# Training and skills development

The Borghi Group, with the aim of enhancing individual skills, promoting continuous development, and preserving the professional value of its employees over time, consistently invests in appropriate resources and tools. The process for delivering training courses is standardized across all Group companies.

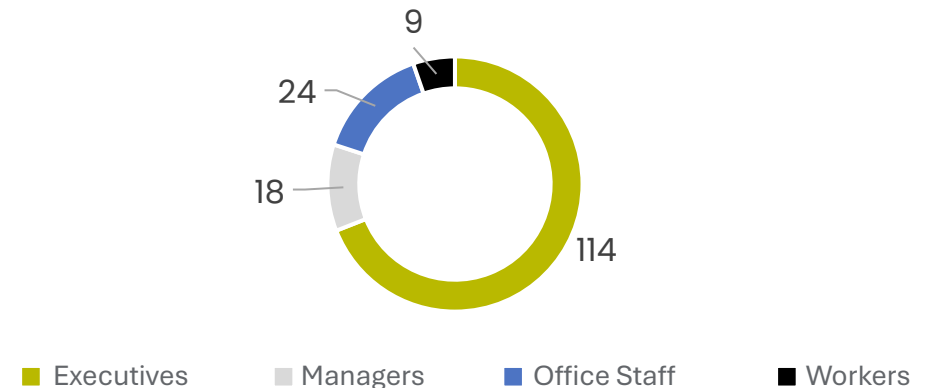
**In 2024, a total of 18,730 hours of training were provided, of which 9,068 hours were specifically dedicated to health and safety in the workplace. The per capita training hours in 2024 amount to 12, consistent with those in 2023.**

*The training data refers to 1,575 employees, which include the employees of the companies included in the reporting scope (the parent company Gruppo Borghi S.p.A. and the subsidiaries Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., T.Erre Polska Sp.Z.o.o., Borghi USA Inc. and Metallink L.t.d.).*

