Zoppas Industries

SUSTAINABILITY REPORT 2023

BUILDING A SUSTAINABLE FUTURE STARTS WITH PEOPLE

SUMMARY

LETTER TO STAKEHOLDERS

Dear Stakeholders,

I am pleased to present to you Zoppas Industries Group's Sustainability Report 2023, a document that testifies to our ongoing commitment to responsible and transparent management, oriented towards creating lasting value for all our stakeholders and effectively responding to global sustainability challenges.

We are going through a historical period characterised by urgent challenges involving every level of society, from individuals to institutions and businesses. In this context, ESG (environmental, social and governance) issues have become central to our Group, and our commitment is to contribute significantly to the path towards sustainable development. We firmly believe that every company has a duty to pursue sustainability goals, acting responsibly, transparently and ethically, in order to deliver a better future to the next generations.

One of the Group's top objectives is to reduce greenhouse gas emissions throughout the value chain, in line with our long-term strategy towards climate neutrality by 2050. To this end, we are implementing initiatives to reduce direct and indirect emissions and have started new projects to minimise our environmental impact, focusing on energy-efficient technologies and the use, where feasible, of renewable sources.

In line with this commitment, we continued in 2023 to adopt and implement internationally recognised assessments, such as EcoVadis and the Carbon Disclosure Project (CDP), to monitor and improve our ESG performance. This year, specifically, ZIHET decided to extend the EcoVadis analysis to its main international plants, in order to offer a more comprehensive vision at Group level. In this regard, SIPA also achieved significant results in all the main assessment areas.

2023 was also a crucial year for the Group in terms of responsible supply chain management. Both SIPA and IRCA have consolidated their supplier monitoring and evaluation system, integrating ESG criteria to ensure compliance with environmental and social standards throughout the production cycle. This approach reflects our dedication to sustainable management and the promotion of a circular economy.

Zoppas Industries Group's sustainability strategy is geared towards supporting the needs of customers, who increasingly demand efficient and environmentally friendly products. Our commitment to the ecological transition is accompanied by constant dialogue with our suppliers, customers and partners to ensure that all our business decisions are aligned with the highest standards of sustainability and social responsibility.

Finally, we would like to emphasise the central role of our people, whose contribution is crucial to achieving our goals. Through training and professional development programmes, we promote a corporate culture that values the skills and well-being of employees, with the aim of building a safe and inclusive working environment.

We thank you for your continued support and trust, and invite you to explore the details of our sustainability journey in this Report. We are confident that an ethical and sustainable approach is the key to building a prosperous and responsible future for all.

Gianfranco Zoppas

METHODOLOGICAL NOTE

This Sustainability Report has been prepared on a voluntary basis by Zoppas Industries Group (hereinafter also “the Group”) in order to communicate its performance in the ESG (Environment, Social and Governance) area.

The document aims to provide stakeholders with a clear, comprehensive and transparent representation of the Group’s activities, projects, commitments, objectives and results in 2023. The Sustainability Report is prepared in accordance with the GRI Standards (as updated in 2021), according to a “with reference to” level of coverage.

At the end of the document, the GRI Content Index section shows a correlation table between the information reported by the Group and the corresponding GRI indicators.

The data and information in this document refer to the financial year from 1 January 2023 to 31 December 2023, which coincides with the reporting period of the Financial Statements. In addition, comparative data up to the year 2022 have been included, where available, in order to present the Group’s performance trend over time.

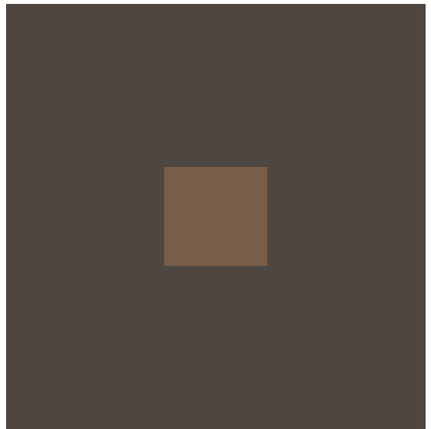
The reporting scope of this Sustainability Report includes:

SIPA S.p.A.
(SIPA 1 and SIPA 2 establishments in Vittorio Veneto, SIPA Sala Baganza and SIPA Colecchio establishment)

ZIHET (Zoppas Industries Heating Element Technologies)

- I.R.C.A. S.p.A.
- Zoppas Industries France SARL
- Zoppas Industries Germany GmbH
- Zoppas Industries China (Hangzhou and Jiaxing)
- Zoppas Industries de Mexico, S.A. de C.V. (includes the Rio Verde and San Luis Potosi locations)
- Zoppas Industries Romania S.R.L.
- Zoppas Industries Serb DOO
- Euroheat S.r.l.
- Zoppas Industries USA – Nova Coil, Inc. Dba
- Multi Rail S.r.l.

It should be noted that the scope considered for fiscal year 2023 is broader than that of the Group's previous Sustainability Report, as per the inclusion of the companies Zoppas Industries France, Zoppas Industries Germany, Multi Rail, Nova Coil and **Euroheat**[1].
By virtue of this extension of the scope, it should be noted that the comparability of the data of a quantitative nature is limited in some cases.



Any limitations of the scope, resulting from the lack of data or the impossibility of ensuring a high quality of data, are also appropriately indicated in the text of the document through dedicated notes.

The topics covered in the sections of the document have been selected on the basis of their relevance as representative of the main social and environmental impacts of Zoppas Industries Group's activities and capable of significantly influencing the decisions of its stakeholders. Specifically, these issues were identified by conducting a materiality analysis, which the Group chose to carry out according to the dual materiality approach, introduced by the CSRD (Directive EU 2022/2464), and which is a mandatory requirement for large companies from 2025.

With the aim of anticipating the requirements of the Corporate Sustainability Reporting Directive (CSRD), Zoppas Industries Group has reorganised the contents of its sustainability reporting into **five main chapters** as of 2023:

- **Zoppas Industries Group profile and identity**
- **General disclosure**
- **Environmental disclosure**
- **Social disclosure**
- **Disclosure on governance**

This document has not been subjected to an external audit process.
For more details on objectives, indicators and achievements or to request further information, please contact:
- **ZIHET: marketing@zoppas.com**
- **SIPA: marketing.sipa@zoppas.com**

[1] Recently acquired (2023).

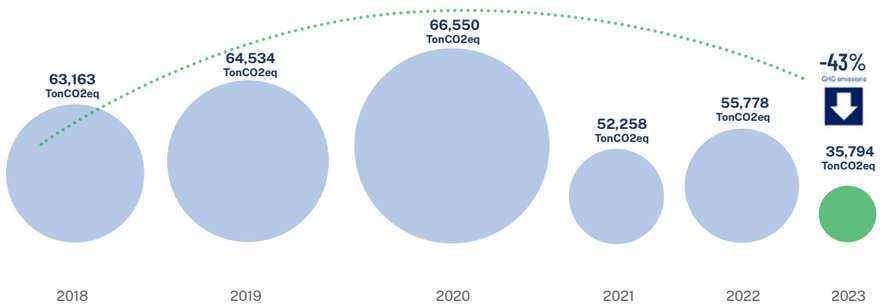
TOWARDS CARBON NEUTRALITY

The Zoppas Industries Group accelerates its journey towards sustainability: with a 31% reduction in Scope 1 and Scope 2 emissions in 2023 compared to 2018, the company transforms its commitment into tangible results. The group continues with determination towards climate neutrality, demonstrating that a low-emission future is not just a goal, but a reality that is already taking shape.

YEAR	SCOPE 1 + SCOPE 2
2018	63,163
2019	64,534
2020	66,550
2021	52,258
2022	55,778
2023	35,794

-43%

Scope 1 & Scope 2 Emissions
Zoppas Industries Group 2018-2023



Towards carbon neutrality

2050

Zoppas Industries

1 ZOPPAS INDUSTRIES GROUP PROFILE AND IDENTITY

GROUP ACTIVITIES AND IDENTITY

Zoppas Industries Group embodies the combined expertise of its two complementary entities:

- **ZIHET**, a leading manufacturer of heating systems;
- **SIPA S.p.A.**, specialising in PET packaging solutions.

Two stories, two business models, two examples of development and industrial culture in which innovation and sustainability go hand in hand and drive every decision.

6911
ZIHET EMPLOYEES

60 YEARS
OF EXPERIENCE IN THE BUSINESS

15
COUNTRIES WITH OFFICES

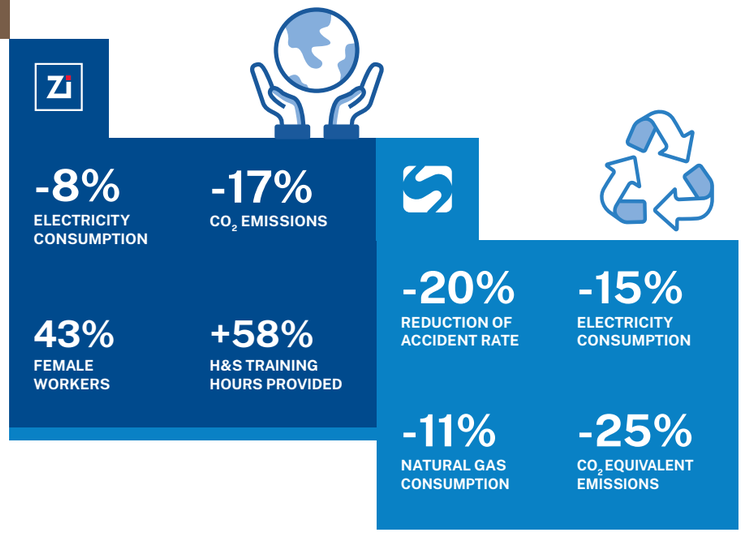
15
PRODUCTION PLANTS

40 YEARS
OF EXPERIENCE IN THE BUSINESS

814
SIPA EMPLOYEES

4
PRODUCTION PLANTS

23
SALES BRANCHES



ZIHET

Zoppas Industries Heating Element Technologies (ZIHET), headquartered in Vittorio Veneto, Italy, boasts a global presence with 15 production facilities worldwide: 4 in Italy, 2 in Mexico, 1 in Germany, 1 in France, 1 in Switzerland, 1 in Romania, 1 in Serbia, 2 in China, 1 in Russia, and 1 in the USA. Additionally, ZIHET maintains 4 sales subsidiaries (United Kingdom, Finland, Turkey, Brazil) and 4 associated offices strategically located in Romania, Serbia, China, and Mexico.

With 60 years of experience in the industry, ZIHET develops solutions for the design, production and worldwide sales of heating elements and heating systems for various applications. Through its highly specialised Business Units, the Group develops and manufactures heating elements tailored to various sectors: from large to small household appliances, from space heating and air conditioning, to the industrial market.

In 1963, Luigi Zoppas, the founder of ZIHET (then called I.R.C.A., Industria Resistenze Corazzate e Affini S.p.A.), started his business in San Vendemiano (Treviso). Over the years, the Group has managed to progressively transform itself and adapt to the needs of the market, bringing innovation to its sector and positioning itself as a leader also on a global level.

SIPA

Headquartered in Vittorio Veneto, in the province of Treviso, SIPA has 23 sales branches, 4 production plants (2 in Italy, 1 in Romania and 1 in China) and 21 after-sales service centres for the supply of spare parts and technical assistance. SIPA also offers an injection mould reconditioning service at 7 locations worldwide: Italy, China, Japan, South Korea, Mexico, Brazil, and the United States.

SIPA is a highly specialised technology partner whose main objective is to offer its customers innovative and competitive solutions for every specific requirement, providing products and after-sales service for a wide range of PET packaging systems for the food and beverage industry, for home care and personal care products, for cosmetics and for chemical and pharmaceutical products. SIPA is able to support the customer by choosing with them the production scenario that best meets their needs, taking into account factors such as bottle costs, energy savings, space, flexibility and sustainability.

In fact, SIPA has always been at the forefront of developing solutions to reduce the environmental impact of its machines and plastic packaging products. This is made possible by efficient production systems, reduced container weight and, at the same time, reduced consumption of energy, compressed air and water. The development of technologies capable of processing recycled plastic is another crucial element in achieving this target, either from granules (with traditional systems) or from 100% RPET flakes, as in the case of Xtreme Renew, a unique system on the market.

