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LETTER TO STAKEHOLDERS FROM THE CEO

Dear Stakeholders,

We are pleased to present our first Sustainability Report, a significant step in sharing Colnago's commitment to responsible and sustainable growth with transparency. The results in this report reflect our achievements for the year 2023, and the report itself has been compiled in 2024 to provide a comprehensive overview of our progress.

Our vision of sustainability is rooted in the belief that the technical excellence and craftsmanship that define Colnago must be accompanied by a deep responsibility toward both the environment and people. For us, sustainability means integrating every decision with respect and care for resources, while maintaining the high quality our customers expect.

Environmental Impact: We have implemented concrete actions to reduce our carbon footprint, monitoring greenhouse gas emissions through the Greenhouse Gas Protocol (Scopes 1, 2, and 3) and identifying areas for improvement across our entire value chain. Reducing non-recyclable materials in our packaging is a priority, although our goal to eliminate plastic requires a gradual approach to ensure product protection and quality during distribution.

Commitment to People: Colnago firmly believes that corporate success is intrinsically linked to the well-being and growth of its employees. We are fostering a workplace that promotes collaboration, inclusivity, and well-being. We have introduced work-life balance policies, promoted professional growth through continuous training programs, and are actively supporting both physical and psychological well-being. These investments in our human capital allow us to grow within a context of mutual respect and motivation.

Governance and Transparency: The adoption of an ethical and responsible approach guides all our activities. We have updated our corporate regulations and we are working on implementing a Code of Ethics to reinforce integrity and transparency in our interactions with customers, suppliers, and partners. Our governance ensures continuous attention to regulatory compliance and the management of any conflicts of interest.

We are proud to share these achievements and to continue exploring new opportunities to expand our sustainability strategy, including integrating low-impact technologies in our new facility and collaborating with research institutions to develop innovative materials.

Our path of continuous improvement, driven by stakeholder's feedback, allows us to build a future where quality and responsibility can coexist—today and for generations to come.

Sincerely,
Nicola Rosin
Colnago



THE COMPANY

Colnago's history

Founded in 1954 by Ernesto Colnago, Colnago is one of the leading companies in the cycling world, well-known for its dedication to the combination of artisanship with technological innovation. We are specialised in the manufacturing and worldwide commercialisation of high-end racing frames and bicycles. The history of Colnago is characterised by a continuous pursuit of quality and performance, making the brand synonymous with success and prestige within the world of competitive cycling.

The Beginnings

Ernesto Colnago began his cycling career as an apprentice at a bicycle factory at the age of 13. His passion and talent for mechanics led him to establish his own company in Cambiago, Italy, in 1954. Colnago quickly distinguished itself by producing high-quality bicycles, built with precision and careful attention to detail.

Innovation and Successes

In the 1960s and 1970s, Colnago became famous for introducing innovations that revolutionised bicycle design. In 1960, the company introduced the lugged frame, which significantly improved the bicycle's rigidity and stability. This innovation contributed to the successes of professional cyclists, including Eddy Merckx, who won numerous titles with a Colnago bicycle.

Collaborations and Technological Developments

Colnago has always sought to push the boundaries of cycling technology. In the 1980s, the company collaborated with Ferrari to develop new technologies and materials, including the introduction of carbon fibre in bicycle frames. This collaboration led to the creation of the Colnago C35, one of the world's first carbon racing bicycles, presented in 1989.

Global Expansion

Colnago continued to grow and innovate both in the 1990s and 2000s, expanding into global markets while maintaining its commitment to quality. The company introduced iconic models such as the C40 and C50, which achieved enormous success in international competitions. Colnago also invested in the development of aerodynamic and lightweight bicycles, ideal for road cycling and time trials.

THE COMPANY

Sustainability and Future

Colnago has embarked on a decisive and ambitious path to integrate sustainability goals within its corporate strategy. With the recent initiative to calculate our carbon footprint, we aim to quantify emissions generated along the entire value chain, demonstrating a concrete commitment to spot the potential area of improvement and understand how to mitigate our contribution to climate change. Furthermore, the company has decided to actively involve its stakeholders in the reporting process, promoting transparent and accurate communication of its sustainability performance and future targets. This approach not only strengthens the trust of consumers and business partners but also creates a constructive dialogue with the community, which is essential for achieving long-term sustainable goals. Colnago is committed to maintaining high standards of social and environmental responsibility by integrating sustainable practices into daily operations, which in turn will ensure its financial resiliency.

Our sustainable development statement

Colnago is an organisation founded on the value of people. We believe that our success and ability to meet the needs of stakeholders are intrinsically linked to the contribution and commitment of the individuals who make up our company. Colnago's consumers, known for their attentiveness and passion towards our products and services, are the focal point of our activities, and we strive with unconditional dedication to meet their expectations.

Our sustainable development strategy is centred on creating a working environment where individuals can express their personalities and creativity, operating within well-defined roles and an organised structure. We firmly believe that only through freedom of expression and mutual respect we can foster the progress and growth of the company.

This commitment extends to a profound respect for the people around us, not only within the working environment but also in the external one. We are aware that our products, as luxury goods, must now also meet the increasing sustainability expectations of our clients. Therefore, we are undertaking a well-structured journey allowing Colnago to ensure greater harmony between its products and the environment, promoting eco-friendly and responsible practices in all stages of our operations. Colnago is determined to continue on this path, recognising that sustainability is not just a choice, but a duty towards future generations and the planet hosting us. With a clear vision and a transparent strategy, we are committed to building a more sustainable future, where the excellence of our products is combined with the respect and protection of both people and environment.

THE COMPANY

The business model and our value chain

Upstream

Colnago's supply chain is structured to support and enhance our business model, which is distinguished by the high quality and innovation of our products. Our suppliers' network consists of approximately forty highly specialised companies in bicycle components, with a particular focus on carbon fibre processing, a critical material for the production of our frames and structural components. Colnago's business model is based on a balance between artisanal tradition and technological innovation. Our mission is to produce bicycles that are at the forefront in terms of performance, design, and sustainability. To achieve this goal, Colnago combines the use of high-quality materials, such as carbon fibre, with well-established artisanal techniques, thus ensuring a final product that meets the highest standards of excellence. This hybrid approach allows us to effectively meet the demand of an increasingly discerning market while maintaining a strong connection to the artisanal roots that have made Colnago an iconic brand within the cycling world.

A significant portion of the carbon fibre components comes from the Far East, a choice driven by the need to access the best materials available on the global market. To facilitate the management of relationships with foreign suppliers and ensure a steady flow of materials, Colnago sometimes employs a local trader who acts as an intermediary, ensuring efficiency and continuity in supplies.

At the same time, Colnago relies on a network of local suppliers for processes that require a high degree of craftsmanship and specialisation, such as welding, chroming, and painting. These suppliers are selected not only for their technical skills but also for their ability to interpret and fulfil Colnago's unique specifications, thereby contributing to the creation of products of excellence.

Relationships with suppliers are managed through closed orders, without the support of formal written contracts. This flexible collaboration approach allows Colnago to maintain a certain level of operational agility while ensuring compliance with the required technical and quality specifications.

Concerning standard components, Colnago directly purchases market-available parts, carefully selecting suppliers based on technical, economic, and environmental criteria. However, for carbon fibre frames and tubes, we adopt a more personalised approach since designs are developed internally based on exclusive Colnago blueprints and we also own the moulds necessary for production.

The geographic selection of suppliers is always guided by a careful assessment of technical, economic, and environmental conditions. While recognising the importance of proximity for some production processes, the need to ensure the best components available globally requires sourcing also from geographically distant suppliers. This diversified approach allows us to maintain the high-quality standards characterising Colnago's brand while also contributing to the sustainability of our supply chain.

THE COMPANY

Downstream

Colnago's downstream value chain operates on a global scale, reflecting the widespread reach and recognition of our brand in the international cycling industry. Our customers are all over the world. Our distribution model includes distributors (wholesalers) and, for specific territories, retailers that are located in particularly the key markets such as Italy, Germany and USA.

Our distribution model is built on medium to long-term relationships, founded on mutual trust and a shared vision of excellence and quality. Despite the absence of formal written contracts, our relationships with commercial partners are strong and enduring, based on a collaboration that ensures continuity and consistency in the distribution of our products. This approach allows us to maintain operational flexibility, which is essential for quickly adapting to the ever-changing market dynamics.