Total hours of training provided

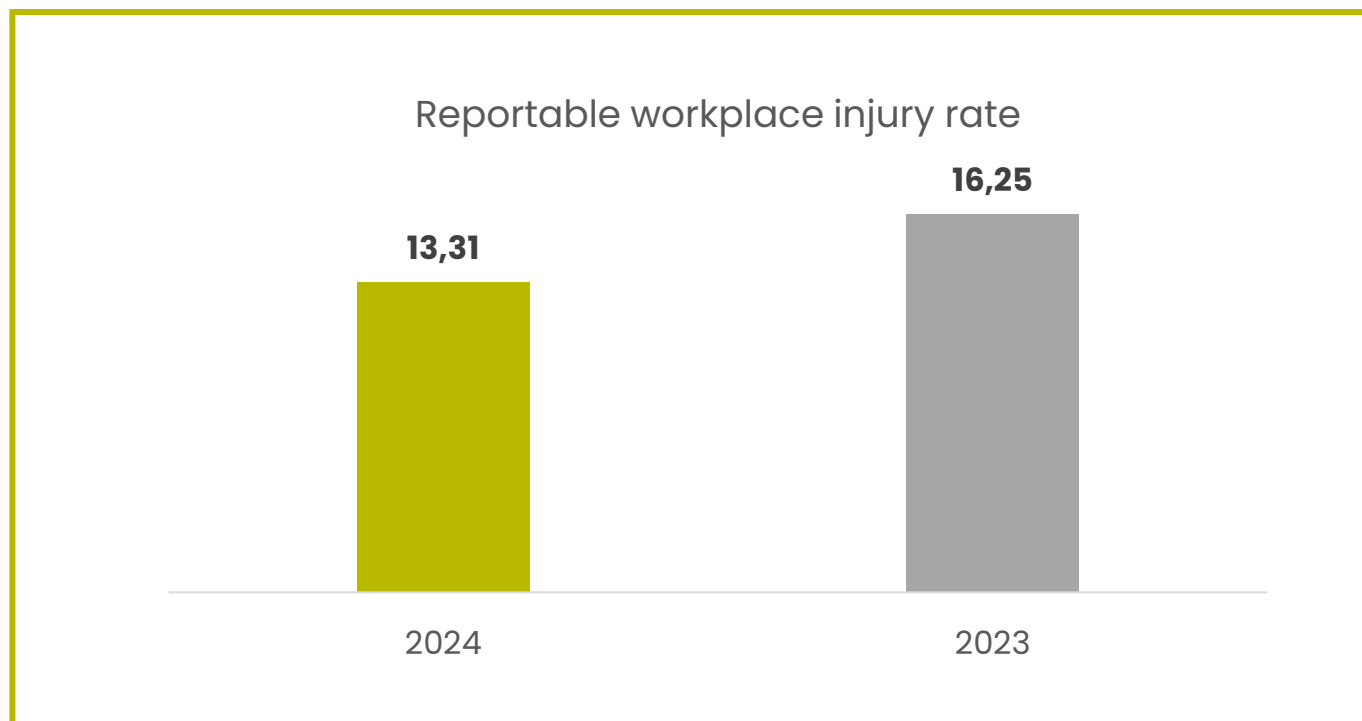


Hours of training per capita by professional category in 2024



# Health and safety at work

In compliance with the requirements of Legislative Decree 81/08, Italian companies have appointed a **Health and Safety Officer (RSPP)**, responsible for ensuring the presence of appropriate measures to safeguard workers' health and safety. Moreover, to meet the requirements of Legislative Decree 81/08, the Group prepares and periodically updates a **Risk Assessment Document (DVR)**, in which the main risks are analyzed, including, for example, manual handling of loads, physical agents, work-related stress, biological hazards, and others.



## ISO 45001

Certified health and safety management system at the Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., and T.ERRE S.r.l. sites.

**-31%**

Of injuries recorded compared to 2023

**13,31**

The rate of recordable injuries in 2024

*The injury rate was calculated as the ratio between the total number of injuries and hours worked, using a multiplication factor of 1,000,000.*

*The injury data does not include Metallink, due to data unavailability. The company will report the data starting in future financial years.*

# The relationship with local communities

The Borghi Group is committed to acting respectfully and responsibly towards the communities in the regions where it operates. The Group's companies have always been present in times of need, providing concrete support to communities in difficulty or in specific emergency situations, demonstrating engagement, solidarity, and closeness.

Below are the main initiatives supporting local communities.



Treedom's "Plant a Tree, Grow Research" initiative



Donation for maintenance, protection, and restoration of the Cervia Salt Warehouse



Donation to Telethon



Collaboration with Arché



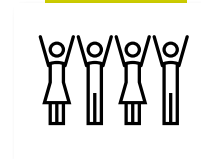
Donation to AIL (Italian Association Against Leukemia)



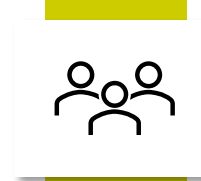
Sponsorship of Crook Town Football Club



Participation in the Career Day of the Universities of Ferrara and Bologna



Collaboration with the Polish Red Cross



Donations to employees affected by serious illnesses for medical care and rehabilitation



Collaboration with AUSER



Collaboration with the ITS of Emilia Romagna

# Our commitment to the environment

Environmental protection, also included among the principles of the Group's Code of Ethics, is expressed through a consistent commitment to promoting responsible and sustainable growth, addressing environmental challenges with transparency and awareness, giving utmost consideration to the surrounding territory, and striving to improve the conditions of the community in which it operates, in full compliance with applicable environmental regulations.

**The Group's business activities are conducted in full compliance with current environmental legislation and the permits in force at its various production sites. In particular, T.Erre, T.Erre Europe, and FOR for the plants on Via Uccellino and Via del Commercio operate in compliance with the Single Environmental Authorization (AUA), while Borghi Impianti Oleodinamici, T.Erre, and FOR for the plant on Via Segadizzo hold an Integrated Environmental Authorization (AIA).**

The Group carries out a thorough assessment of environmental aspects and related risks, identifying the necessary measures to address them proactively and mitigate potential impacts. In this context, T.Erre, T.Erre Europe, and Borghi Impianti Oleodinamici have prepared their own analysis to identify environmental aspects.