VISION, MISSION AND VALUES

ZIHET

VISION
To be recognised as a stategic partner for customers and a key player in the value chain, helping its customer base in identifying optimal heating solutions for a wide variety of needs.

MISSION
To provide smart heating solutions, helping to build the foundation for a sustainable enviroment and lifestyle.

CONTRIBUTING TO SUSTAINABLE LIVING
Innovation and technological progress are at the heart of all the Group's activities. ZIHET stives daily to make a substantial contribution to sustainable living globally through production and sales activities that focus on providing smart heating solutions in a responsible and environmentally friendly manner.

SUSTAINABILITY AT THE HEART OF ZIHET'S ENTIRE VALUE CHAIN
ZIHET actively collaborates with its customers, suppliers and other partners and constantly strives to find innovative and sustainable solutions through the introduction of new technologies and business models.

CARING FOR FUTURE GENERATIONS
Improving the quality of life for ourselves and for future generations is the aim of ZIHET's work.

CUSTOMER CENTRICITY
Viewing the value chain as customer-focused is part of the Zoppas Industries corporate culture, stategy and philosophy. The customer's expectations, needs and desires form the starting point of the Group's marketing and sales campaigns, which are constantly looking for new ways to improve and advance its offering.

SIPA

VISION

To use SIPA's creativity and unique expertise to innovate beverage packaging by making it zero-impact. To find better and technologically advanced solutions to anticipate customers' needs, improving on their ideas and bringing their visions to life.

MISSION

To always be at the customers' side, being a point of reference for all their packaging needs and helping them with the utmost competence, all the attention they need and a wide flexibility in creating excellent, efficient, green and innovative production solutions capable of pushing their business beyond their expectations.

FOCUS ON THE CUSTOMER

Being there for customers means offering them all the support and empathy they need to recognise the Group as their main reference in the world of packaging.

FLEXIBILITY AND CUSTOMISATION

The attention, care, and flexibility needed to work on new and innovative, fully customised projects.

SUSTAINABILITY AND TRANSPARENCY

Attention to every aspect of the production process.

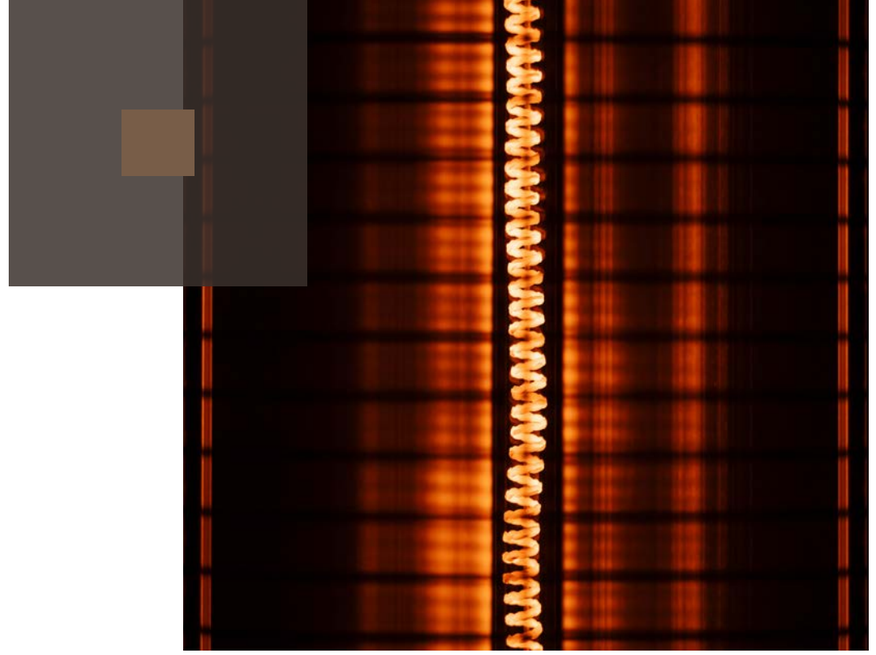
COURAGE AND INNOVATION

The courage and proactivity needed to bring something new to life, realising customers' ideas and visions.

PRODUCTS ZIHET

HOUSEHOLD APPLIANCES AND REFRIGERATION	FOOD SERVICE, COFFEE, LAUNDRY, WELLNESS	HOME HEATING, AIR CONDITIONING AND PLASTICS	INDUSTRIAL PROCESS HEATING
• Heating elements and operational assemblies designed for a range of applications, including: refrigeration units for trucks and containers, ceiling evaporators for industrial and commercial buildings, refrigerated counters and cabinets for retail and restaurants, and no-frost domestic refrigerators.	• Highly reliable heating elements and complete operating kits for use in all professional kitchen appliances, food dispensing equipment and dishwashers; • Dedicated solutions for electric heating of equipment and accessories used in the processing, baking and storage of bread, pastry and pizza; • Materials for professional coffee machines and vending machines; • Electric heating solutions for industrial and professional laundry equipment; • Equipment for wellness and beauty treatments: saunas, Turkish baths, whirlpool systems and tubs, wellness centres, showers and cabins, hairdryers, facials, aerosols, tanning beds and waterbeds.	• Heating elements and heat regulation systems for domestic heating appliances - meeting needs from home heating to water heating; • Heating solutions for air conditioning equipment, such as air curtains, air handling units, chillers, humidifiers, precision systems, widely used in all areas where space heating is required - including offices/factories/schools/ hospitals/homes and public transport; • Heaters applied in the moulds and equipment for the plastics industry.	• Industrial heaters.

MACHINERY AND ENERGY	TRANSPORT AND MOBILITY	AUTOMOTIVE	AEROSPACE, MEDICAL, DEFENCE
• Heating elements and functional kits for various industries, including - packaging systems to asphalt paving machines and equipment, woodworking lifts and machinery; • Wide range of application requirements including power generation, also from renewable sources, and distribution systems.	• Heating elements and functional kits for the railway and maritime markets.	• Products for heating and temperature maintenance for car, caravan, motorhome, truck and special vehicle applications, as well as car service equipment.	• Heating technologies for aviation, aerospace and telecommunications applications; • Technologically advanced heating systems for medical equipment and laboratory equipment; • Thermal technologies for sterilisation, disinfection, incubation and dental cleaning; • Heating applications in the military and security sectors.



PRODUCTS SIPA

SIPA's expertise encompasses the entire PET packaging spectrum, from the development of preforms and bottles, to the production of moulds, individual production systems and complete lines.

Their extensive product portfolio includes preform production machines, as well as container production systems, single and two-stage blow moulding machines (rotary and linear), single filling blocks, product preparation systems, and a whole range of robotic and palletising solutions. SIPA also produces injection moulds for preforms and blow moulds, providing customers with a wide range of bottle design, computer simulation and container prototyping services.

CONTAINER DEVELOPMENT	MOULDS	PRODUCTION OF PREFORMS AND CONTAINERS	COMPLETE LINES
• Preform design • Container design • Prototyping • Quality laboratory • Innovation	• Injection moulds • Blow moulds • Refurbishment and conversion	• Preforms • Containers	• Mineral water • Soft drinks • Juices, teas, isotonic drinks • Edible oil • Dairy products • Alcoholic drinks • Food products • Detergents and personal care products

2 GENERAL DISCLOSURE HIGHLIGHTS

MATERIAL TOPICS REPORTED

- Business ethics and risk management

SUPPORTED SDGs

KEY RESULTS

ZIHET

- Conducting an initial dual materiality analysis exercise
- EcoVadis Score 2023: 49/100
- CDP Score 2023: B-

SIPA

- Conducting an initial dual materiality analysis exercise
- EcoVadis Score 2023: 70/100

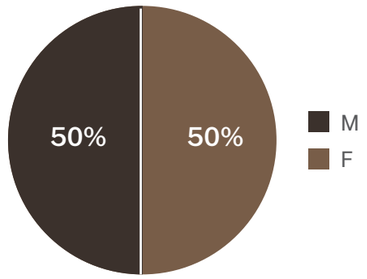
MAIN OBJECTIVES FOR THE FUTURE (2024 – 26) - ZIHET and SIPA

- Identification, assessment and prioritisation of risks related to ESG issues
- Integrating ESG risks into the corporate risk management model
- Definition of management methods for identified ESG risks and development of internal reference documentation (policies, procedures, etc.)
- Consolidation of materiality analysis according to the dual materiality approach, also integrating the outcomes of the ESG due diligence process

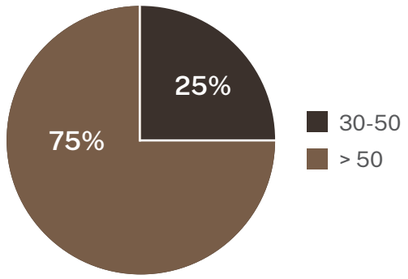
GROUP GOVERNANCE

The Zoppas Industries Group adheres to a traditional corporate governance model. Its structure has two main bodies: the Board of Directors and the Board of Statutory Auditors, both appointed by the Shareholders' Meeting. The Board of Directors manages both ordinary and extraordinary administrative matters, while the Board of Statutory Auditors oversees legal and accounting control. The Board of Directors consists of members who hold their office indefinitely and executive members who are also senior executives of the Company, while there are no independent members.

Board of Directors members by gender



Board of Directors members by age group



At the same time, the Group adopted the Management, Organisation and Control Model (MOG) pursuant to It.Legislative Decree 231/2001. This model, founded on principles of fairness, regulatory compliance, and fair competition, extends beyond the Italian offices to encompass all foreign subsidiaries. Through the MOG, the Group actively promotes anti-corruption initiatives in both the public and private sectors, guided by its Ethical Code and organisational model.

A primary objective of the Organisational Model is to educate all employees, both internal and external to the Group, about activities that could lead to legal offences and the associated penalties. This fosters a corporate culture grounded in legal compliance and operational efficiency. The Supervisory Committee (SB) oversees adherence to the Organisational Model. Using risk assessment tools, the SB proactively identifies and manages potential legal risks.

SUSTAINABILITY COMMITTEES

In order to integrate sustainability into the company's business model, the Group decided to set up two separate **Sustainability Committees**, one for ZIHET and one for SIPA, in charge of assessing the company's approach to ESG (Environmental, Social, Governance) issues and guiding its continuous improvement path. These Committees, while operating independently within their respective branches, have the task of **assisting its respective Board of Directors** by providing proactive and advisory support in ethics and sustainability assessments and decisions.

Its main function is to act as a bridge between the Board of Directors, with which it collaborates to define strategies and objectives, and the various corporate functions dedicated to project implementation. In the ZIHET organisation, the Committee is composed of the General Manager and the Global Managers, while in SIPA it consists of the company's senior managers.

The main tasks of the two Committees, which meet regularly, include:

- Promoting the integration of sustainability into corporate strategies and organisational culture, spreading awareness of it at all levels of the company;
- Overseeing and monitoring sustainability initiatives and associated key performance indicators;
- Reviewing and approving the structure and content of the Sustainability Report, which is a key tool for communicating the company's sustainability efforts and achievements;
- Defining ESG performance targets within the Sustainability Plan and monitor their implementation over time.

An important aspect is the **cross-functional representation within the Committees**, which is embodied in the presence of key figures from different functional areas of the company. This approach ensures a holistic and systemic view of the organisation, which is essential to address sustainability challenges and opportunities in an effective and integrated manner.

MATERIALITY ANALYSIS

Materiality assessment underpins the Zoppas Industries Group's sustainability strategy, as it ensures that the Group's sustainability efforts are directed towards the areas and issues of greatest impact, as well as ensuring positive relations with all Group stakeholders.

The objective of the materiality analysis is in fact the identification and evaluation of the topics that represent the most significant impacts of the organisation on the economy, the environment, people – including impacts on human rights – and thus reveal its contribution to global sustainable development.

With respect to this topic, regulatory efforts by the European regulator to strengthen sustainability reporting requirements and refine the materiality concept and process have been particularly significant over the past two years. In particular, the Corporate Sustainability Reporting Directive (CSRD), due to come into force in 2024, introduces and focuses extensively on the concept of “dual materiality”.