Through a carefully selected network of distributors and retailers, Colnago can ensure that its bicycles and associated products reach high-end consumers worldwide, preserving the quality and integrity that define our brand. Our global presence is the result of a targeted strategy that prioritises the quality of business relationships, the expertise of our partners, and the ability to meet the needs of the most demanding cyclists, regardless of their location.

Bikes' categories

Colnago is focused on drop bar bicycles and frames (Road, TT, Gravel). Each category reflects the company's commitment to innovation, quality, and performance. The main types of bicycles we offer are the following:

- | | |
|----------------------|--|
| Road Bikes | Colnago's road bikes are the cornerstone of the company's offering. Designed for optimal performance on asphalt, these bicycles combine lightness, aerodynamics, and stiffness. Each model is developed to ensure maximum speed and responsiveness, making them ideal for competitions and long-distance training. The range includes models built with cutting-edge carbon frames, which not only deliver high performance but also focus on reducing weight and enhancing the rider's energy efficiency. |
| Allroad Bikes | Colnago's Allroad bikes are designed for those seeking versatility and adaptability across different types of terrain. These bicycles are ideal for riders who want to explore unpaved roads or tackle mixed routes while maintaining superior comfort and handling. With sturdy frames and balanced geometries, Allroad bikes offer stability and durability without compromising on-road speed and performance. |
| Gravel Bikes | Gravel bikes are the perfect choice for adventurers and those who enjoy cycling on rough terrains. Colnago has developed these bicycles with a design that allows them to handle gravel, mud, and uneven trails while providing a smooth and secure riding experience. Featuring robust frames and the ability to accommodate larger tires, Colnago's gravel bikes enable cyclists to push the boundaries of traditional road cycling. |

THE COMPANY

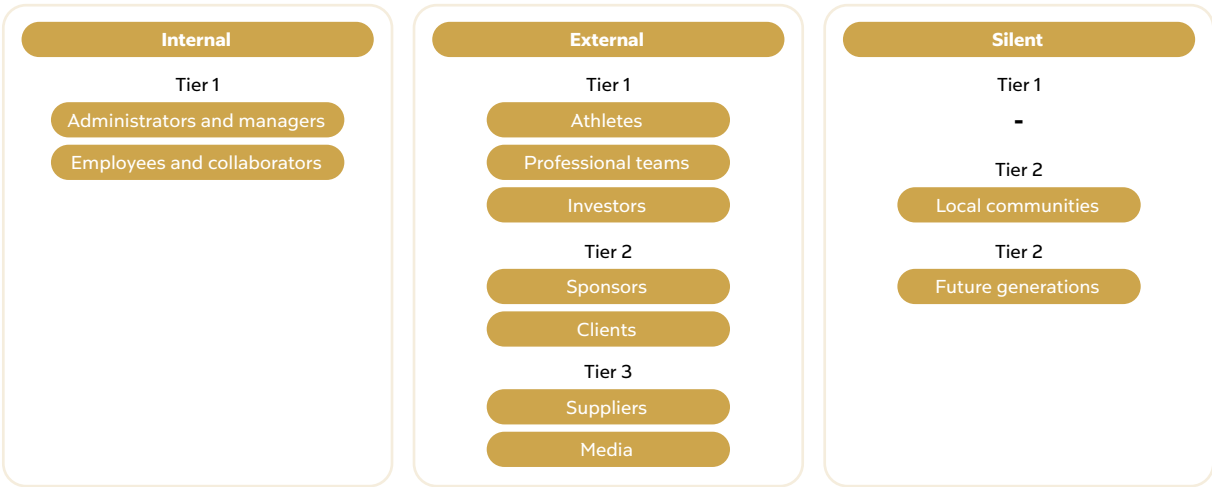
- Time Trial Bikes** Colnago's time trial bikes are designed for speed enthusiasts and precision riders. Optimised for races against the clock, these bicycles boast advanced aerodynamics and exceptional torsional stiffness, allowing cyclists to maximise power output with minimal energy expenditure. Every detail, from aerodynamically sculpted frames to integrated transmission systems, is engineered to minimise wind resistance and enhance average speed during competitions.
- Iconic Steel** The Iconic Steel line pays homage to Colnago's historical roots, featuring bicycles built with steel frames that evoke the elegance and tradition of classic cycling. These bikes combine the charm of traditional artisanship with modern technologies, offering a comfortable ride and solid performance.
- C Series** The bicycles in Colnago's C series represent the pinnacle of Italian craftsmanship, combining advanced design with traditional construction techniques. Made with the highest quality carbon fibre tubes, these bikes are assembled through a meticulous process of manual bonding and painting, ensuring strength, lightness, and aesthetic customization. The final assembly, carried out entirely by hand, guarantees exceptional performance and responsive handling, making each model in the C series a unique and cutting-edge product that reflects Colnago's commitment to quality and sustainability.

OUR APPROACH TO SUSTAINABILITY

Colnago's main stakeholders

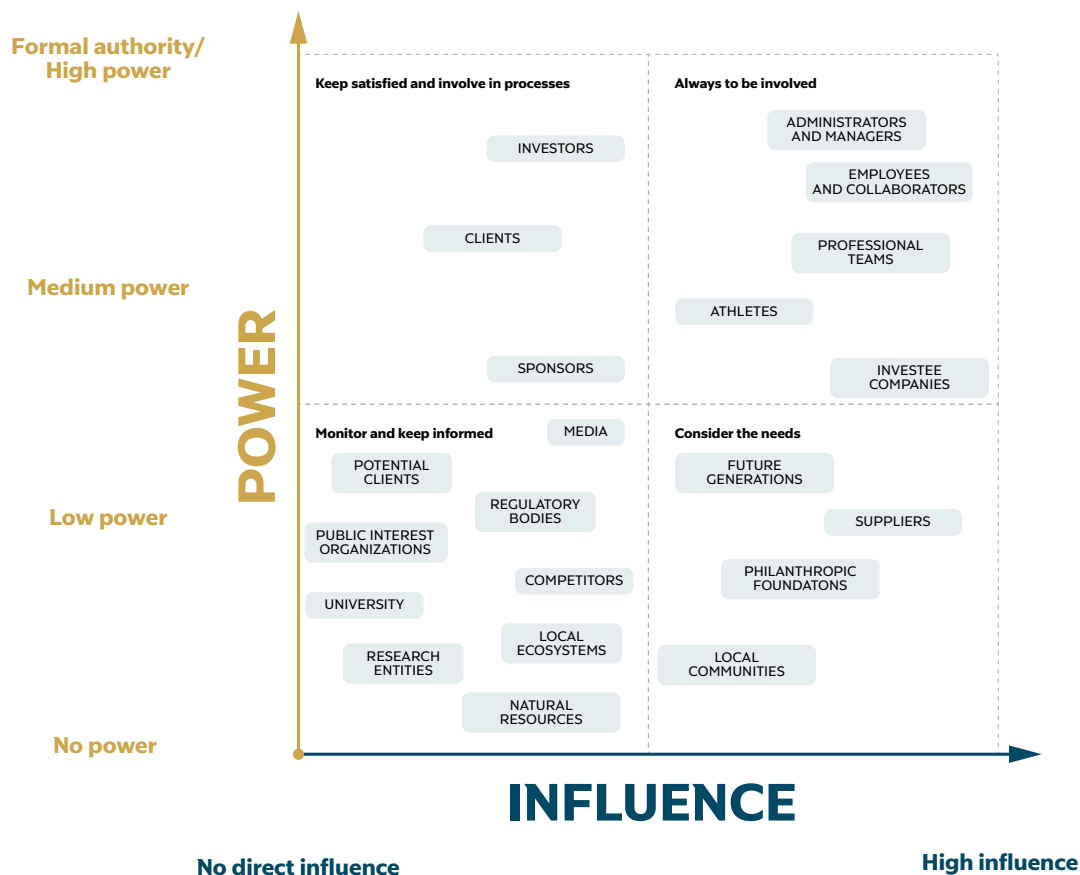
Stakeholders' engagement is an essential process for strategic planning and business development, as well as for sustainability activities and programs in line with the pursuit of the Sustainable Development Goals of the United Nations' 2030 Agenda. It represents a key action for companies that aim to contribute to environmental and social responsibility. Through proactive and authentic engagement, firms can build solid relationships that prevent risks, open up opportunities for innovation, and adapt more effectively to a dynamic market demand. The involvement of stakeholders allows the identification of potential issues, needs, and requirements of corporate interlocutors in order to collect different points of view about the approach adopted by Colnago to create economic, social and environmental value.