## ISO 14001

Certified environmental management system at the sites of Borghi Impianti Oleodinamici S.p.A., Metallink L.t.d., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l. and T.Erre Polska Sp.Z. o.o.

### -33%

of Scope 1 and Scope 2 (Market-Based) emissions compared to 2023

### 29%

of renewable energy on total energy consumption

### 51%

of purchased electricity is covered by Guarantees of Origin in 2024

# Energy consumption

To effectively assess and measure its impact, the Group has implemented a system for collecting and monitoring data on energy consumption and emissions at the individual company level, enabling more detailed oversight.

**115.309**

GJ of energy  
consumed in  
2024

**-10%**

Energy  
consumption  
compared to  
2023

**29%**

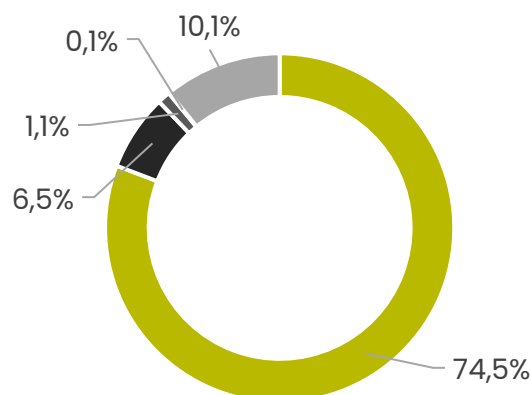
Renewable  
energy on total

## MAPPING OF ENERGY CONSUMPTION FLOWS

In compliance with Legislative Decree 102 of July 4, 2014, the Group conducted an **energy audit** for three of its sites, selected based on the legally prescribed criteria. The objective is to achieve a comprehensive understanding of the energy performance of the sites under review, in order to identify actions to be implemented to improve energy efficiency.

*The energy data include only Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., and T.Erre Polska Sp. z o.o. Consequently, the Parent Company is excluded, as its activities are primarily administrative and environmental data were deemed not relevant; Metallink Ltd., Borghi USA Inc., and Ningbo T.Erre Automotive Co. Ltd. are also excluded, as the information was not available at the date of this report.*

Non-renewable fuels by type in 2024 (%)