Precisely in order to embark on a gradual path towards what will be the new obligations dictated by this legislation, the Group has decided to launch a first voluntary exercise of dual materiality analysis based on the integration of the impact materiality carried out for the previous Sustainability Report with the dimension of financial materiality explored for the first time on the occasion of this Report. This first dual materiality analysis allows the Group to analyse and present to its stakeholders not only the information necessary to understand its impact on society and the environment, but also, conversely, to highlight how ESG criteria related to material sustainability topics influence its Enterprise Value.

There are in fact two parameters taken into consideration by the principle of dual materiality: a materiality with an outward impact (so-called impact materiality, with an inside-out approach), already implemented in the previous year, and a materiality with an inward impact (so-called financial materiality, with an outside-in approach). The first focuses on the effects that the activities and processes implemented by Zoppas Industries Group generate externally, on the social and environmental context, and in general towards all stakeholders as a whole. The second parameter, on the other hand, analyses the impact of potential social, environmental, climate and governance risks that the company faces or could face, also considering the financial consequences that these risks could entail and that would inevitably influence the Company's strategic decisions.

The materiality process

As mentioned above, for this edition of the Sustainability Report, the results of the materiality impact analysis conducted for the previous reporting year have been maintained, which have been refined and reinterpreted with the aim of making them linkable with the financial materiality analysis conducted in 2023.

In particular, the materiality process conducted last year was guided by the GRI standard on determining material topics, thus placing emphasis on inside-out impacts as a measure for determining the actual materiality of the topics assessed. Consistent with the reporting standard adopted, in fact, the “GRI 3: Material Topics 2021” has been taken as a methodological reference, which defines the process through which the organisation identifies its material topics for reporting, meaning those areas in which the organisation generates the main actual potential impacts on the economy, the environment and people, including impacts on human rights, in the context of its activities and business relations.

The process of determining the materiality of impacts consisted of 4 main steps:

- **Context analysis**: based on the risk management process and data from previous sustainability reports, the Group identified 7 strategic areas as a starting point for identifying the organisation's impacts.

- **Identification of impacts**: the GRI standard describes 4 types of impacts: actual and potential positive and actual and potential negative. At this stage, for each of the identified strategic areas, involving the Sustainability Committee, top management, representatives of key functions and external consultants, specific impacts were identified for all four impact categories proposed by the standard, for both ZIHET and SIPA.

- **Evaluation of the significance of impacts**: in this third phase, together with representatives of the various functions, through the conduct of interviews and focused dialogues, ZIHET and SIPA assigned (separately) a numerical rating to all impacts identified in the previous phase, for each variable proposed by GRI (scale and scope for actual positive impacts; scale, scope and likelihood for potential positive impacts; scale, scope, irreparable harm and severity for actual negative impacts; scale, scope, irreparable harm, severity and likelihood for potential negative impacts), along a scale based on values between 1 (minimum) and 10 (maximum).

- **Prioritisation of impacts:** in this final step, the Group sorted the impacts by level of materiality, thus determining a final list of material topics from the perspective of inside-out materiality.

At the conclusion of the process, the results made it possible to identify and prioritise 7 issues and their respective inside-out impacts of ZIHET and SIPA, as presented in the following graphs and described within the tabular list of material topics.

These results were subsequently flanked and supplemented by the financial materiality assessment, thus leading the Group to achieve the first dual materiality analysis exercise as required by the "European Sustainability Reporting Standards" (and in particular by "ESRS 1 – General Requirements").

For the assessment of outside-in impacts, the Zoppas Industries Group has proceeded to identify, for each of the material topics from the point of view of impacts, the most relevant risks and opportunities for the business based on the main expected repercussions (negative and positive). Subsequently, the ZIHET and SIPA representatives in charge of the various areas considered in the analysis, have analysed the identified risks and opportunities, considering the two variables of **magnitude and probability of occurrence** of the risks and opportunities mapped.

In defining the values associated with each outside-in impact, with respect to the two variables mentioned, the Zoppas Industries Group has followed the cue offered by the EFRAG guidelines, focusing its analysis on certain balance sheet items, i.e. revenues and costs (**profit and loss account**), and tangible and intangible assets (**total assets**); an approach that is also supported by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

List of material topics

The following tables describe:

- the topics that emerged as material assessed in the impact and financial materiality analyses conducted, first for ZIHET, and, in the second table, for SIPA;
- the main impacts, positive and negative, actual and potential, generated by business activities on the economy, environment and people, including impacts on their human rights[2];
- the main risks and opportunities that the Company may suffer, or benefit from, in relation to external events on its business activities;
- the degree of impact, i.e. a dashboard showing the values:

  Very high: when the degree of impact relative to the cluster of inside-out or outside-in impacts with respect to the topic under consideration was found to be higher than the overall average of the impact/risk and opportunity assessment +0.5.

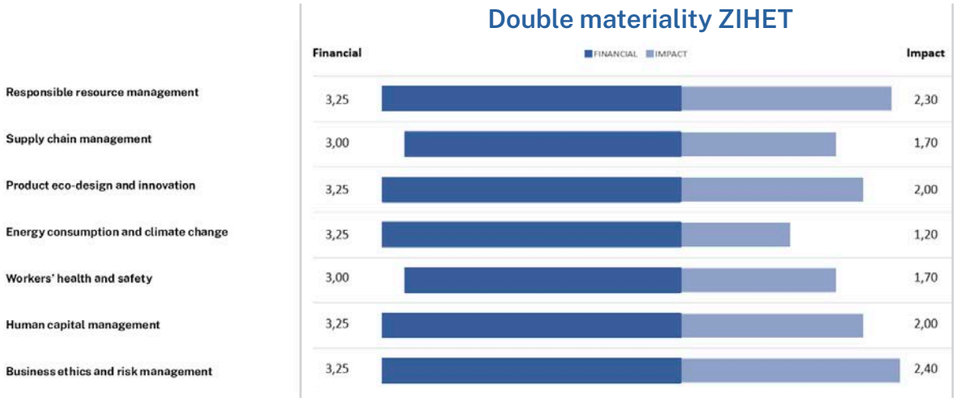
  High: when the degree of impact relative to the cluster of inside-out or outside-in impacts with respect to the topic under consideration was found to be higher than the overall average of the impact/risk and opportunity assessment, but lower than this average +0.5.

  Medium: when the degree of impact relative to the cluster of inside-out or outside-in impacts with respect to the topic under consideration was found to be lower than the overall average of the impact/risk and opportunity assessment.

[2] Impacts presented in italics represent impacts identified as potential, while the remaining ones represent actual impacts.

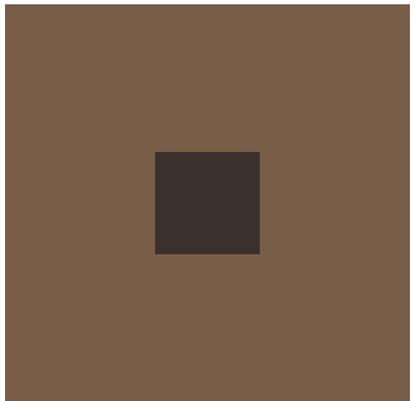
LIST OF TOPICS: ZIHET

SCOPE	MATERIAL TOPIC		MAIN POSITIVE AND NEGATIVE IMPACTS GENERATED	DEGREE OF IMPACT		MAIN FINANCIAL EFFECTS (RISKS AND OPPORTUNITIES)	DEGREE OF IMPACT
Governance	**Business ethics and risk management**	+	• Practical applications and provision of specific training on the MOG 231 and the Code of Ethics • Adoption of an internal whistleblowing procedure • Establishment of the Sustainability Committee • Sharing the procedures of the Code of Ethics with business partners • Implementation of a LEAN system to optimise value creation and minimise waste • Definition and formalisation of the tasks and responsibilities of the Sustainability Committee to make it more active • Increased integration of ethical principles and ESG into business decisions (e.g. supplier selection, investments, etc.) • Increasing the transparency of non-financial reporting and broadening the scope and topics of reporting.	VERY HIGH	+	• Increased trust on the part of stakeholders • More business opportunities • Increased corporate visibility	VERY HIGH
		-	• N/A	N/A	-	• Risk of sanctions and incurring legal liability • Loss of trust by stakeholders • Loss of market share	MEDIUM
Social	**Human capital management**	+	• Human resources management in accordance with the principles of the Code of Ethics • Training and continuous updating of employees' skills • Actions to increase employee attractiveness and retention • Training on topics related to psychophysical well-being • Customised growth paths and periodic performance evaluation aimed at enhancing hard and soft skills • Provision of employee benefits through structured corporate welfare • Obtaining gender equality certification for the Group	HIGH	+	• Increased business performance and productivity • Improving the internal climate • Increased corporate know-how and organisational knowledge and awareness (concept of pride and belonging to the organization) • Increase in retention	HIGH
		-	• Higher recruitment and onboarding costs	MEDIUM	-	• Low attractiveness and retention capacity, loss of talent resulting in increased turnover and related costs • Reduced productivity • Loss of opportunities and lack of innovation • Failure to exploit and develop know-how	MEDIUM
	Workers' health and safety	+	• Implementation of specific and effective procedures to improve occupational health and safety management, such as the "near miss" reporting procedure • Dissemination of the "safety first" culture through continuous training • Obtaining ISO 45001:2018 certification • Zero Accident ambition • Alignment and uniformity of procedures and incident management at all sites	HIGH	+	• Increased productivity, attractiveness and retention • Increased possibility of accessing tenders and becoming a supplier to companies requiring specifications on health and safety in the workplace	HIGH
		-	• Non-uniform safety management procedures in every plant • Possible occupational diseases	MEDIUM	-	• Accidents at work and interruption/reduction of production capacity • Criminal and/or administrative penalties • Higher costs (workers' compensation, increased insurance premiums, legal costs and penalties, etc.)	MEDIUM
Environment	**Energy consumption and climate change**	+	• Participation in the CDP (C score) as a tool for monitoring and evaluating the decarbonisation journey • Implementation of energy-efficient technologies • Decrease in energy intensity (GJ/€) • Purchase of renewable energy with guarantee of origin certificate (ZIHET Italy and Romania) • Extension of the ISO 50001:2018 scope	MEDIUM	+	• Consumption efficiency and energy cost savings • Development of innovative renewable technologies and resulting competitive advantage	HIGH
		-	• Much of the energy supply still comes from fossil fuels • Systematic emission of CO2eq • Loss of market shares due to suppliers and customers choosing low-emission partners	MEDIUM	-	• Exposure to fluctuations in fossil fuel prices • Excessive and inefficient energy consumption • Inability to adapt to possible future regulatory requirements for ecological transition	MEDIUM
	Product eco-design and innovation	+	• R&D efforts in developing a method to minimise the carbon footprint of product manufacture • Improving the efficiency and effectiveness of processes and the use of materials • Constant research and development of increasing energy efficient products • Eco-design training for sustainable design	VERY HIGH	+	• Access to new markets • Increased access to finance • Consolidation of market leadership and resulting competitive advantage	VERY HIGH
		-	• N/A	N/A	-	• Non-compliance of products with mandatory requirements • Loss of trust by stakeholders • Infringement of ideas already protected by other competitors and resulting legal disputes	MEDIUM
	Supply chain management	+	• Inclusion of environmental requirements in the supplier selection and evaluation process • Implementation of guidelines to optimise logistics in terms of CO2eq emissions • Expansion of the EcoVadis rating scope • Systemic qualification of all new strategic suppliers through ESG criteria • Measuring and reducing ESG impacts along the supply chain	HIGH	+	• Reducing lead times and strengthening synergies • Acquiring new customers attentive to the overall assessment of their suppliers' value chain	VERY HIGH
		-	• Indirect emissions and environmental impacts along the supply chain	MEDIUM	-	• Negative impacts along the value chain with possible business continuity disruptions • Risk of incurring legal liability • Impossibility to export to markets where there are sanction measures by the Italian government or the EU	MEDIUM
	Responsible resource management	+	• Use of logs and databases to monitor the volume of generated waste • Use of kanban and milk run systems • Conflict Mineral management policy • ISO 14001:2015 compliance (ZIHET Italy, Romania and China) • Extension of the scope of ISO 14001:2015	VERY HIGH	+	• Efficient use of resources and cost cutting • Increased market share (sustainability-conscious customers • Reduction of negative externalities	HIGH
		-	• Higher costs for waste disposal (hazardous and non-hazardous)	MEDIUM	-	• Contribution to the waste of resources and inefficient use of materials • Supply risk due to shortages and rising raw material prices • Loss of market share	MEDIUM



The materiality thresholds for ZIHET are respectively: 1.9 for impact materiality (corresponding to the average of assessments of positive and negative impacts considered), and 3.18 for financial materiality (corresponding to the average of assessments of mapped risks and opportunities).