The most relevant actors - individuals, groups or organisations - that have a direct or an indirect interest in Colnago's business activities were ordered in 11 different clusters and categorised by employing the power-influence criteria. Apart from the internal and external stakeholders, we decided to take into account also those silent entities that do not have a direct voice or active role in business operations but might offer hidden insights allowing Colnago to have a more comprehensive representation of the external context.



OUR APPROACH TO SUSTAINABILITY

Through an interactive workshop involving the executives of our corporate departments, we identified key stakeholders that were then evaluated through a voting procedure according to the power-influence criteria. The former assesses the capability of each stakeholder to affect both objectives and decision-making processes of Colnago, while the latter evaluates to what extent the stakeholder is influenced by our operations. Thus, based on the results of the executives' votes, the identified stakeholders have been arranged along the two axes of a matrix representing the degree of power and the degree of influence. The four quadrants correspond to the different communication approaches that Colnago will employ to manage stakeholders' engagement along its path towards the integration of sustainability in its business strategy.



The stakeholders' position within the matrix represents an indication of the most appropriate actions that should be taken with each of them:

- Manage closely** These stakeholders are likely to have a significant influence on decision-makers and our reporting activities. It is essential to maintain close communication with them to manage their expectations effectively.
- Keep satisfied** These stakeholders must be kept informed about the progress related to the reporting project. Even if they may not be interested in the outcome, they possess significant power. It is crucial to manage these stakeholders cautiously, as their dissatisfaction could lead to the exertion of their influence negatively.

OUR APPROACH TO SUSTAINABILITY

Keep informed	Keep these stakeholders adequately informed and maintain regular communication with them to ensure that no major issues arise. They can often provide valuable insights and assistance concerning the ongoing project.
Monitor	Monitoring them can allow the company to reach any stakeholder, even if in this case it is not strictly necessary to spend excessive time and energy on communication.

This categorization allows us to develop an effective stakeholder engagement plan that outlines how they will be engaged throughout the reporting activities from now on, how their needs and concerns will be addressed, and how their expectations will be managed. Colnago might take this matrix as the reference point to build communication strategies about its commitment and objectives for their gradual involvement in the future projects. Stakeholders' feedback is essential to gain valuable information regarding the effectiveness of our actions. Moreover, they can support Colnago to select the environmental, social and governance material topics on which the company has or could have both positive and negative impacts. Therefore, for this first reporting effort, Colnago has decided to engage the clusters of internal stakeholders (administrators, managers and employees) to carry out a preliminary evaluation of the potential topics that should be included in this report.

By integrating stakeholder engagement as a fundamental component of our strategy, we aim to nurture stronger relationships, enhance transparency, and build trust with our stakeholders. Colnago is committed to maintain a continuous dialogue that fosters mutual understanding and collaboration, ultimately driving positive impacts that could be generated not only for the company itself but also for the environment and the society.

The materiality assessment

Within the context of sustainability reporting, materiality analysis plays a crucial role for the identification and prioritisation of the sustainability topics that are most significant to our business and stakeholders. This assessment ensures the integration of ESG priorities into our core business strategy, making it a driver for long-term success rather than a peripheral activity. Thus, Colnago is able to allocate human and economic resources more efficiently to actively understand and address concerns and expectations of its main stakeholders.

As a key element of our work in drafting this report on a voluntary basis, we employed the procedure assessed by the Global Reporting Initiative, the most recognised and widely used framework worldwide for sustainability reporting. The process that led Colnago to the selection of its material topics has been performed as follows:

Context analysis	in this initial phase, we reviewed our core business processes and examined the organisation's mission, values, strategies, and existing sustainability practices in order to align the materiality analysis with Colnago's goals. Moreover, we conducted a benchmarking activity and investigated the social and environmental trends within our sector to have a broader knowledge of the most common sustainability-related topics (e.g. climate change, resource scarcity, social inequalities, technological advancements);
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OUR APPROACH TO SUSTAINABILITY

Context analysis

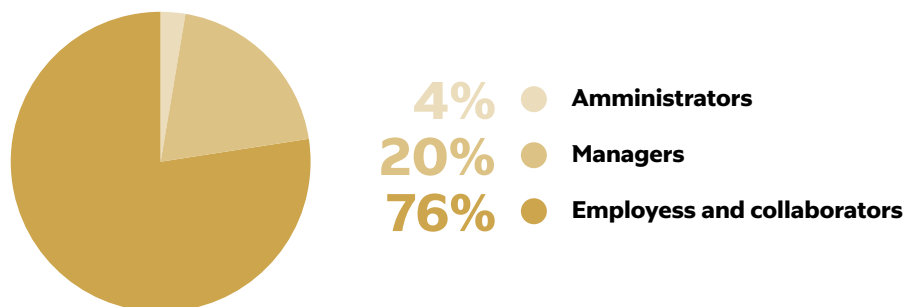
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Identification of actual and potential impacts

in this second step, key executives of Colnago were engaged through a workshop to identify a list of actual and potential impacts (together with their respective material topics) that the company is currently generating or could trigger, by taking the results of the previous phase as a reference for the brainstorming activities;

Evaluation of the impacts

at this stage, key internal stakeholders (administrators, managers and employees) were involved in the evaluation of material topics according to their level of significance through a survey. The following graph shows the distribution of respondents according to their role within the company:



The assessment was based on the severity and likelihood of each proposed impact in order to identify the most relevant impacts and the related material topics;

Prioritisation of the most significant topics

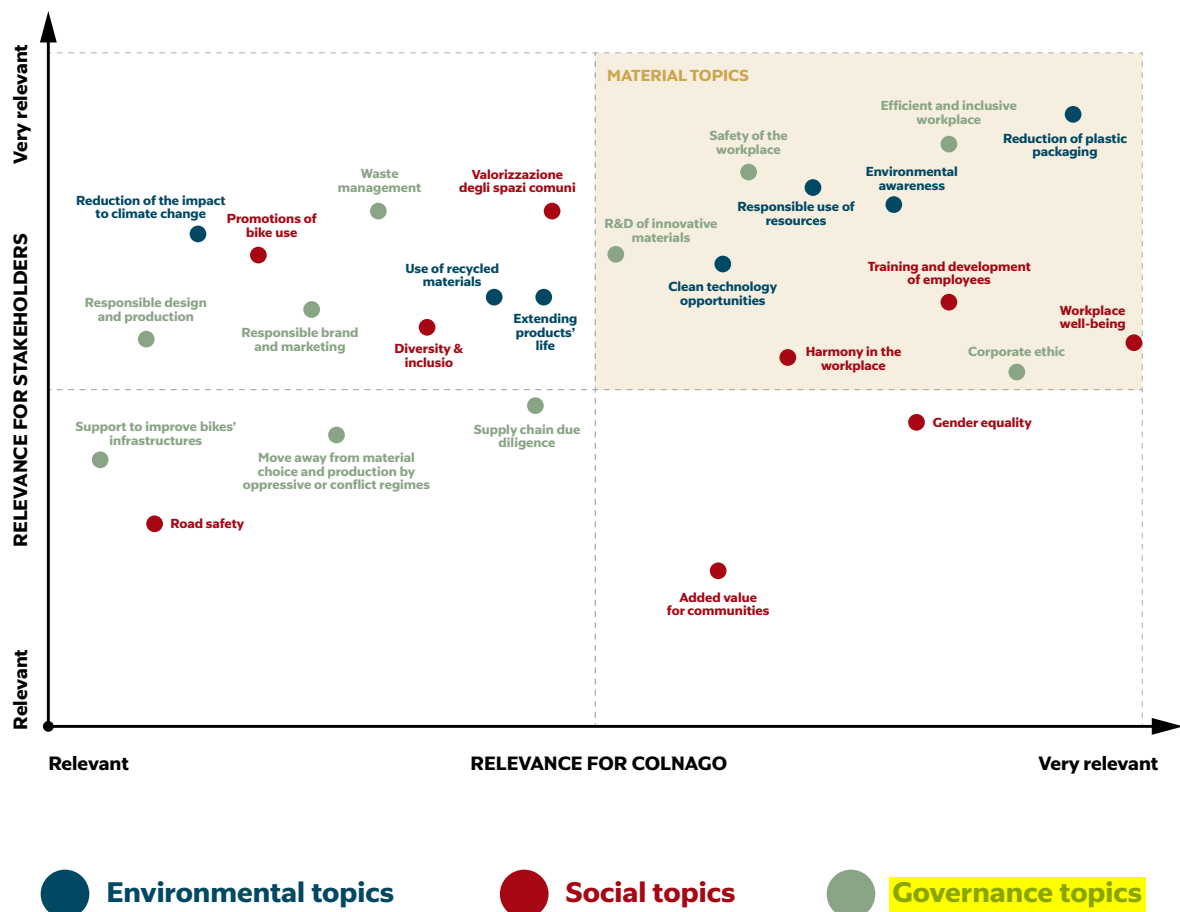
in this final phase, impacts have been collected into potentially material topics in order to assign an overall score to each of the latter. Thus, after defining a materiality threshold as required by the GRI standards, topics with the highest evaluations were validated as the main ESG areas that Colnago needs to consider when reporting its performance.