■ Natural gas

■ Diesel fuel for motor vehicles

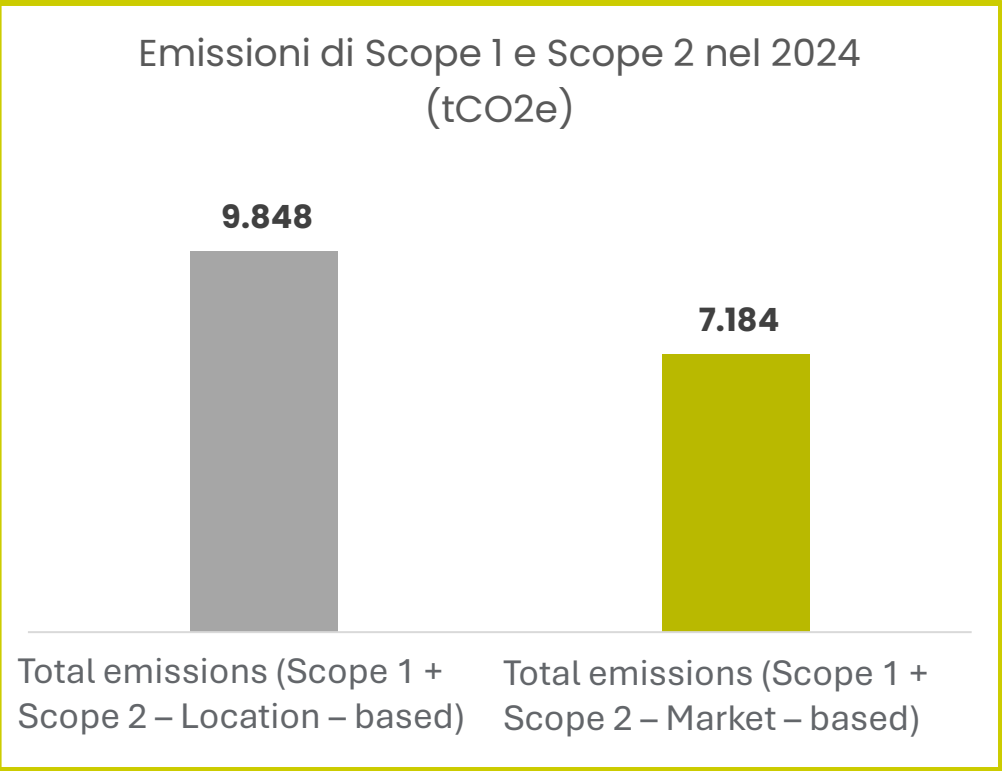
■ Gasoline for motor vehicles

■ LPG for motor vehicles

■ Propane

# Climate-altering emissions

Scope 1 and Scope 2 (Market-based) emissions were 7,184 tonnes CO<sub>2</sub>e, lower than the 9,848 tonnes CO<sub>2</sub>e of Scope 1 and Scope 2 (Location-based) emissions.



The reduction in GHG emissions is attributable to the investment in **photovoltaic panels** by FOR, T.Erre, and Metallink, which enabled the production and consumption of 1,329,314 kWh of energy from renewable sources in 2024.

Regarding the 33% decrease in Scope 2 indirect emissions compared to 2023, this is also due to the purchase of electricity from renewable sources certified with **Guarantees of Origin**. In particular, T.Erre Polska, as in 2023, purchased Guarantees of Origin covering 100% of the electricity acquired from the grid in 2024. Additionally, starting at the end of 2024, the Group’s Italian companies also purchased Guarantees of Origin for the electricity acquired from the grid.

*The emissions data include only Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., and T.Erre Polska Sp. Z o.o. Consequently, the Parent Company is excluded, as its activities are primarily administrative and environmental data were deemed not relevant; Metallink Ltd., Borghi USA Inc., and Ningbo T.Erre Automotive Co. Ltd. are also excluded, as the information was not available at the date of this report.*

**+39%**

of self-produced energy from photovoltaic systems

**8%**

of total electricity consumption is self-produced from renewable sources

**51%**

of purchased electricity is covered by Guarantees of Origin in 2024

# The materials used and the circular economy

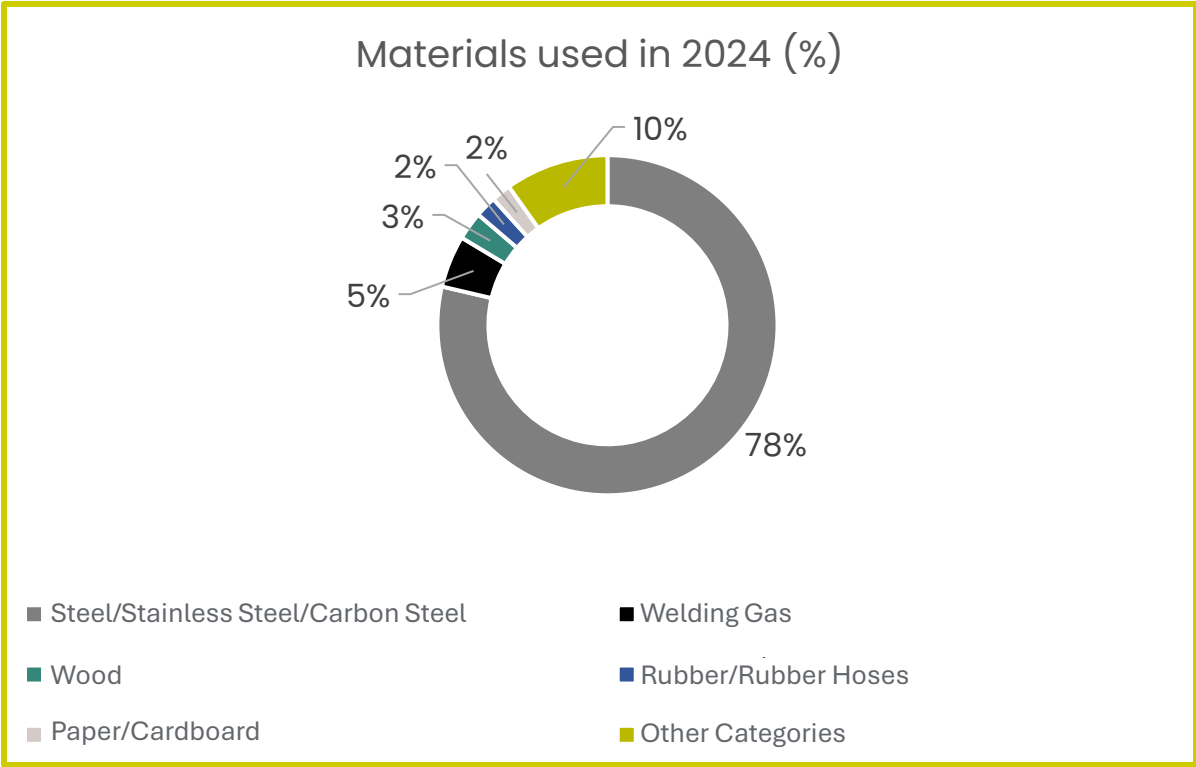
The main materials used are steel, which accounts for the vast majority of materials utilized (78%), welding gas (5%), wood (3%), paper and cardboard (2%), and rubber (2%). In some Group companies, a portion of the steel and cardboard used comes from recycled materials, and regarding packaging, the Group prefers recyclable solutions whenever possible.