The list of material topics considers the combination of the topics material results for impact materiality and/or financial materiality, as outlined in the materiality process. The topics that were not above one or both materiality thresholds are: Supply chain management and Workers' Health and Safety. ZIHET has nevertheless decided to report on these issues in this Report in recognition of their relevance and in order to provide stakeholders with as complete and transparent a report as possible.

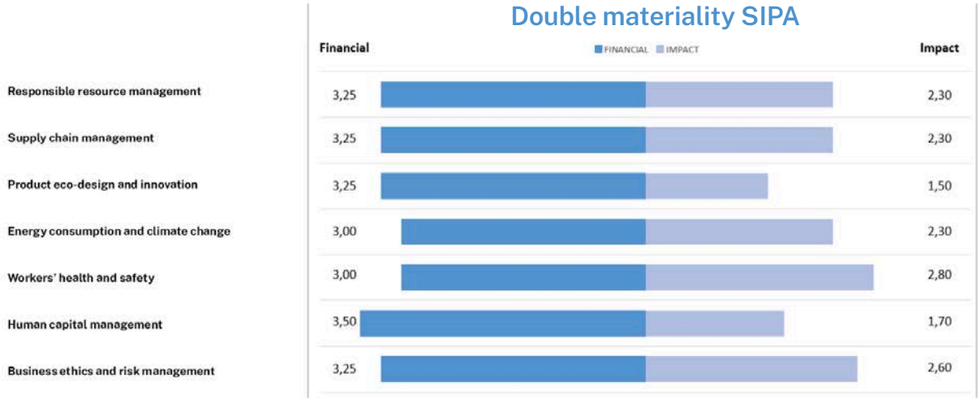


LIST OF TOPICS: SIPA

SCOPE	MATERIAL TOPIC		MAIN POSITIVE AND NEGATIVE IMPACTS GENERATED	DEGREE OF IMPACT		MAIN FINANCIAL EFFECTS (RISKS AND OPPORTUNITIES)	DEGREE OF IMPACT
Governance	Business ethics and risk management	+	• Establishment of the Sustainability Committee • ISO 9001:2015 and 14001:2015 compliance • Practical application and provision of specific training on the MOG 231 and the Code of Ethics • Implementation of a LEAN system to optimise value creation and minimise waste • Updating and mapping of 231 and ESG risks and provision of related training	VERY HIGH	+	• Increased trust on the part of stakeholders • More business opportunities • Increased corporate visibility	VERY HIGH
		-	• N/A	N/A	-	• Risk of sanctions and incurring legal liability • Loss of trust by stakeholders • Loss of market share	MEDIUM
Social	Human capital management	+	• Human resources management in accordance with the principles of the Code of Ethics • Training and continuous updating of employees' skills • Adoption of an Applicant Tracking System to facilitate the selection process • Implementation of processes for the recruitment of young staff to ensure gradual generational change • Provision of employee benefits through corporate welfare • Adoption of a Performance Management Plan • Implementation of a Development and Training Plan to promote lifelong learning (continuous learning)	MEDIUM	+	• Increased business performance and productivity • Improved internal climate; increased corporate know-how and awareness (concept of pride and belonging to the organisation) • Increased retention	HIGH
		-	• Lack and difficulty in identifying hard and soft skills • Higher recruitment and onboarding costs • Deterioration of work-life balance, stress, demotivation and related absenteeism, with effects on productivity	HEIGHT	-	• Low attractiveness and retention capacity • Loss of talent resulting in increased turnover and related costs • Reduced productivity • Loss of opportunities and lack of innovation • Failure to exploit and develop know-how.	HEIGHT
	Workers' health and safety	+	• Implementation of specific and effective procedures to improve occupational health and safety management, such as the "near miss" reporting procedure • Ongoing training on health and safety issues • Dissemination of the "safety first" culture through continuous training • Obtaining ISO 45001:2018 certification • Zero Accident ambition	VERY HEIGHT	+	• Increased productivity, attractiveness and retention • Increased possibility of accessing tenders and becoming a supplier to companies requiring specifications on health and safety in the workplace	HEIGHT
		-	• N/A	N/A	-	• Accidents at work and interruption/reduction of production capacity • Criminal and/or administrative penalties • Higher costs (workers' compensation, increased insurance premiums, legal costs and penalties, etc.)	MEDIUM

LIST OF TOPICS: SIPA

Environment	Energy consumption and climate change	+	• Purchasing 100% renewable electricity with a guarantee of origin • Decrease in energy intensity (GJ/€) • Implementation of energy self-generation solutions	HEIGHT	+	• Consumption efficiency and energy cost savings • Development of innovative renewable technologies and resulting competitive advantage	HEIGHT
		-	• N/A	N/A	-	• Exposure to fluctuations in fossil fuel prices • Excessive and inefficient energy consumption • Inability to adapt to possible future regulatory requirements for ecological transition	MEDIUM
	Product eco-design and innovation	+	• Development of technologies that give new life to second-hand resources by reintroducing them into the production system (e.g. XTREME RENEW) • Improving the efficiency and effectiveness of processes and the use of materials • Constant research and development of increasingly energy-efficient products • Life cycle analysis of a PET bottle versus a glass bottle	MEDIUM	+	• Access to new markets • Increased access to finance • Consolidation of market leadership and resulting competitive advantage	VERY HEIGHT
		-	• N/A	N/A	-	• Non-compliance of products with mandatory requirements • Loss of trust by stakeholders • Infringement of ideas already protected by other competitors and resulting legal disputes • Obsolescence of products	MEDIUM
	Supply chain management	+	• Digitalisation of the supplier management process • Checking that suppliers of electronic material do not originate from conflict areas (CMRT) and that they use chemicals verified in accordance with REACH standards • Adoption of a purchasing policy that integrates environmental and social aspects into contracts with suppliers • Implementation of guidelines to optimise logistics in terms of CO_2eq emissions • Risk and sustainability analysis of main suppliers to identify improvement areas • Main suppliers monitoring thorough ECO Vadis • Implementation of "Supplier Portal" with the advantage, among others, to reduce paper, toner and archives • Cooperation with the partners along the supply chain with the objective to reduce natural resources and implement the use of sustainable packaging	HEIGHT	+	• Reducing lead times and strengthening synergies • Acquiring new customers attentive to the overall assessment of their suppliers' value chain	VERY HEIGHT
		-	• Indirect emissions and environmental impacts along the supply chain	MEDIUM	-	• Negative impacts along the value chain with possible business continuity disruptions • Risk of incurring legal liability • Impossibility to export to markets where there are sanction measures by the Italian government or the EU	MEDIUM
	Responsible resource management	+	• Use of registers and databases to monitor the volume of waste generated • Increased use of recycled materials in production • Progressive reduction of paper use by switching to digital registers, digitisation of machine assembly areas and mould production	HIGHT	+	• Efficient use of resources and cost cutting • Increased market share (sustainability-conscious customers) • Reduction of negative externalities	HIGHT
		-	• N/A	N/A	-	• Contribution to the waste of resources and inefficient use of materials • Supply risk due to shortages and rising raw material prices • Loss of market share	MEDIUM



The materiality thresholds for SIPA are respectively: 2.21 for impact materiality (corresponding to the average of assessments of positive and negative impacts considered), and 3.21 for financial materiality (corresponding to the average of assessments of mapped risks and opportunities).
The list of material topics considers the combination of the topics material results for impact materiality and/or financial materiality, as outlined in the materiality process.

RISK MANAGEMENT

Through an in-depth risk management process, Zoppas Industries Group has established targeted systems to identify and assess the impact of risks on its operations, in order to develop governance strategies that carefully consider these variables. The company identifies, assesses and manages risks in detail, constantly monitoring the context and effectiveness of the actions taken. The primary objective is to identify, quantify and classify different types of risk into appropriate categories in order to facilitate corporate decision-making. In parallel with the assessment of risks directly related to business activities, Zoppas Industries recognises the strategic importance of sustainability issues and has therefore decided to integrate ESG (Environmental, Social and Governance) risks into its management system. These variables cut across all risk categories and, managed effectively, can bring significant benefits in the long run.

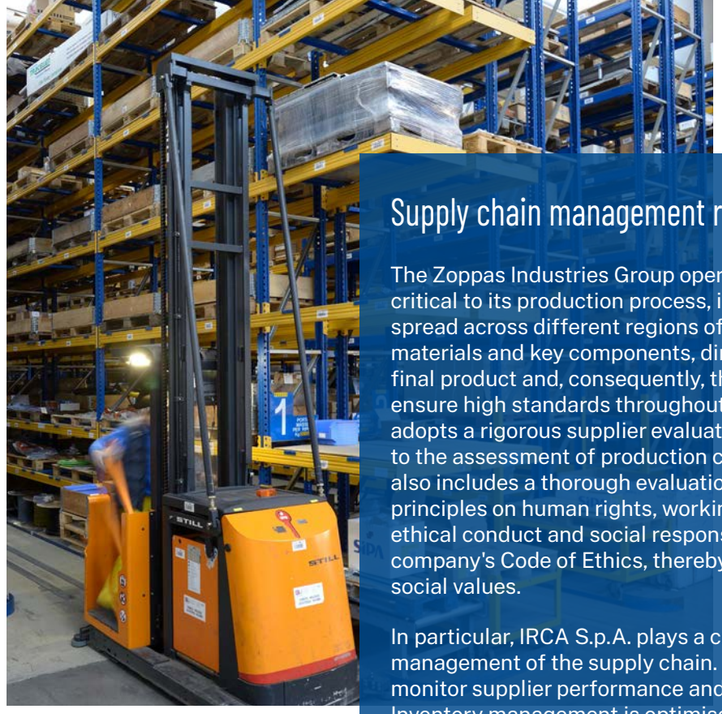
The main sustainability risks considered by the Group are discussed below:

Climate risks

Zoppas Industries Group recognises the strategic importance of assessing and managing climate risks to ensure not only short-term economic stability, but also a sustainable competitive advantage in the long term. This approach is crucial given the increasing incidence of extreme weather conditions such as storms, floods and droughts, which pose a threat to both the company itself and the surrounding environment. To address these risks effectively, Zoppas Industries Group has implemented an integrated climate risk management system that actively involves the HSE (Health, Safety, Environment) department, General Management and Sales Managers. This allows for a careful analysis of climate risks with a focus on those that could have a significant financial impact on business operations.

In the specific context of IRCA S.p.A., the company has implemented an ISO 14001 certified Environmental Management System and an ISO 50001 certified Energy Management System. These systems not only monitor and reduce environmental impact and energy consumption, but also support operational resilience through a dedicated Emergency Plan.

In addition, the company actively invests in sustainable initiatives such as reforestation and water conservation projects and conducts regular environmental audits to assess and continuously improve performance and ensure compliance with the highest standards.



Supply chain management risks

The Zoppas Industries Group operates a global supply chain which is critical to its production process, involving a vast network of suppliers spread across different regions of the world. These suppliers provide materials and key components, directly influencing the quality of the final product and, consequently, the reputation of the company itself. To ensure high standards throughout the supply chain, Zoppas Industries adopts a rigorous supplier evaluation process. This process is not limited to the assessment of production capacity and on-time delivery, but also includes a thorough evaluation of compliance with international principles on human rights, working conditions, environmental protection, ethical conduct and social responsibility. Suppliers must adhere to the company's Code of Ethics, thereby committing to the Group's ethical and social values.

In particular, IRCA S.p.A. plays a crucial role in the operational management of the supply chain. It implements periodic audits to monitor supplier performance and promptly address any critical issues. Inventory management is optimised to ensure production continuity, with constant monitoring of availability and risks of interruptions. The company also invests in cutting-edge technologies such as blockchain to securely and transparently track raw materials throughout the supply chain. This not only improves resource management, but also enhances safety and confidence in business processes.