Once the set of primary material topics was assessed, one or more Sustainable Development Goals (SDGs) have been assigned to each of them in order to align our efforts with a framework recognized worldwide for addressing critical global challenges. This step not only demonstrates the organisation's commitment to contributing to international sustainability objectives but also enhances the transparency and credibility of our sustainability reporting. By clearly matching material topics to specific SDGs, Colnago can provide stakeholders with a clearer understanding of how its actions and initiatives contribute to broader goals.

OUR APPROACH TO SUSTAINABILITY










Our material topics






The final phase of our materiality assessment was supported by the materiality matrix that helps prioritise actions and resource allocation, ensuring that the most critical issues receive the required attention. All the potentially material topics for Colnago have been mapped according to their relevance for the group and its stakeholders by reworking - on the one hand - the results obtained from the workshop engaging the key executives and - on the other - the outcomes of the materiality survey. This graphical representation facilitates strategic decision-making by highlighting areas where Colnago's operations intersect most significantly with its stakeholders' concerns, thereby aligning business objectives with their expectations. Thanks to the materiality matrix, we can clearly show stakeholders how their input influences the company's sustainability agenda that will be based on the most significant material topics located in the top-right quadrant.









The represented topics provide an objective view of Colnago, considering its business model and the context within which it operates. For each negative impact, there are various mitigation actions and procedures described in the respective sections of this report. Similarly, for each positive impact, the company undertakes a series of activities to enhance the benefits and ensure its effectiveness in a long-term perspective.

OUR APPROACH TO SUSTAINABILITY

SDG	Material topic	Impact type	Impact	Significance	Description
<div><div></div><div></div><div></div></div>	Reduction of plastic packaging	POSITIVE	Use of alternative packaging materials	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Integration of alternative materials to plastic, such as recycled cardboard or compostable bioplastics, to mitigate the environmental impact generated by the disposal of traditional packaging and reduce dependence on petroleum-derived materials.
<div><div></div><div></div><div></div></div>	Responsible use of resources	POSITIVE	Optimization and re-use	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Implementation of more efficient processes that reduce the use of raw materials and natural resources.
		NEGATIVE	Intensive use	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	High consumption of water, minerals, and other natural resources during production processes.
<div><div></div></div>	Environmental awareness	POSITIVE	Incentivising the transition	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Foster a culture of environmental awareness and encourage sustainable practices by actively engaging in raising awareness among employees, customers, and the community about the importance of protecting the environment.
<div><div></div><div></div></div>	Clean technology opportunities	POSITIVE	Use of clean energy for internal operations	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Implementation of renewable energy and eco-friendly materials to reduce dependence on fossil fuels and the production of polluting industrial waste.

SDG	Material topic	Impact type	Impact	Significance	Description
<div><div></div><div></div></div>	Harmony in the workplace	POSITIVE	Harmonious workplace	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Develop an internal culture open to dialogue that encourages staff involvement through systems of discussion and debate.
<div><div></div></div>	Training and development of employees	POSITIVE	Incentivizing the progress	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Improve the abilities, skills, knowledge, and talents of employees within the company, enabling continuous growth and career advancement.
<div><div></div><div></div></div>	Workplace well-being	POSITIVE	Ensure employees' well-being	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Contribute to the physical, mental, and emotional health of workers within the company by promoting a safe work environment and work-life balance.
		POTENTIAL NEGATIVE	Burnout events	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Overwhelming stress leading to emotional, physical, and mental exhaustion associated with work.

SDG	Material topic	Impact type	Impact	Significance	Description
<div><div></div></div>	Efficient and inclusive workplace	POSITIVE	Inclusive corporate culture	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Creation of policies and practices that ensure the fair and active participation of all staff, encouraging greater productivity and operational efficiency.
<div><div></div><div></div></div>	Safety of the workplace	POSITIVE	Employees' training	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Conduct regular training sessions on safety protocols and the proper use of machinery and protective equipment.
		POTENTIAL NEGATIVE	Workplace injuries	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Workplace accidents that cause physical and psychological harm, as well as legal and reputational consequences.
<div><div></div></div>	Corporate ethic	POSITIVE	Ethical guidelines	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Adhere to principles of integrity, transparency, and accountability, both internally and in business relationships.
		POTENTIAL NEGATIVE	Reputational damages	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Reputational damage due to financial scandals, lack of transparency, or anti-competitive behavior.
<div><div></div><div></div></div>	R&D of innovative materials	POSITIVE	R&D investments	<div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Contribute to the research and development of innovative materials and solutions that are more aligned with the principles of the circular economy.

COMMITMENT TOWARDS ENVIRONMENT

Responsible packaging

Colnago manufactures high-quality bicycles that, due to their sophisticated and delicate nature, require exceptional protection during transportation. Ensuring maximum safety in packaging is crucial to prevent damage, which could compromise not only the product's integrity but also the customer experience, the brand's reputation, and lead to additional costs related to repairs, replacements, and delivery delays. The challenge is, therefore, to find sustainable packaging solutions that maintain these high standards of protection. For this reason, we acknowledge the importance of reducing the use of plastic or other fossil-based materials as the main components of our products' packaging.

The company's goal is to replace non-recyclable materials, such as plastic and polystyrene, with eco-friendly alternatives like cardboard and paper padding. This transition has already started for frame kits, where polystyrene has been replaced with paper. However, challenges remain for assembled bicycles, where the complexity and delicacy of the product still necessitate the use of polystyrene to ensure adequate protection during shipping. Thus, although the complete elimination of plastic in order to reduce our impact on the environment remains a complex matter for our company, we are committed to work on it in the near future.

Colnago currently employs a combination of renewable and non-renewable materials for the packaging of its products. During the reporting period, the company used 32,327 kg of cardboard and 2,780 kg of paper padding, demonstrating a strong commitment to the usage of more sustainable practices. However, the use of 16,663 kg of polystyrene, 7,700 kg of polyethylene, 1,601 kg of expanded polyurethane, and 63 kg of double-sided tape highlights the challenge of protecting high-quality products intended for complex and long-distance shipments, including overseas deliveries.

Despite the progress made, we recognise that there is still room for improvement and, for this reason, we are exploring further solutions to minimise the environmental impact of the packaging without compromising protection during land, air, and sea shipments. The challenge will be to find materials that can progressively replace non-renewable ones while ensuring the safety of international shipments, where products travel through various environments and conditions, cutting down the risk of damage. Moving towards more sustainable materials is one of our strategic priorities, aligning with the company's commitment to greater environmental responsibility.

Attention to climate change

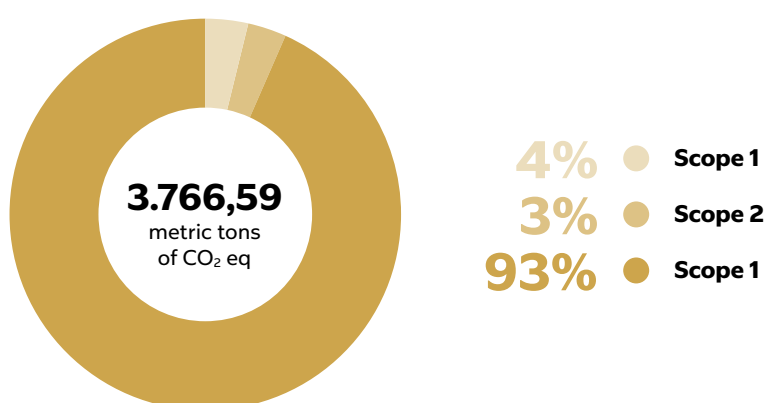
Besides the improvement of materials used for the packaging of its bikes and products, Colnago has decided to report on its greenhouse gas emissions categorised in accordance with the guidelines outlined in the Greenhouse Gas Protocol (GHG Protocol), since it is crucial for understanding and managing the climate impact of our operations. The GHG Protocol is a global standard recognised as the most widely used framework for calculating and reporting greenhouse gas emissions by companies and institutions. Emissions are classified into direct emissions related to the activities that fall under the operational control of the company (Scope 1), indirect emissions associated with the purchase of electricity (Scope 2), and indirect emissions generated along the entire company's value chain, both upstream and downstream (Scope 3).