10.442

Tons of materials used in 2024

38%

Input materials from recycling



## THE CIRCULAR ECONOMY

To promote environmentally friendly activities and processes, the Group, long committed to the principles of the circular economy, has begun to place greater emphasis on efficient resource management. Among the Group's initiatives are:

- Use of recyclable or reusable packaging;
- Use of recycled plastic caps for its products;
- Recycling or repairing and re-marketing the wood used to produce pallets;
- Use of reusable industrial cloths;
- Replacing protective caps on the ends of flexible hoses with heat-shrinkable caps.

*The data include only Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., and T.Erre Polska Sp. Z o.o. Consequently, the Parent Company is excluded, as its activities are primarily administrative and environmental data were deemed not relevant; Metallink Ltd., Borghi USA Inc., and Ningbo T.Erre Automotive Co. Ltd. are also excluded, as the information was not available at the date of this report.*

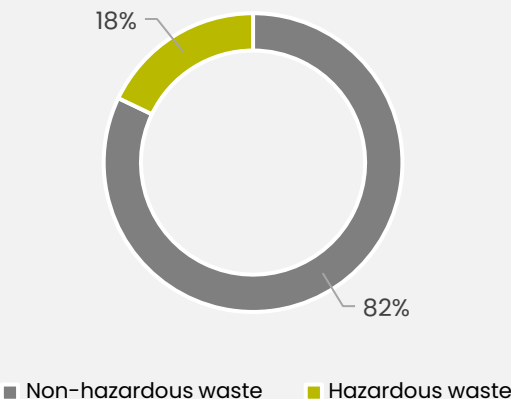
# Waste and water management

## WASTE MANAGEMENT

Waste from production activities is monitored by completing **specific forms**, while **separate waste collection** is carried out in offices.

A total of 3,645 tons of waste were produced in 2024, a decrease of 21% compared to 2023, when the figure was 4,643 tons.