Environmental risks

The Zoppas Industries Group is actively engaged in the responsible management of potential environmental risks at its various operating sites. In facilities certified to ISO 14001:2015, Zoppas Industries implements strict environmental procedures to ensure that operations are conducted in accordance with established standards.

IRCA S.p.A. demonstrates a strong commitment to proactive environmental risk management, conducting in-depth environmental impact assessments for each new project. It constantly monitors the environmental impact of its activities and implements preventive measures to reduce pollution. Dedicated programmes effectively manage waste and reduce emissions, ensuring compliance with current environmental regulations. The company invests in sustainable technologies to minimise environmental impact in the long term, supporting research and development initiatives and actively participating in industry associations such as APPLIA, ANFIA, ANIMA and EHPA.

Occupational health and safety risks

The Zoppas Industries Group prioritises occupational health and safety across its global sites. Each company site is subject to careful monitoring to identify and manage specific risks related to the activities, materials and machinery used. This approach aims to prevent accidents and ensure business continuity without compromising employee safety.

IRCA S.p.A. has implemented a robust Occupational Health and Safety Management System, compliant with UNI INAIL guidelines. This system not only regularly assesses the risks present in the workplace, but also establishes effective preventive measures to continuously improve working conditions and ensure compliance with regulations. Internal and external audits are conducted regularly to monitor and improve safety performance.

The company actively promotes a safety culture among employees, encouraging them to report potential risks and actively participate in specific training programmes. It also regularly organises emergency simulations and safety workshops to enhance staff preparedness for critical situations.

Human resources management risks

The future success of Zoppas Industries Group depends largely on its ability to recruit, retain and empower human capital. Ineffective human resources management directly impacts product quality and overall business performance. To enhance human resources management, the Group is pursuing gender equality certification for its Italian ZIHET sites. For ZIHET sites in China, Mexico, Romania, and Serbia, a social due diligence process is underway, gathering information through document reviews, questionnaires, and interviews with key personnel. This study aims to verify the alignment of company policies with local regulations and international ILO principles.

Zoppas Industries

Risks of corruption

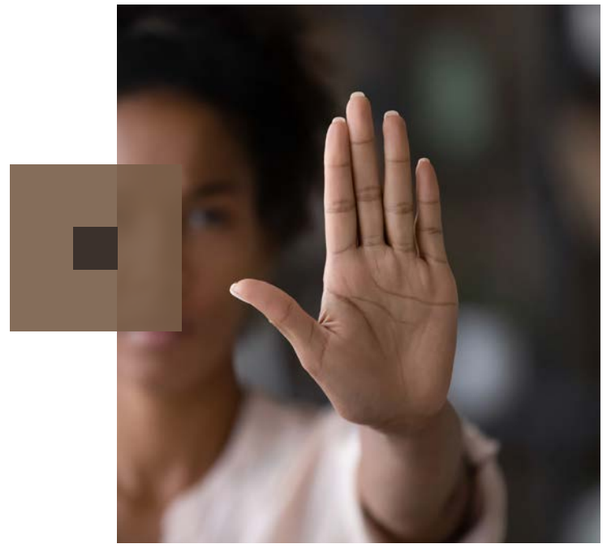
Corruption poses a significant threat to any company, as it can lead not only to high costs and legal disputes, but also to the undermining of trust by customers and stakeholders. The Zoppas Industries Group is aware of the risks associated with corruption and takes a number of preventive measures to combat it effectively. A key element of this strategy is the anti-corruption training offered to all Group employees who might be exposed to the risk of corruption. Such training is not only an obligation, but an essential component of every co-worker's skill set. It is rigorously and comprehensively structured, with the aim of raising staff awareness of the dangers and consequences of corruption, as well as ways to prevent it and deal with it ethically.

In addition, the Group carries out rigorous monitoring and internal audits to prevent and detect possible misconduct and promotes a corporate culture based on integrity, honesty and transparency.

Human rights risks

The Zoppas Industries Group operates in a variety of countries and contexts where unethical business practices and human rights violations can occur. The Group recognises that such practices could compromise its reputation on the market and lead to serious legal consequences in the form of fines and penalties. Zoppas Industries Group collaborates with suppliers and business partners, conducting audits and verifications to ensure human rights are respected throughout the supply chain. The company adheres to international standards such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, ensuring that all its operations are aligned with international best practices.

To mitigate these risks, the Group requires all its business partners to adhere to the company's Code of Ethics. Furthermore, SIPA is part of SEDEX, one of the largest platforms used globally by buyers, suppliers and auditors. SEDEX makes it possible to store, share and monitor performance on workers' rights, health and safety, environment and ethics throughout the supply chain.



CERTIFICATIONS AND MANAGEMENT SYSTEMS

CERTIFICATIONS AND MANAGEMENT SYSTEMS	IRCA	ZIHET Romania	ZIHET China	ZIHET Mexico	ZIHET Serbia	ZIHET France	ZIHET Germany	Nova Coil	Multi Rail	Euroheat	SIPA
M.O.G. 231	■	■*	■*	■*	■*	■*	■*	■*	■*	■*	■
ISO 50001:2018	■	ONGOING		ONGOING							ONGOING
ISO 14001:2015	■	■	■	■							■
ISO 9001:2015	■	■	■	■	■				■	■	■
EN/AS 9100 (aeronautics)	■										
ESCC 4009 - Quality – Space & ESA (European Space Agenzy)	■										
ISO/IEC 80079-34 (ATEX/INCEx sector)	■										
EN 15085-2 - (rail sector)	■	■									
IATF 16949 - (automotive sector)	■		■								
MODULE H PED - Pressure Equipment	■										■
ISO/IEC 17025 - Quality - Laboratory	■										

*Some of the procedures in the MOG have been communicated to ZIHET sites, but these sites are not supervised by the Supervisory Committee.

The Group is currently participating in two key sustainability assessments: EcoVadis and the Carbon Disclosure Project (CDP) for ZIHET, and EcoVadis for SIPA. This participation underlines the Group's commitment to enhancing sustainability performance and establishing ambitious targets.

In 2023, ZIHET embarked on a new path that includes the evaluation in-depth assessment of the performance of sustainability, not only for the IRCA S.p.A. reality, but also of its main plants, globally, demonstrating a firm commitment to a management responsible and transparent. This approach represented a significant turning point, leading the company to formally assess its global environmental, ethical, and social performance globally in a structured manner. Among the major plants ZIHET received a sustainability rating from EcoVadis, with an overall score of 49/100, placing it in the 43rd percentile among companies in the electrical equipment manufacturing sector. This evaluation focused on four strategic areas of corporate social responsibility, providing a detailed analysis of ZHET's commitment.
In 2023, SIPA achieved a significant milestone, obtaining an overall score of 70/100 in all major assessment areas, placing it in the 93rd percentile among companies in its sector. This result underlines the effectiveness of the policies and practices implemented by the group. This score reflects excellent management across several areas. These include promoting environmental sustainability by reducing energy impact and optimising waste management, and protecting workers' rights by ensuring safe, fair, and human rights-compliant working conditions. The SIPA S.p.A. also distinguishes itself by maintaining high ethical standards, resulting in sound anti-corruption practices, transparent information management and the promotion of fair competition. Furthermore, responsible sourcing practices demonstrate the company's attention to social and environmental impacts throughout the supply chain.

CDP
The Carbon Disclosure Project (CDP) is one of the world's leading and most authoritative environmental assessment projects, helping companies and public bodies measure and report climate change risks and opportunities.

In 2023, ZIHET completed the CDP climate change questionnaire for the fourth consecutive year. This resulted in an improved overall score of B-, up from C in 2022. The 2023 score of B- is above the industry average of C, placing the group in the top 40% of companies in the electrical and electronic equipment sector for climate management.

ZIHET is actively enhancing its climate mitigation initiatives as part of a comprehensive improvement plan. This includes incentivising environmental management and developing ambitious emission reduction targets. In parallel, it is introducing a publicly accessible climate transition plan, enhanced by a transparent feedback system to monitor and communicate progress. In addition, ZIHET is expanding its emissions assessment to Scope 3 to cover all relevant categories in detail, thus demonstrating a tangible commitment to sustainability along the entire corporate value chain and consolidating its position as an industry leader.

3 ENVIRONMENTAL DISCLOSURE HIGHLIGHTS

MATERIAL TOPICS REPORTED

- Energy consumption and climate change
- Product eco-design and innovation
- Supply chain management
- Responsible resource management

SUPPORTED SDGs

KEY RESULTS

ZIHET

- ISO 14001:2015
- “Paperless” project
- 100% energy purchase with Guarantee of Origin
- “Green Tubular” project
- ISO 50001:2018
- Constitution “Energy Team” and “Register of Dreams”
- CDP Questionnaire
- REACH and ROHS
- 90% of waste produced is “non-hazardous”
- Water withdrawal reduction 2022-2023: 3.89%
- Decarbonisation

SIPA

- ISO 14001:2015
- New AWArPET brand for packaging design
- Company fleet conversion project into a “green” one
- 100% energy purchase with Guarantee of Origin
- XTREME Renew technology
- 80% of waste produced is “non-hazardous”
- Water withdrawal reduction 2022-2023: 38%

MAIN OBJECTIVES FOR THE FUTURE (2024 – 26) – ZIHET AND SIPA

- Reducing the carbon footprint associated with the production of each product family
- Development of a process for the identification and evaluation of impacts, risks and opportunities related to climate, biodiversity, circular economy, water resources and pollution
- Measurement of scope 3 emissions
- Development of a Greenhouse Gas Emission Mitigation Plan
- Obtaining ISO 50001 Energy Management System certification
- Creating more efficient and sustainable products that can be reused and recycled at the end of their life cycle
- Reducing the environmental impact of energy-intensive production steps
- Reducing material use and waste
- Reducing electricity and methane consumption
- Optimising and reducing water consumption in production
- Reducing and replacing harmful substances and hazardous chemicals
- Prevention of external noise pollution
- Improving supplier qualification/assessment from an environmental point of view

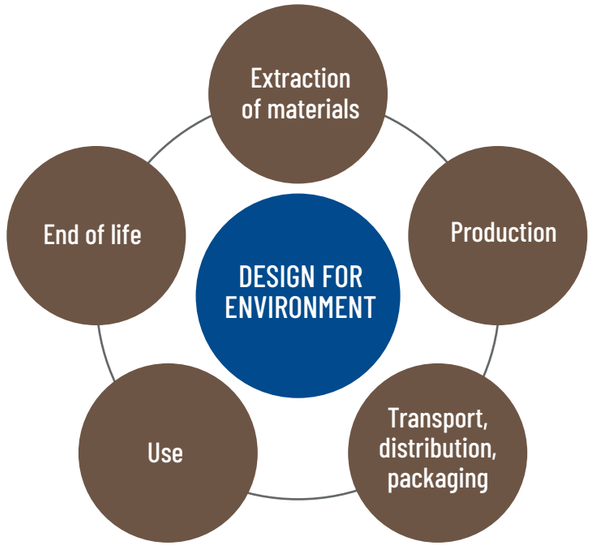
Zoppas Industries Group actively integrates sustainable practices across its operations, recognising its environmental impact and the importance of responsible action. To achieve this, it implemented an ISO 14001 certified environmental management system for IRCA. In 2021, the Group introduced the same certification for SIPA as well, focusing on a more rational use of raw materials and the reduction of consumption.

Initially implemented in its Italian facilities, the programme has been progressively extended to foreign subsidiaries, demonstrating the Group's global commitment to sustainability. Specifically, procedures for preventing environmental offences have been implemented, in accordance with the management and control model established by Italian Legislative Decree 231/2001. This integrated approach reflects the company's concern for the environment and its commitment to operating responsibly on a global level.

RESEARCH AND DEVELOPMENT: DESIGN FOR ENVIRONMENT

ZIHET

The research and development area of the ZIHET is primarily committed to the pursuit of sustainable design through the logic of Design for Environment. This approach has two main objectives: the first is to reduce the carbon footprint associated with the production of articles, the second objective is to encourage the creation of more efficient and sustainable products at all stages of use and at the end of their life cycle.