COMMITMENT TOWARDS ENVIRONMENT

Colnago has quantified emissions of all the three Scopes in order to obtain a comprehensive view of the company's carbon footprint, allowing for the identification of critical areas and the development of effective strategies to mitigate environmental impact. The primary goal of this reporting is to establish a solid basis for a clear and transparent path towards decarbonisation to be realised in the near future, continuously enhancing the company's environmental performance. This not only strengthens Colnago's commitment towards environmental sustainability, but also meets the growing expectations of stakeholders who demand greater transparency and accountability in addressing climate-related issues. Reporting emissions is therefore key for aligning with international standards and actively contributing to global efforts to address and fight climate change.

For our Carbon Footprint calculation, we were supported by Up2You, and through their CliMax platform, we monitored the greenhouse gas emissions generated by our business activities. To confirm the authority of the quantification performed, the CliMax platform has been validated by RINA, certifying the compliance and accuracy of the algorithms in accordance with the GHG Protocol standards. The total greenhouse gas emissions related to Colnago's activities, across the three Scopes, for the base year 2023 are presented in the following table.

Scope	Unit of measurement	Quantity
Scope 1	metric tons of CO ₂ eq	134,60
Scope 2 - Location based	metric tons of CO ₂ eq	125,65
Scope 3	metric tons of CO ₂ eq	3.506,35
Total	metric tons of CO ₂ eq	3.766,59



The analysis of Colnago's greenhouse gas emissions reveals that the majority of emissions come from Scope 3, accounting for 93% of the total. This figure includes indirect emissions along both upstream and downstream segments of the value chain. Emissions from Scope 1 and Scope 2, which pertain respectively to activities directly controlled by the company and purchased energy, make up a smaller portion of the total emissions for the reporting period (7% combined).

COMMITMENT TOWARDS ENVIRONMENT

Scope 1

During the reporting period, the company generated a total of 134.60 metric tons of CO₂ equivalent from direct sources. The majority of these emissions (63%) originate from the use of natural gas, followed by fuel used for company vehicles (31%). Emissions from refrigerants and other direct emissions from company processes account for 4% and 2%, respectively. The following table presents the breakdown of the results of direct GHG emissions related to Scope 1.

Emission sources	Unit of measurement	Quantity
Natural gas	metric tons of CO ₂ eq	84,54
Refrigerant gas	metric tons of CO ₂ eq	4,87
Fuel for company vehicles	metric tons of CO ₂ eq	42,11
Other direct consumptions	metric tons of CO ₂ eq	3,07
Total	metric tons of CO ₂ eq	134,60

Scope 2

The calculation of Scope 2 emissions can be performed using two methodologies.

Location-Based Approach	This method considers the average emission factor for the electricity consumed, based on the national energy mix of the country where the company operates.
Market-Based Approach	This method takes into account the amount of energy used produced from renewable sources directly purchased by the company, provided it is certified by the GSE through the issuance of a certificate of origin.

For the results of overall emissions presented in this study, Scope 2 emissions are calculated using the location-based approach. The following table presents Colnago's greenhouse gas emissions for Scope 2 according to both approaches.

Data	Unit of measurement	Quantity
Indirect energy emissions Location based	metric tons of CO ₂ eq	125,65
Indirect energy emissions Market based	metric tons of CO ₂ eq	182,35

Management of energy consumption

The current production process is characterised by low energy consumption, the company has decided to focus its efforts on other priorities, particularly in light of the upcoming move to a new facility in the coming years. The construction of the new building, currently underway, represents a key opportunity to develop a long-term sustainability plan that includes the adoption of clean technologies. Investing in the reduction of Scope 1 and 2 emissions at this stage would be premature, considering the imminent logistical changes and the nature of these emissions. However, Colnago is committed to a continuous improvement journey that will progressively integrate sustainable energy solutions, aligning with its long-term strategic vision.

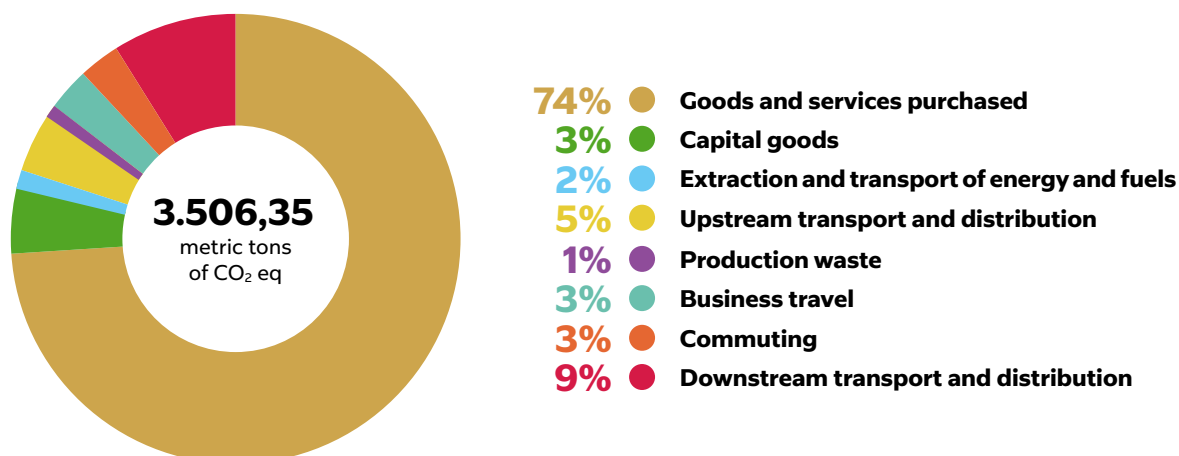
COMMITMENT TOWARDS ENVIRONMENT

Scope 3

The 15 categories within Scope 3 offer a structured overview of the measurement and management opportunities for emissions across the entire value chain. However, a company should focus only on those categories including the activities that might represent the main sources of emissions. Based on the available information and the significance assigned to each category, the selection made is shown in the following table:

Selected categories - Upstream	Selected categories - Downstream
3.1 Goods and services purchased	3.9 Downstream transport and distribution
3.2 Capital goods	
3.3 Extraction and transport of energy and fuels	
3.4 Upstream transport and distribution	
3.5 Production waste	
3.6 Business travel	
3.7 Commuting	

In the following chart, the overall results of the calculation of indirect GHG emissions related to Scope 3 for Colnago are shown according to the weight of each selected category.



These results indicate that, in line with industry averages and our business model, Scope 3 encompasses the largest share of emissions. This is primarily due to the procurement of goods and services and the downstream transportation and distribution of the final products within an extensive commercial network that spans across multiple countries, inside and outside Europe. While other selected categories give a relatively small contribution to the generation of indirect emissions, the impact of production waste is negligible if compared to the other sources along the company's value chain.

COMMITMENT TOWARDS PEOPLE

Building a harmonious workplace

A harmonious work environment is a key element for a company's success and the effective implementation of its strategies. A context characterised by respect, collaboration, and well-being fosters innovation, enhances productivity, and increases employee retention. A positive atmosphere encourages employee engagement and motivation, which are key factors in achieving corporate goals and building a resilient and sustainable organisation over time.

Although specific strategies have yet to be implemented, we are putting significant efforts in the investigation and monitoring of our work environment with the goal of developing effective retention policies. These initiatives are designed to gain a deeper understanding of employees needs and requirements and to create the optimal conditions for their satisfaction and growth within the organisation.

Through these initiatives, we aim not only to enhance operational efficiency but also to create a work environment where every employee feels valued, heard, and essential for the company's success. This approach fosters the development of an inclusive and motivating workplace that is necessary for the sustainable growth of the organisation.