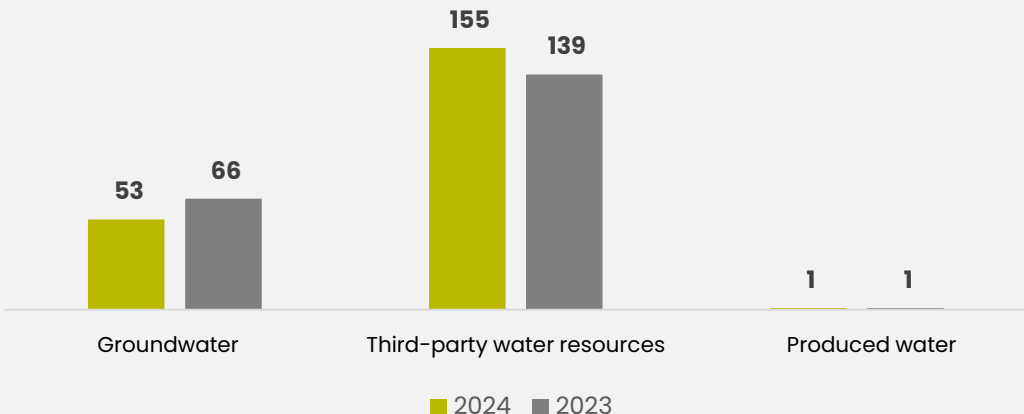
Hazardous and non-hazardous waste in 2024 (%)



## THE WATER RESOURCE

The Group uses water resources in various stages of its production processes, particularly for cooling and cleaning operations. The companies with the greatest impact in terms of water use are primarily those involved in the **galvanizing process**.

Water withdrawals by withdrawal source (megaliters)



*"The data on waste and water resources include only Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., and T.Erre Polska Sp. Z o.o. Consequently, the Parent Company is excluded, as its activities are primarily administrative and environmental data were deemed not relevant; Metallink Ltd., Borghi USA Inc., and Ningbo T.Erre Automotive Co. Ltd. are also excluded, as the information was not available at the date of this report.*

# Methodological note

This document constitutes the **second Sustainability Report of Gruppo Borghi S.p.A.** (hereinafter also referred to as “the Group”) and aims to transparently communicate the approach, commitment, and main results in the areas of environmental, social, and economic sustainability for the 2024 fiscal year (from January 1 to December 31). This Sustainability Report has been prepared **in accordance with the “Global Reporting Initiative Sustainability Reporting Standards”** defined by the Global Reporting Initiative (GRI), following the “in accordance” option, as indicated in the “GRI Content Index” table. Specifically, the contents reported have been selected based on the results of the materiality analysis conducted in 2024, which identified the material aspects for Gruppo Borghi and its stakeholders, as described in the section “Materiality Analysis and Stakeholders” of this document.

**The reporting boundary** for economic and financial data corresponds to that of the consolidated financial statements of Gruppo Borghi S.p.A. as of December 31, 2024. Regarding social data, the scope includes the Parent Company Gruppo Borghi S.p.A. and the subsidiaries Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., T.Erre Polska Sp. Z o.o., Borghi USA Inc., and Metallink Ltd. Ningbo T.Erre Automotive Co. Ltd. is excluded, as the information was not available at the date of this report. Environmental data, on the other hand, include only Borghi Impianti Oleodinamici S.p.A., FOR S.p.A., T.Erre S.r.l., T.Erre Europe S.r.l., and T.Erre Polska Sp. Z o.o. Consequently, the Parent Company is excluded, as its activities are primarily administrative and environmental data were deemed not relevant; Metallink Ltd., Borghi USA Inc., and Ningbo T.Erre Automotive Co. Ltd. are also excluded, as the information was not available at the date of this report. Any additional scope limitations related to specific topics or indicators are explicitly stated in the text.

It should also be noted that during the 2024 fiscal year there were no significant changes regarding the Group’s size, organizational structure, ownership, or supply chain. To enable comparability of data over time and the assessment of the Group’s performance, comparisons with the 2023 data are provided. Furthermore, to ensure an accurate representation of performance and data reliability, the use of estimates has been minimized as much as possible. Where estimates have been used, they are based on the best available methodologies and are clearly indicated in the report. Restatements of previously published comparative data are clearly marked as such in this document.

The Sustainability Report, prepared annually, is not subject to verification by an independent third party.

For further information or feedback regarding Gruppo Borghi’s Sustainability Report, please contact:

[report@borghi-impianti.com](mailto:report@borghi-impianti.com).

The document is also available on the website: [Home Gruppo Borghi | Gruppo Borghi](#).