Material and process efficiency

During the year 2023, ZIHET's research and development area focused its energies on improving the efficiency of materials and production processes. This entailed the study and development of new materials for the creation of resistive elements free of substances harmful to the environment and human health. Additionally, products and production processes were redesigned to reduce overall energy consumption. These activities generated tangible results through the automation of production lines, the introduction of innovative technologies and a design with a greater focus on energy consumption and sustainable savings.

Reducing the carbon footprint of products

ZIHET prioritises sustainability alongside product value development and servitisation, which involves offering additional services related to physical products. The company also aims to foster a culture of sustainability at its offices in China and Mexico. This includes assessing the carbon footprint of each product family and designing products for reuse and recycling. Despite challenges in tracing product lifecycles, ZIHET is working to obtain detailed customer information on product use. In addition, the company is implementing an internal system to calculate CO_2 emissions during the production process in order to obtain certifications and improve the systemisation of the model. The '**Paperless**' project further supports the company's commitment to research, innovation, and creating products with lower energy consumption and environmental impact. This campaign, aimed at gradually reducing the use of paper in favour of digitisation and operational efficiency, reflects the company's and R&D department's desire to promote efficiency in all ZIHET factories.

The commitment to improving environmental performance was evident across all ZIHET plants. Targeted actions were implemented, including replacing structures and equipment for greater energy efficiency. Energy-saving practices were increased, such as switching off standby machinery and eliminating compressed air leaks. Other initiatives include the design of waste and heat recovery systems for office heating, the purchase of 100% energy with Guarantee of Origin from renewable sources, the installation of LED lights, the redevelopment of green areas outside the plants and the introduction of smart working. The ZIHET plants in Italy, Romania and Serbia are continuing with the “**Green Tubular**” project , started in 2021, to reduce the impact of the most energy-intensive production steps.

"GREEN TUBULAR" PROJECT

The "Green Tubular" project aims to revolutionise the production process of tubular heating elements used in cooking appliances, significantly reducing the environmental impact of energy-intensive stages. This innovative approach focuses on minimising energy consumption while optimising production efficiency.

SUSTAINABLE APPROACH

Traditional tubular heating element manufacturing involves energy-intensive annealing and drying steps. Annealing relieves stress on the material after mechanical shaping, while drying prepares the finished product. The "Green Tubular" process proposes the elimination of the drying phase, thus reducing production time and associated energy consumption. In addition, there is a tendency to reduce the energy requirements for annealing, thanks to advanced machining techniques that allow the quality and integrity of the material to be maintained without the need for intensive heat treatment.

SUSTAINABLE BENEFITS

With an annual production of 2 million units (scenario for 2023), a total saving of 250 tonnes of CO_2 equivalent is estimated.
Elimination of epoxy resin (about 2 tonnes/year > 70 tonnes of CO_2 equivalent).
Reduction or elimination of heat treatments for annealing and drying of heating elements (estimated savings of 233 tonnes of CO_2 equivalent).
Elimination of chemicals such as methanol and rubber adhesion primers (about 2 tonnes/year > 10 tonnes of CO_2 equivalent).

SIPA

SIPA is firmly committed to innovation and the adoption of sustainable practices at all stages of the life cycle of its products and manufacturing operations. The Company actively promotes eco-design to reduce material use and waste, while improving product sustainability. This commitment translates into a constant search for innovative solutions to optimise product efficiency.

Energy consumption of machinery

The company increasingly prioritises research and development to reduce its machinery's energy consumption. Within its production plants, SIPA has state-of-the-art machinery and is considering developing the reconditioning of existing machines to encourage the adoption of circular practices, such as the use of second-hand equipment, keeping intact the frame and main components of machines that have a longer service life, and replacing only a few obsolete components or parts.

Circularity practices

SIPA is one of the pioneers in the circular economy approach in its sector, developing and marketing technologies that give new life to used resources, by reintroducing them into the production system. Focusing on packaging materials, SIPA's design team creates over 3000 new containers annually, prioritising the "three Rs" - Reduce, Reuse, Recycle - in every project. To communicate this approach, SIPA created AWArPET, a new brand highlighting its commitment to designing and producing environmentally responsible PET packaging. SIPA closely follows the **Recyclass guidelines, Design for Recycling,** established by EPBP, the European PET bottle platform. This voluntary industry initiative provides guidelines for the design of PET bottles optimised for recycling, evaluates packaging solutions and technologies, and helps to understand the effects on recycling processes. The European Single-Use Plastics (SUP) Directive mandates the increasing use of recycled PET in food and beverage packaging. Therefore, rPET use is expected to increase further, with more bottles made from recycled materials.

CLIMATE CHANGE: ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Energy consumption is crucial for Zoppas Industries Group's activities in both heating elements and packaging production systems. Over the years, all Group plants have made significant efforts to introduce technologically advanced industrial plants and to optimise and improve the management of existing ones, with the aim of reducing energy consumption.
Below are tables of energy consumption and t CO_2 eq emissions for the entire Zoppas Industries Group in 2023.

	UOM	ENERGY CONSUMED WITHIN THE ORGANISATION, ZOPPAS INDUSTRIES GROUP 2023
FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES	GJ	
OF WHICH PETROL	GJ	4,776
OF WHICH DIESEL	GJ	7,730
OF WHICH NATURAL GAS	GJ	169,567
TOTAL FUEL CONSUMPTION	GJ	**182,073**
PURCHASED ELECTRICITY	GJ	329,270
TOTAL SELF-GENERATED AND CONSUMED ENERGY	GJ	**317**
TOTAL SELF-GENERATED AND SOLD ENERGY	GJ	**40**
SELF-GENERATED ELECTRICITY	GJ	357
OF WHICH PRODUCED FROM RENEWABLE SOURCES	GJ	357
ELECTRICITY SOLD	GJ	40
TOTAL ELECTRICITY	GJ	**330,024**

	UOM	GHG EMISSIONS (T CO_2 EQ[3]), ZOPPAS INDUSTRIES GROUP 2023
TOTAL DIRECT EMISSIONS (SCOPE 1)	ton CO_2 eq	9,311
TOTAL INDIRECT EMISSIONS (MARKET-BASED APPROACH) [4]	ton CO_2 eq	26,438
TOTAL INDIRECT EMISSIONS (LOCATION-BASED APPROACH)[5]	ton CO_2 eq	33,234
TOTAL GHG EMISSIONS (DIRECT EMISSIONS + INDIRECT EMISSIONS MB)	ton CO_2 eq	35,794
TOTAL GHG EMISSIONS (DIRECT EMISSIONS + INDIRECT EMISSIONS LB)	ton CO_2 eq	42,545

[3)] Sources of emission factors used for calculation related to electricity: European Residual Mixes "AIB 2022 (agg.2023)"(MB value), Terna 2019. The source for emission factors related to natural gas and fuels is DEFRA 2023.
[4)] The Market-Based approach is a market-based method of calculating emissions of tons of CO2 equivalent: it reflects the emissions resulting from electricity generation that an organization has deliberately chosen.
[5)] The Location-Based Approach is a method of calculating emissions of tons of CO2 equivalent based on geographic location: it reflects the average GHG emission intensity of the power grids where energy is consumed, primarily using data on the average emission factor in relation to the power grid.

In 2022, Zoppas Industries Group calculated Scope 1 emissions for its Italian ZIHET and SIPA sites using factors published by the Italian Ministry of the Environment (Table of National Standard Coefficients 2021). For scope 2, the factors used are those provided by ISPRA (Greenhouse Gas Emission Factors in the National Electricity Sector and Major European Countries - 317 ISPRA 2020). For the plants in Romania, China, Serbia and Mexico, emission factors from the Ecoinvent 3.7 database were considered.
In 2023, Scope 1 emission factors were sourced from DEFRA 2023. Scope 2 calculations used "European Residual Mixes" AIB 2022 (updated 2023, MB and LB values) and Terna 2019 (MB and LB values).

It is important to note that the scope of Zoppas Industries Group companies considered for fiscal year 2023 has been expanded from the previous Sustainability Report to include Zoppas Industries France, Zoppas Industries Germany, Multi Rail, Nova Coil and Euroheat. Due to this extension, the comparability of quantitative data is in some cases limited.

ZIHET

In terms of energy optimisation, ZIHET has adopted an ISO 50001:2018-compliant energy management system at all Italian sites. This system, together with the procedures implemented at each production site, is used to monitor the achievement of various objectives, including the reduction of pollutant emissions and the rationalisation of resource use.

USE OF ENERGY RESOURCES

Electricity consumption represents the main component of energy consumption for ZIHET, especially at the Italian sites in Conegliano and Vittorio Veneto. ISO 50001 certification was obtained by the Vittorio Veneto plant in 2016 and extended to the Conegliano plant in 2020. Among the most energy-intensive plants are tubular production and chemical etching plants.

Following the implementation of Italian Legislative Decree 102/2014, an energy audit was conducted in 2015 for the IRCA 1 and IRCA 2 plants. This audit identified several improvement opportunities, including installing a permanent monitoring system for departments, warehouses, and offices, and replacing traditional lighting with LED lamps. Recent energy price increases have significantly impacted the Group, increasing its focus on reducing energy consumption and exploring new energy-saving opportunities.

Reducing the consumption of electricity and methane is one of the main objectives set by the management, including the certification of the Energy Management System (SGEn) according to ISO 50001 as part of the Sustainability Project. ZIHET's Italian sites also established an Energy Team to monitor energy consumption quarterly, evaluate SGEn performance, and implement necessary improvements.

Energy consumption

The Italian sites of IRCA Engineering and IRCA Logistic Hub are constantly striving to reduce consumption, despite the increasing complexity of identifying new improvements with existing advanced technologies like heat pumps. Planned interventions include refurbishing heating plants, optimising energy use, improving building insulation, and replacing lamps with LEDs.

As a part of ZIHET's ongoing commitment to sustainability, a crucial role is played by specific projects promoted by Zoppas Industries Romania (ZIR). Its projects represent tangible steps towards a more environmentally friendly and efficient company. For example, switching to LED perimeter lighting reduced maintenance costs, energy consumption, and CO_2 emissions. Equally important was the optimisation of the compressed air system, which made it possible to detect and eliminate leaks, thus improving the overall efficiency of the processes and reducing the environmental impact.

The daily monitoring of extraction systems is a further example of how ZIR is implementing concrete measures to improve energy efficiency. Continuous supervision of the operating parameters and maintenance of the proper functioning of the systems led to further energy savings and a significant decrease in CO_2 emissions. In addition, the installation of inverters on the cooling towers allowed for a more precise and efficient control of the fans, helping to maintain optimal temperatures with less electricity consumption. Finally, the replacement of the old windows with new double-pane windows in the production area not only improved the aesthetics but also the thermal insulation of the building, further reducing energy consumption. Zoppas Industries China (ZIH) has also implemented similarly significant initiatives.

One project aimed to optimise the compressed air pipe system in the assembly area, reducing energy consumption and CO_2 emissions through lower compressor outlet pressure. Another intervention saw the implementation of an intelligent air compressor management system, which monitors gas consumption and allows timely maintenance, ensuring energy-efficient operation. Finally, the installation of a timer to control the fan on the roof has resulted in significant energy savings and a reduction in CO_2 emissions by regulating the switching on and off of the fan according to the seasons.

All these initiatives are part of a broader commitment to innovation and continuous improvement, reflected in the "dream register". This internal tool facilitates the evaluation of costs and feasibility of innovative proposals, facilitating the planning of future actions. For example, the feasibility of installing photovoltaic systems in several foreign sites is currently being examined. The most promising ideas are integrated into an action plan and put into practice, demonstrating ZIHET's ongoing commitment to promoting sustainability and energy efficiency in all its operations.