Promotion of work-life balance

Currently, the company has adopted various policies aimed at enhancing a serene and collaborative workplace. Among these, attention to physical spaces plays a crucial role. Indeed, a cafeteria and a dedicated break area for all employees were designed to ensure an orderly and welcoming environment that promotes daily well-being and informal socialisation. In parallel, we organise corporate events and team-building activities to strengthen bonds among colleagues, encourage the exchange of ideas, and improve the overall workplace mood and internal cohesion.

Another key commitment is the provision of benefits such as meal vouchers, reflecting the company's attentiveness to the needs of its employees. Additionally, Colnago is considering the introduction of remote working options to provide greater flexibility and improve the balance between professional and personal life. We are willing to reduce stress by contributing to the development of a more harmonious work environment that can support long-term productivity.

Colnago is committed to closely monitoring the effectiveness of these actions, with the goal of continuously adapting strategies to meet the emerging needs of its workforce. Thus, we are planning to monitor the efficacy of these programs through analyses of our workplace and employee satisfaction assessments in order to review and improve them based on the outcomes we receive. Apart from the qualitative insights that we can collect among our employees, the effectiveness of such policies will also be measured through quantitative indicators concerning, for example, reduced turnover, increased productivity, and improved interpersonal dynamics.

The net number of employees recorded during the reporting period is 45 (34 men and 11 women), of which 40 work under a full-time contract. Moreover, Colnago leverages the service of a consultant who is in charge of the management of the marketing department. First signs of Colnago's success in creating a job environment where people are motivated to work are already witnessed by the evidence related to new hires and employee turnover. These numbers are illustrated in the following table by age group and gender.

COMMITMENT TOWARDS PEOPLE

Age	Male hires	Female hires	Male turnover	Female turnover
Under 30	4	2	0	0
Between 30 and 50	2	2	0	0
Over 50	0	0	2	0

In the “under 30” age group, six new employees were hired (four men and two women), with no instances of turnover. In the “30 to 50” age group, four employees were hired (two men and two women), also with no turnover cases. Meanwhile, in the “over 50” age group, there were two episodes of turnover, both involving men entering retirement.

The overall company turnover rate of 4.44% is exceptionally low, indicating a high level of job stability and a positive work environment, particularly among younger age groups. The absence of turnover among employees under 50 highlights the effectiveness of the company’s policies focused on well-being and job satisfaction, contributing to a strong sense of belonging and a high level of motivation among staff. Instead, as previously mentioned, the turnover observed in the over 50 group is not related to well-being issues within the company. These data demonstrate that Colnago is capable of providing a harmonious and inclusive work environment that supports employee retention and fosters professional growth that are key elements for the company’s sustainable success.

Improving employees’ well-being

Colnago’s sustainable development strategy combines a harmonious workplace with specific programs focused on enhancing employees’ well-being. Nowadays, we guarantee flexible working hours by allowing our workforce to autonomously manage their time and activities in order to dedicate the necessary time to families and personal life. Additionally, we allow employees to reduce their working hours on Fridays during the summer months (from June to August) with the option to take paid time off. Our objective is to promote mental health and reduce potential burnout episodes triggered by excessive stress levels.

Starting from 2025, Colnago plans to further strengthen its commitment by introducing welfare policies aimed at improving both the quality of work and the balance between professional and personal life. On the one hand, these initiatives will focus on promoting physical health through partnerships with fitness centres that can ensure discounted prices for our employees. At the same time, Colnago plans to collaborate with professionals such as osteopaths and physiotherapists to offer specific and personalised support. These services, which will be available on a voluntary basis, aim to address significant health risks not directly related to work. On the other hand, targeted interventions will be implemented to address psychological and emotional well-being, including the establishment of a counselling service with an occupational psychologist and the provision of mindfulness training courses.

COMMITMENT TOWARDS PEOPLE

These measures are not just an investment in individual well-being but a strategic commitment that reflects Colnago's dedication to creating a work environment that values people and supports the achievement of corporate goals in a context of mutual respect and care. We intend to monitor the effectiveness of these actions through key indicators such as employee participation rates in wellness programs and reduction in absenteeism. The effectiveness of these policies will be assessed based on their ability to generate tangible and sustainable benefits in the long term by reviewing first-hand feedback collected from employees.

Although no burnout episode was recorded during the reporting period, or before, the company recognises that until today a formal structure dedicated to an effective stress management has not been put in place yet. However, given the matter's sensitivity, interviews have already been conducted to expand our Human Resources department by hiring new professionals who will be focused on implementing measures to prevent burnout.

Employee benefits

Colnago is committed to creating a work environment that values and supports all its employees, regardless of their contractual status or working hours. Currently, the benefits offered include "Metasalute" health insurance, which is provided under the national collective bargaining agreement for the metalworking sector with a basic package that the company plans to expand in the future. Additionally, for frontline management and their families, the company provides enrollment in an additional health fund, Blu Assistenza by Unipol-Sai, which offers broader coverage, particularly for injury protection.

Employees also benefit from parental leave and pension contributions as stipulated by the national collective agreement. The company's welfare program, also aligned with the National Collective Bargaining Employment Contract, will be enhanced with additional structured services.

We are aware that a fair and comprehensive benefits system is essential for attracting and retaining talent, as well as for promoting employee well-being and satisfaction. In this regard, Colnago is committed to continuously improve the available benefits, with the aim of adapting and better meeting the needs of its employees from different age groups.

Promotion of continuous improvement

Employee training and development are key elements for the sustainable growth of Colnago. Although specific strategies in this area have yet to be implemented, the company recognises the importance of investing in targeted training plans aimed at enhancing the technical skills of employees, with programs tailored to specific areas, roles, and responsibilities. These incentives are designed to foster a culture of continuous improvement and to recognise excellence within the organisation, supporting professional growth and the achievement of corporate objectives. The establishment of a structured training plan, combined with a merit-based incentive system, is essential for developing strategic competencies and maintaining a high level of market competitiveness. Thus, we are planning to create a training pathway that not only meets the operational needs of the company but also contributes to the professional fulfilment of its employees, fostering a dynamic and success-oriented work environment.

COMMITMENT TOWARDS PEOPLE

Incentivizing professional growth

Colnago acknowledges the crucial importance of employee training and development as a strategic lever for supporting business growth. In alignment with this commitment, the company has implemented a series of policies and initiatives designed to incentivize and enhance employee skills and performance, while ensuring that results are effectively tracked and monitored.

Currently, only the functional heads receive periodic performance and professional development evaluations. In contrast, second-level employees and manual workers are not involved in a periodic evaluation process. This highlights the need to extend evaluation practices to other categories to ensure a more inclusive monitoring of professional development. Therefore, Colnago is considering the adoption of incentives' schemes such as bonuses at individual and team level, based on a performance evaluation system that would be identified and implemented to assess both hard and soft skills. Individual bonuses are based on manager feedback and aim to recognize personal contributions, while team bonuses seek to strengthen the sense of belonging and collaboration among colleagues, supported by reports released by the CEO.

Simultaneously, we are committed to enhancing employees' technical skills through role-specific training programs designed to improve performance and foster professional development. The planning of these training programs will be coordinated between managers and Human Resources, ensuring that the company's operational and strategic needs align with individual growth opportunities. Moreover, the company promotes financial planning for employees through dedicated training programs aimed at increasing awareness and management skills of personal financial resources.

The effectiveness of the policies and incentives would be monitored through a feedback and reporting system that evaluates the impact of implemented actions on set targets. This approach ensures that Colnago can continuously adapt and improve its strategies, maintaining employee development as a priority and ensuring that employees can contribute significantly to the company's success.

Training and Development

During the reporting period, Colnago has implemented various training initiatives aimed at enhancing the technical and managerial skills of its employees. Indeed, we have decided to start by focusing on the development of frontline managerial staff, with a particular emphasis on soft skills. The company recognises that leadership and the ability to manage human relationships are essential for building a positive and collaborative work environment. Subsequently, training activities will be extended to all employees, with the aim of developing cross-functional skills and promoting a corporate culture based on open dialogue and mutual respect.

Male employees participated in two primary courses. The first, "Business Game," is a 28-hour training program that simulates real business scenarios, allowing participants to develop strategic and decision-making skills through practical experiences. The second course, "Expert in AEO Customs," spans across 200 hours of training and prepares employees to handle complex customs operations in accordance with Authorised Economic Operator (AEO) standards, a certification that affirms reliability in international trade operations. Female employees joined a Lean Production course, an 8-hour program developing the necessary skill to optimise production processes and enhance operational efficiency through waste reduction.

COMMITMENT TOWARDS PEOPLE

Furthermore, Colnago provides its employees with specialised training programs such as the “Shimano Course” and the “Campagnolo Course.” Both programs focus on the assembly of road bicycles, with particular emphasis on gear groups. These courses are essential for sharpening the technical skills of employees, ensuring an in-depth understanding of the latest innovations in the sector, and maintaining the high-quality standards required by the company. This ongoing training contributes also to maintaining a strong competitive advantage within the market, consolidating the leadership position of our company. The diverse training initiatives reflect Colnago’s commitment to provide both specialised and transversal skills essential for supporting the professional growth of its employees. However, the company recognises the need to better balance training opportunities to ensure equitable and inclusive access at all levels, regardless of gender. Moving forward, we aim to further develop the existing training programs to ensure a continuous and uniform growth path for every employee, aligning with the company’s strategic goals and sustainability principles.

CORPORATE GOVERNANCE

Governance structure

Colnago Ernesto & C. S.r.l. remained under family control until May 4, 2020, when Chimera Investments LLC, an investment firm based in the UAE, acquired a majority of Colnago's shares from Ernesto Colnago. Despite this acquisition, the headquarters will continue to be based in Italy (Cambiago) and all the employees are currently working there.

Colnago's governance is designed to balance centralised management with the agility required to address market challenges and meet ESG criteria. The governance structure consists of a sole stakeholder, Aurora Rise Group LLC, which holds 100% of the stakes. The Sole Administrator, also serving as the Chief Executive Officer (CEO), is the central figure in the company's governance, responsible for managing and coordinating all business functions.

The CEO is appointed by the majority shareholder and has extensive operational authority, including the formulation and execution of corporate strategies, particularly in relation to environmental, social, and economic sustainability. The CEO is deeply involved in the development, approval, and updating of the company's mission and values, as well as sustainability strategies and policies. This role is supported by functional heads who report directly to the CEO, including the Director of Operations, the Director of Research and Development (R&D), and the Director of Administration and Human Resources (HR).

The governance structure also includes a Sole Auditor and an external auditing firm, which play crucial roles in overseeing business activities, ensuring transparency and regulatory compliance. The chairman of the highest governing body, who is also a senior manager within the company, ensures effective coordination between operational management and strategic governance, maintaining continuity and coherence in the company's direction.

The management of the organisation's impact on the economy, environment, and people is entrusted to function heads, who report to the CEO on a bi-weekly basis during management meetings. These regular meetings are vital for tracking progress, addressing issues, and identifying solutions and strategies for continuous improvement. Through this process, the CEO ensures that decisions align with corporate objectives and the expectations of the majority shareholder, who views ESG criteria as crucial drivers for the company's long-term success.

Our business ethic

Currently, Colnago is working to strike the right balance between progressively adopting ESG practices and maintaining smooth business operations. We have recently developed, approved, and implemented a Corporate Regulation that outlines general guidelines for internal operations, with the Administration and Human Resources office responsible for its continuous update in response to the company's increasing complexity.

We are planning to draft additional key documents, including a Code of Ethics and Conduct, to further reinforce our commitment to integrity and transparency. To this end, a plan has been established to hire specialised professionals who will develop and implement these documents, paying particular attention to the procedures outlined by the Legislative Decree 231/2001. The latter concerns the adoption of an Organisational, Management and Control Model that allows the prevention of crimes committed by employees in the interest or to the benefit of the company itself.

CORPORATE GOVERNANCE

Colnago recognises the reputational risks associated with financial scandals, lack of transparency, or anti-competitive behaviour. To mitigate these risks, the company has established that only the Sole Administrator or authorised representatives may communicate with the media, ensuring stringent control over information released externally. Additionally, monthly updates with shareholders, representing a multinational entity with stringent compliance standards, ensure that Colnago adopts best practices in transparency and ethical behaviour.

Regarding daily interactions with clients, suppliers, and other stakeholders, Colnago has appointed managers with high ethical standards and personal integrity. These leaders have been selected not only for their technical skills but also for their ability to represent the company with honesty and respect, fostering a corporate culture based on ethical values.

Regulatory compliance

Colnago is committed to adhering to applicable laws and regulations while maintaining high ethical standards across all operations. During the reporting period, no significant cases of non-compliance with legal norms or regulations were identified. The company has not been involved in legal actions related to anti-competitive behaviour, antitrust violations, nor monopolistic practices.

Moreover, we have fully complied with voluntary regulations and codes concerning marketing communications, labelling, and product information. Company procedures require that all bicycles produced come with detailed instructions for safe use. In fact, 100% of products adhere to these procedures, ensuring that the information provided is accurate and in compliance with current regulations. This commitment not only protects consumers but also strengthens Colnago's reputation as a responsible company that values the quality of information provided.

Management of conflicts of interests and critical issues

Colnago is committed to ensuring transparent and responsible management of conflicts of interest within the organisation. This commitment is particularly crucial in a context where ESG sustainability needs to be aligned while maintaining uninterrupted operational continuity. The company recognises that a rapid transition to sustainable practices could entail operational risks. Therefore, Colnago adopts a balanced approach that aims to introduce gradual improvements while avoiding disruptions or discontinuities in business processes.

During the reporting period, there were instances where staff sensitivity led to the reporting of issues, such as the criteria employed for the suppliers' selection or the use of polluting company vehicles for outdoor events. While these incidents were limited, they highlighted the importance of carefully managing conflicts of interest. Issues are communicated to the highest governing body primarily during bi-weekly management meetings but can also be addressed through ad hoc meetings, ensuring a prompt and effective response to emerging problems.

Colnago is also focused on improving the formalisation of procedures that allow employees to raise concerns regarding company conduct and conflicts of interest. Currently, there is no official procedure for this, but the company has initiated a process to develop and implement such mechanisms in line with the Legislative Decree 231/2001, for example with the integration of a whistleblowing procedure. This step is crucial for enhancing internal transparency and accountability, ensuring that every employee has the means to express concerns in a secure and structured environment.

CORPORATE GOVERNANCE

Moving forward, the company will continue to invest in governance structures and procedures that not only prevent conflicts of interest but also promote a corporate culture rooted in integrity, transparency, and responsibility. This approach will enable Colnago to tackle future challenges on a solid foundation and uphold its commitment to sustainable and responsible management.

Inclusive corporate culture

Colnago is committed to fostering an inclusive and collaborative work environment where every employee feels valued and heard. Key initiatives include regular team-building events such as participating in the Granfondo Colnago, post-work social rides and Christmas dinners on vintage trams, and attending the end of “Giro di Lombardia” taking place in Bergamo. Informal social activities, like the “croissant moment” on Friday mornings, aim to build camaraderie and strengthen interpersonal relationships among employees, enhancing the sense of belonging and team spirit.

Additionally, Colnago is introducing one-on-one meetings between employees and managers to facilitate direct feedback exchange. These brief sessions aim to promote open communication and engagement, providing a clear and transparent view of the company climate. Looking ahead, the company plans to implement training programs focused on inclusivity and equity to ensure all employees feel supported and understood in their professional journey.

To monitor the effectiveness of these initiatives, Colnago uses feedback collected during internal meetings to assess the impact of its actions on workplace climate. The success of these policies is reflected in increased cohesion and a strengthened team spirit, contributing to an inclusive and collaborative work environment essential for the company’s sustainable success. Moreover, during the reporting period as well as in the past years, no discrimination episodes have ever been reported.

Safety of the workplace

Workplace safety is a top priority for Colnago. We adopt a rigorous and proactive approach to managing business-related risks. Each year, a detailed risk assessment is conducted for various work environments, culminating in the preparation of the Risk Assessment Document (RAD). This is crucial for identifying potential hazards and establishing preventive measures necessary to eliminate or minimise risks. When complete elimination of a risk is not possible, Colnago provides its operators with appropriate Personal Protective Equipment (PPE) to ensure maximum safety during work activities.

The RAD is not a static document since it is regularly updated to reflect changes in production processes or work environments. This review is carried out through environmental analyses and regular inspections, which allow for the timely identification of new risks or issues. In cases where residual risks are identified, Colnago not only distributes the necessary PPE but also provides specific training to employees on the correct use of such equipment. This training is crucial to ensure that employees understand the risks associated with their activities and know how to adequately protect themselves.