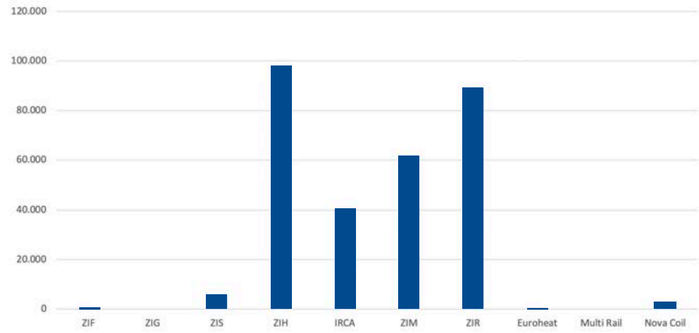
The following tables show the consumption of purchased and self-generated electricity by ZIHET's sites. The only sites with self-generated electricity consumption are those in Italy. In 2023, the sites of ZIS, IRCA, ZIM and ZIR showed a decrease in the consumption of purchased electricity, while ZIH was the only location that showed a slight increase.

Total purchased electricity consumption decreased from 324,337 GJ in 2022 to 298,152 GJ in 2023, reflecting a commitment to reduce overall energy consumption. At the same time, 357.11 GJ of self-generated electricity was recorded in 2023, with Multi Rail and IRCA contributing 55.37 GJ and 301.74 GJ respectively. This underlines the growing importance of in-house energy production, reducing dependence on purchased energy and promoting sustainability.

Purchased electricity consumption, ZIHET 2022-2023

	UOM	2022	2023
ZIF	GJ	-	417
ZIG	GJ	-	73
ZIS	GJ	8,395	5,640
ZIH	GJ	94,918	98,116
IRCA	GJ	45,389	40,512
ZIM	GJ	67,080	61,717
ZIR	GJ	108,555	89,018
Euroheat	GJ	-	338
Multi Rail	GJ	-	213
Nova Coil	GJ	-	2,425
TOTAL PURCHASED ELECTRICITY CONSUMPTION	**GJ**	**324,337**	**298,469**

Purchased electricity consumption, ZIHET 2023



Self-generated electricity consumption, ZIHET 2023

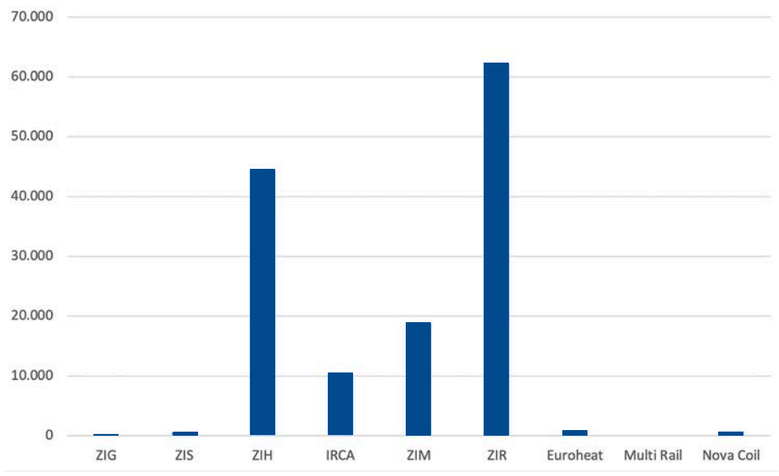
	UOM	
Multi Rail	GJ	55
IRCA	GJ	302
TOTAL SELF-GENERATED ELECTRICITY CONSUMPTION	**GJ**	**357**

The following table shows the natural gas consumption of the ZIHET sites for the years 2022 and 2023. The data show significant variations in consumption between sites. In particular, ZIS, ZIH, IRCA and ZIR show a reduction in consumption, suggesting an improvement in energy efficiency. The overall trend shows a commitment to reducing natural gas consumption.

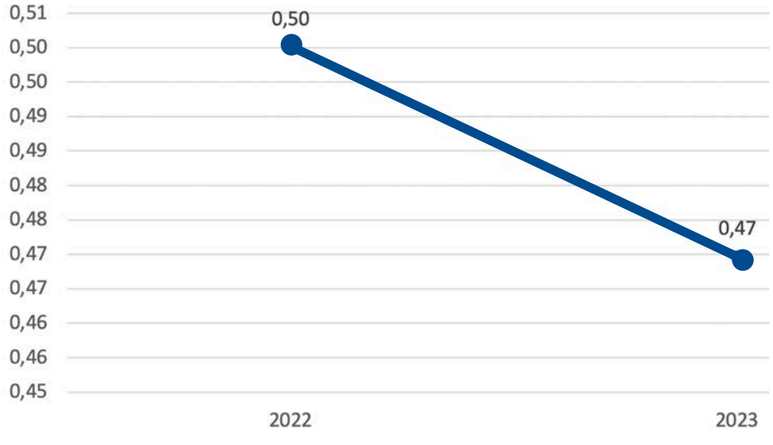
Natural gas consumption, ZIHET 2022-2023

	UOM	2022	2023
ZIF	GJ	-	-
ZIG	GJ	-	227
ZIS	GJ	897	584
ZIH	GJ	48,081	44,377
IRCA	GJ	14,218	10,252
ZIM	GJ	19,911	18,748
ZIR	GJ	78,052	62,175
Euroheat	GJ	-	787
Multi Rail	GJ	-	-
Nova Coil	GJ	-	727
TOTAL NATURAL GAS CONSUMPTION	**GJ**	**161,159**	**138,112**

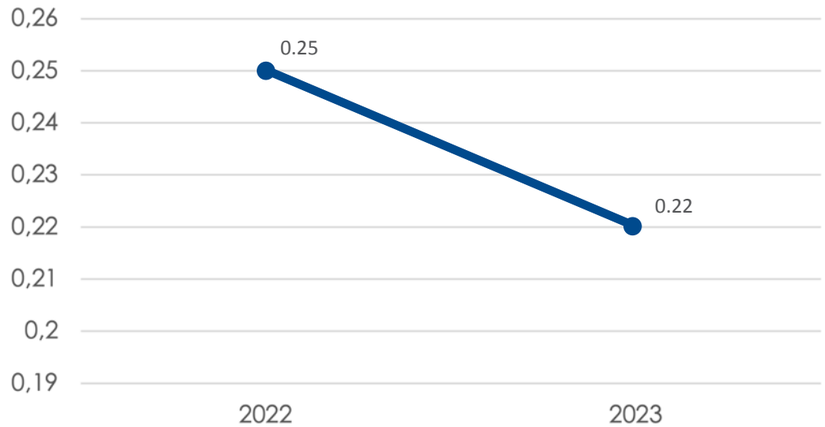
Natural gas consumption, ZIHET 2023



Purchased electricity consumption (GJ)/turnover, ZIHET 2022-2023



Natural gas consumption (GJ)/turnover, ZIHET 2022-2023



EMISSIONS OF CO_2 EQUIVALENT – SCOPE 1 AND SCOPE 2 CALCULATION

To meet the emissions challenge and ensure the sustainability of its operations, the ZIHET has implemented an integrated strategy that goes beyond energy consumption management. Its primary goal is to achieve carbon neutrality, with the ambitious plan to completely zero CO_2 emissions by 2050 and significantly reduce them already by 2030. The annual completion of the CDP climate questionnaire demonstrates a tangible commitment to the transition to a low greenhouse gas emission economic model.

On an organisational level, ZIHET has developed a corporate policy of sustainability in the transport sector. Before 2022, all leased vehicles had an internal combustion engine (diesel). Subsequently, a detailed analysis of the employees' driving habits made it possible to categorise drivers according to their mobility needs:

- Employees travelling long distances, for whom the use of diesel cars will be maintained
- Employees who travel mainly in urban areas for less than 25,000 km per year will receive plug-in cars, and those in the intermediate range will receive full hybrid cars.

This reconfiguration of the car fleet aims to reduce overall emissions by 40% within three years. For the foreign subsidiaries, a prospective review of the company's transport policy is planned, although this has not yet been initiated.

The ZIHET also launched the ZIP (Zoppas Industries People) platform in 2023 to support employees in sharing car journeys. This initiative allows workers to register and share their car journeys with colleagues, either as drivers or passengers. The aim is to reduce CO_2 emissions and energy waste, and to lower transport costs. The data collected by this platform shows that the distribution of users sees a predominance of drivers, followed by pedestrians and passengers. The majority of transport is by own vehicles, with a smaller share of shared vehicles and public transport. The initiative achieved an effective CO_2 reduction of 14.93 grams.

The table below shows ZIHET's fuel consumption from non-renewable sources for the year 2023. ZIR and ZIH emerge as the locations with the highest energy consumption. IRCA also shows a significant consumption of non-renewable fuels, with a high dependence on both natural gas and diesel.

Fuel consumption from non-renewable sources, ZIHET 2023

	UOM	ZIF	ZIG	ZIS	ZIH	IRCA	ZIM	ZIR	EUROHEAT	MULTI RAIL	NOVA COIL
OFWHICH PETROL	GJ	-	81	-	-	720	2,930	749	-	10	-
OF WHICH DIESEL	GJ	351	168	-	-	3,033	-	755	-	76	-
OF WHICH NATURAL GAS	GJ	-	227	584	44,377	10,252	18,749	62,175	21,725	235	727
TOTAL FUEL CONSUMPTION	GJ	**351**	**476**	**584**	**44,377**	**14,005**	**21,679**	**63,679**	**21,725**	321	**727**

Internationally, at the Group's other sites, production processes are similar, with some differences related to plant size and the presence of additional activities such as nickel plating and die casting. Nickel plating consists of coating a metal surface with a layer of nickel to protect it from corrosion and wear, while also improving the appearance of the finished product. Die-casting, on the other hand, involves the injection of molten metal at high pressure into a mould, enabling the production of components with complex shapes and precise dimensions, using materials such as aluminium, zinc and magnesium.

In addition to greenhouse gas emissions, other sources of air, water and soil pollution must therefore be considered. IRCA 1, for example, has around twenty chimneys that mainly emit dust and volatile organic compounds from the production of tubular heating elements, while IRCA 2, with its 35 chimneys, specialises in chemical etching and is working on reducing emissions of dust and volatile organic compounds.

By monitoring key performance indicators (KPIs), it is possible to achieve ever better results in terms of emission impact.

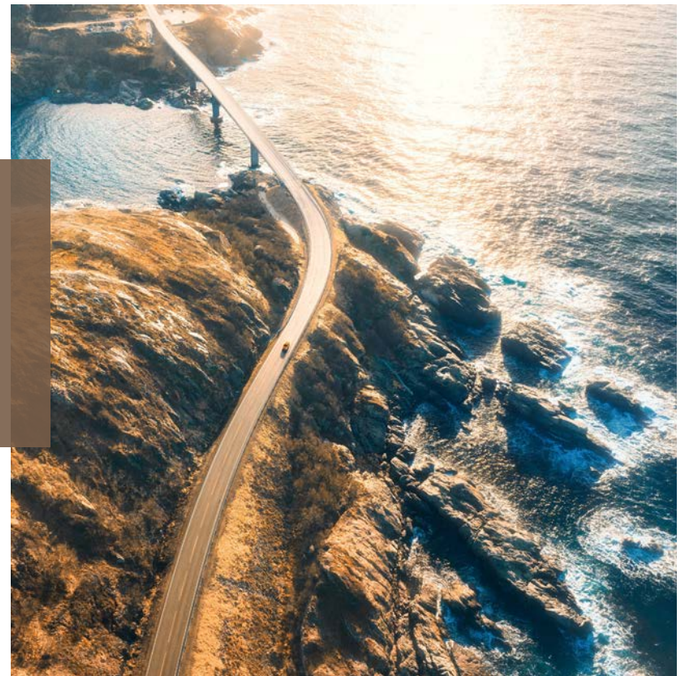
The following table gives an overview of the CO_2 equivalent emissions for the different ZIHET sites, for the years 2022 and 2023. Analysing the data and comparing the values over the two-year period, a reduction in total emissions is observed.