CORPORATE GOVERNANCE

Additionally, Colnago has implemented a mandatory safety training program that is tailored according to the risk levels associated with different job roles. For office employees, the training focuses on low-risk aspects, while for workers exposed to higher risks, specific courses are provided. This approach not only complies with current regulations but also fosters a corporate culture where safety actively involves all employees, from top management to workers, ensuring that everyone is aware of their role in maintaining a safe work environment.

Colnago also adopts a preventive approach in managing workplace injuries. Through continuous reviews of the RAD and updates to safety procedures, the company is able to anticipate and mitigate risks. Among the evaluations conducted, Colnago includes the analysis of chemical risks, work-related stress, fire hazards, and specific safety measures for pregnant workers, new mothers, or those in breastfeeding periods up to seven months after childbirth. The assessment also covers risks related to manual handling of loads, the use of equipment, exposure to physical agents such as noise and vibrations, and risks from postural load and visual fatigue in screen-based work. Based on the results of these assessments, the company implements necessary improvement measures.

Health and Safety Management System

Colnago is committed to ensuring a safe work environment that complies with current regulations, particularly Legislative Decree 81/2008, which establishes rules and preventive measures to minimise risks and workplace accidents. The company has implemented a structured system for identifying and evaluating hazards associated with work activities, with the goal of continuously improving its health and safety management system. The following table describes the different kinds of employment and the related activities covered by the Health and Safety Management System.

Employment	Activities performed
Office and Reception Staff	Preparation of documents using IT tools, managing office tasks like communication via phone and email.
Bicycle Assembly Worker	The frame arrives at the department after being processed in the previous phase. The worker assembles various components such as handlebars, wheels, and brakes.
Head Capping Worker	The frame arrives at the department after being processed in the previous phase. The worker applies the head cap and performs any necessary adjustments.
Frame Wrapping Worker	Preparation and mixing of adhesive components. The worker then wraps the frame with carbon fibre sheets and applies the adhesive.
Bicycle Packaging Worker	Collection of materials (cardboard, plastic, etc.) for packaging. The worker ensures the bicycle is securely packed and ready for shipment.
Frame Bonding Worker	Preparation and mixing of adhesive components. The worker bonds the frame parts using these adhesives.
Raw Tube Processing Worker	Preparation of tubes and joints in carbon fibre, involving cutting, sanding, and shaping for the next production steps.

CORPORATE GOVERNANCE

Material Handling Worker	Use of an electric forklift to move materials within the facility, ensuring efficient and safe transportation of components.
Frame Kit Preparation Worker	Collection of materials (cardboard, plastic, etc.) for packaging and preparation of frame kits for further assembly.
Frame Finishing Worker	Drilling frames for cable passages. General finishing tasks to ensure the frame meets quality standards.
Department Supervisor	Supervision and control of assembly and kit preparation activities. Ensuring quality standards and safety measures are followed.

A key component of this system is the periodic safety meeting, during which the employer, the safety and prevention service manager, the occupational physician, the safety manager, and the safety representative meet to assess the primary risk factors present in the workplace. These meetings aim to review the measures already implemented for the prevention and protection of workers and to identify further improvement actions.

During these meetings, various crucial aspects are discussed, including the RAD, trends in workplace accidents and occupational diseases, health surveillance, criteria for selecting and the effectiveness of PPE, and the training program for managers, supervisors, and workers. These discussions not only ensure compliance with regulations but also foster a safety culture focused on prevention and the protection of workers' health. The effectiveness of our management system is witnessed by the absence of injuries with severe consequences and deaths consequent to workplace injuries.

Engagement and training of employees

Colnago adopts a systematic approach to ensure the health and safety of its employees through active engagement and ongoing training processes. The company regularly organises mandatory training courses that cover both general and specific safety topics, with periodic updates to ensure that all employees remain informed and well-prepared. Additionally, Colnago has established an emergency response team, carefully trained to handle urgent situations. These employees, selected from the workforce, receive specialised training in fire safety, first aid, emergency operations, and other critical emergency management skills. The company has identified a comprehensive training program that covers various areas, with regular updates to maintain high levels of competence and awareness among employees.

Training course	Audience	Content	Frequency
Mandatory Safety Training	All employees, both clerical and operational	Training is divided into general safety and specific safety, with particular focus on low-risk for clerical staff and high-risk for operational workers	Specific training is updated every 5 years to ensure that skills remain relevant and in line with current regulations
Fire Safety Courses	3 male operatives and 1 female clerical staff member	These courses train employees to manage fire-related emergencies, ensuring a prompt and coordinated response	Updates are scheduled every 5 years

CORPORATE GOVERNANCE

First Aid Courses	2 male operatives, 1 male clerical staff member, and 1 female clerical staff member	Training covers first aid techniques, preparing employees to respond to health emergencies in the workplace	Updates are conducted every 3 years to maintain a high level of readiness
Training for the Safety Representative (RLS)	One male operative	This course provides the RLS with the skills necessary to represent workers on safety issues, actively participating in the management of workplace risks	Annual updates ensure that the RLS remains informed about the latest regulations and safety practices
Training for Managers	One employee with managerial responsibilities	This course is specifically designed to equip managers with the skills required to oversee safety in the company, focusing on leadership in health and safety	Updates are conducted every 5 years
Training for Supervisors	One male clerical staff member and one male operative	The course provides supervisors with the skills to oversee daily operations safely, with particular attention to risk management	Updates are scheduled every 2 years
Forklift Training	3 male operatives and 1 male clerical staff member	Training includes safe operation and efficient management of forklifts, a crucial activity for material handling within the company	Updates are scheduled every 5 years to ensure that practices remain safe and effective

Training is primarily conducted on-site by qualified instructors who visit the company. In some cases, e-learning is also utilised to offer greater flexibility to employees. Colnago is committed to maintaining up-to-date and adequate training, with refreshers scheduled according to the type of course, ensuring that employees' skills and knowledge remain aligned with best safety practices. This integrated approach to training and worker engagement is a fundamental component of Colnago's safety management system, guaranteeing that every employee is well-prepared to recognise and address risks, and that safety is a shared priority within the organisation.

CORPORATE GOVERNANCE

Research and development of innovative materials

Colnago is dedicated to exploring innovative and sustainable materials to enhance its production solutions. Currently, the company has embarked on a significant research initiative in collaboration with Khalifa University in Abu Dhabi, focusing on the use of alternative materials to carbon fibre and epoxy resin, which are traditionally employed in bicycle frame production. In parallel, we have launched a project with Politecnico di Milano, centred on carbon fibre recycling. This project aims at both reusing production waste and recovering material from finished products, with the goal of reducing environmental impact and promoting a circular economy. These initiatives reflect Colnago's commitment to the continuous improvement of its practices, not only through technical innovation but also by adopting more sustainable solutions that contribute to reducing its overall environmental footprint. Research and development of new materials are therefore central to Colnago's strategy for creating cutting-edge products that meet customer needs while fostering a more sustainable future.

METHODOLOGICAL NOTE

This ESG Report serves as the tool through which Colnago communicates on a voluntary basis to all the stakeholders its management practices, policies, performances and future commitments concerning non-financial aspects. The report provides an overview of the main environmental, social and governance-related impacts generated, through the reporting of both qualitative and quantitative information and indicators. These aspects contribute to creating added value for both its people and the communities in which Colnago operates.

To deliver a prompt and quantitative depiction of performance, the document was prepared with reference to “GRI Sustainability Reporting Standards” established by the Global Reporting Initiative (GRI). The current ESG Report employs the latest versions of GRI standards, including the most recent adaptation of “Occupational Health and Safety” from 2018 as well as GRI 1, GRI 2 and GRI 3 published in 2021.

The preparation and layout of this ESG Report for the period from January 1, 2023, to December 31, 2023 (FY 2023), was coordinated and executed involving the entire organisational structure within the reporting perimeter. The information provided in this document was selected based on an analysis of both the external and internal context of Colnago. The materiality analysis was conducted with the direct involvement of internal stakeholders (administrators, managers, employees and collaborators). By combining the stakeholder engagement process with a study on the company’s business model, the themes were grouped into material topics for reporting according to the procedure established by GRI 3 Material Topics 2021. The current version of the report was subjected to approval by the Board of Directors before being published. For more details see chapter “Our approach to sustainability – The materiality assessment”. The current document was drafted with the methodological support of Up2You S.r.l. Società Benefit.

The reporting perimeter for all topics for which information is available and relevant includes the company’s headquarters located in:

Viale Brianza, 9, 20040 Cambiago MI, Italy.

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