Emissions of CO_2 equivalent, ZIHET 2022-2023

		SCOPE 1		SCOPE 2 LB*	SCOPE 2	SCOPE 2 - MB**	SCOPE 2 - LB*	SCOPE 1 + MB**	SCOPE 1 + LB*
	UOM	2022	2023	2022	2022	2023	2023	2023	2023
ZIF	ton CO_2 eq	-	25	-	-	14	4	39	29
ZIG	ton CO_2 eq	-	30	-	-	15	7	45	37
ZIS	ton CO_2 eq	68	33	-	2,182	870	1.201	903	1.234
ZIH	ton CO_2 eq	3,276	2,498	-	27,993	16,597	16,597	19,095	19,095
IRCA	ton CO_2 eq	1,265	838	-	-	-	3,476	838	4,314
ZIM	ton CO_2 eq	1,959	1,283	-	11,046	6,463	6,463	7,746	7,746
ZIR	ton CO_2 eq	5,402	3,602	-	4,446	2,272	5,225	5,874	8,827
EUROHEAT	ton CO_2 eq	-	44	-	-	-	29	44	73
MULTI RAIL	ton CO_2 eq	-	19	-	-	-	18	19	37
NOVA COIL	ton CO_2 eq	-	41	-	-	252	214	293	255
TOTAL EMISSIONS	ton CO_2 eq	**11,970**[6]	**8,413**	**-**	**45,667**	**26,483**	**33,234**	**34,896**	**41,647**

[6] A restatement was made from the figure entered on the sum of SCOPE 1 values reported in the previous reporting exercise.

*LB = Location Based
**MB = Market Based



SIPA

SIPA, with a solid understanding of the importance of environmental sustainability in its operations, adopts various strategies and measures to reduce environmental impact and improve energy efficiency. One of these involves the introduction of electricity consumption monitoring devices in its factories to improve the energy management of packaging production systems. Currently, there is no specific energy plan for SIPA; in 2023, the company focused on objectives such as controlling the compressed air distribution system to minimise losses, applying specific controls on boiler efficiency, and investigating solutions or proposals for self-generation of energy. Future projects include the implementation of fume extraction systems for production processes and the opening of new chimneys to improve extraction.

SIPA's dedication to the environment has always been consistent, effective and measurable over time. Over the years, the company has focused its efforts on a more responsible use of raw materials and an overall reduction in consumption. This commitment led, in 2021, to the start of the certification process of the environmental management system according to the ISO 14001:2015 standard.

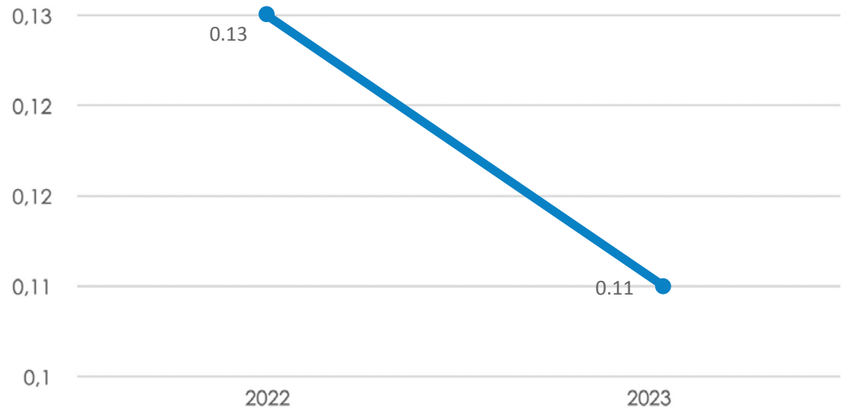
The table below shows the energy consumption data within SIPA for the years 2022 and 2023. The data show a positive trend towards reducing energy consumption.

In 2023, fuel consumption from non-renewable sources, specifically natural gas, decreased compared to the previous year. Similarly, the consumption of purchased electricity decreased from 32,094 GJ in 2022 to 30,801 GJ in 2023. This decrease reflects an improvement in energy efficiency.

Energy consumed within the organisation, SIPA 2022-2023

	UOM	2022	2023
FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES			
OF WHICH PETROL	GJ	-	286
OF WHICH DIESEL	GJ	-	3,347
OF WHICH NATURAL GAS	GJ	11,786	10,516
TOTAL FUEL CONSUMPTION	GJ	**11,786**	**14,150**
PURCHASED ELECTRICITY FROM RENEWABLE RESOURCES	GJ	32,094	30,801
TOTAL PURCHASED ELECTRICITY FROM RENEWABLE RESOURCES	GJ	**32,094**	**30,801**

Purchased electricity consumption (GJ)/turnover, SIPA 2022-2023



Emissions of CO_2 equivalent – SCOPE 1 and SCOPE 2 calculation

Currently, all SIPA production facilities in Italy enjoy a 100% guaranteed energy supply from renewable sources, a fundamental step towards environmental sustainability.

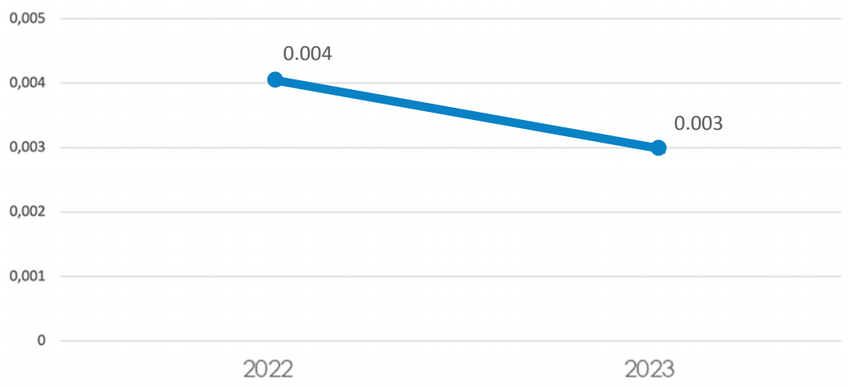
In order to mitigate the emission impact generated by the company fleet, a project to convert the fleet to a "green" one was also launched for SIPA in 2022. This initiative was made possible through collaboration with a specialised external company, which conducted an in-depth analysis of the behaviour of company vehicle users. As a result of this process, a company policy favouring the adoption of electric and hybrid technologies (Plug In or Full-HYBRID) has been formulated and implemented.

The following table provides an overview of the CO_2 equivalent emissions for the SIPA Group, for the years 2022 and 2023.

Emissions of CO_2 equivalent, SIPA 2022-2023

	UOM	2022	2023
TOTAL DIRECT EMISSIONS (SCOPE 1)	ton CO_2 eq	869	898
INDIRECT EMISSIONS (SCOPE 2)	ton CO_2 eq	-	-
TOTAL INDIRECT EMISSIONS - MARKET BASED APPROACH	ton CO_2 eq	-	-
TOTAL INDIRECT EMISSIONS - LOCATION BASED APPROACH	ton CO_2 eq	-	-
TOTAL GHG EMISSIONS (DIRECT + MB)	ton CO_2 eq	-	-
TOTAL GHG EMISSIONS (DIRECT + LB)	ton CO_2 eq	-	-

Totale ton CO_2 eq (SCOPE 1+2)/ fatturato, SIPA 2022-2023



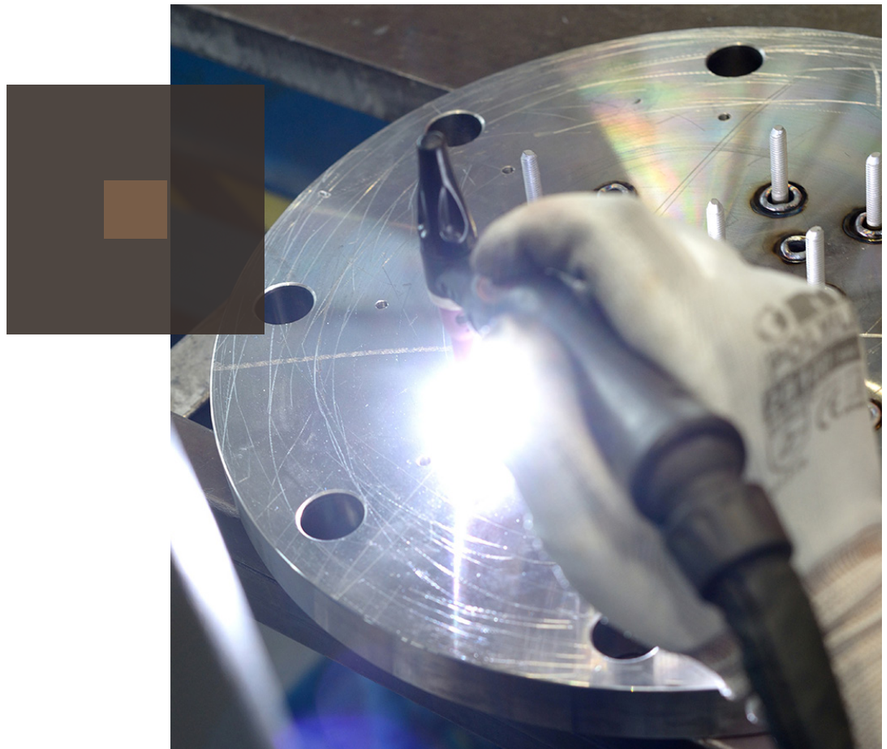
MATERIAL USE AND WASTE MANAGEMENT

The Zoppas Industries Group stands out for its commitment to the responsible management of materials and waste produced in its industrial operations. During 2023, the Group generated a total of 11,419.9 tonnes of waste, divided into hazardous and non-hazardous waste. Of these, 9,676.1 tonnes were sent for recovery, highlighting the company's priority for sustainable practices and the circular economy.

Waste generated, Zoppas Industries Group 2023

	MU	WASTE SENT FOR RECOVERY	WASTE SENT FOR DISPOSAL
HAZARDOUS WASTE	t	662.9	905.9
NON-HAZARDOUS WASTE	t	9,013.2	837.9
TOTAL WASTE GENERATED	t	**9,676.1**	**1,743.8**

The company is making significant progress, especially in the recovery of non-hazardous waste, thus reducing the volume for disposal. For the future, Zoppas Industries Group will continue to develop and implement innovative solutions to further improve waste management. The goal remains to minimise the overall environmental impact while ensuring compliance with environmental regulations and promoting sustainable industrial practices.



ZIHET
USE OF MATERIALS

The main categories of materials that ZIHET purchases include a wide range of metal alloys, epoxy resins, polyvinyl chloride (PVC) for cable insulation and many others. With numerous suppliers active in Italy, the purchasing department is committed to detailed categorisation of purchased materials to ensure transparency and compliance with sustainability principles.

In the design process of products and production processes, the technical department and industrial engineering work closely together, with the Research and Development (R&D) department also playing a role. This integrated approach underlines ZIHET's commitment to sustainable innovation and the continuous search for more eco-friendly practices.

Waste management[7]

ZIHET constantly monitors, via dedicated registers and databases, the amount of waste produced by all plants, compliance with regulations and storage requirements. The main waste generated by the ZIHET activities includes ferrous and metal waste in general, while materials such as plastics, various packaging, waste oil, sealing resins, absorbent materials and rags constitute a minority.

The ZIHET adopts waste management practices aimed at sustainability and efficiency, with each site implementing specific measures according to its operational needs.
In Italy, the Italian branches of the ZIHET have a highly specialised approach to waste management. IRCA 2 handles ferric chloride-related hazardous waste, while IRCA 1 deals with steel scrap and mixed packaging. The latter also handles blasting waste and spent magnesium oxide from filling machines. Both sites produce sealing waste, with IRCA 2 also treating acids and sludges.

IRCA separates waste by type (EWC) and takes measures to reduce paper consumption, using recycled paper and digital tools. Waste is stored in a way that prevents meteoric runoff, and regular checks are carried out on processing lines, containment structures, tanks, pipes and tubing to detect leaks or spills at an early stage. The measures taken ensure the containment and limitation of spills and potential pollution.

In France, Zoppas Industries (ZIF) stands out for reusing the majority of wooden pallets in its production operations, thus reducing the need for new materials and minimising waste.

The German sites of Zoppas Industries (ZIG) implement a reuse and recycling strategy. Packaging materials received are reused for shipping, while unused wood and cardboard are recycled. ZIG generates waste mainly upstream in its value chain and relies on certified third parties for recycling and waste disposal, ensuring compliance with contractual and legislative regulations.

Zoppas Industries Mexico (ZIM) handles both hazardous and non-hazardous waste, which is temporarily stored in appropriate containers and then collected by authorised companies. ZIM monitors the weight of waste generated on a daily basis and keeps temporary storage under control, producing monthly reports on waste generation to maintain strict environmental control.

Zoppas Industries Romania (ZIR) adheres to strict environmental standards and company policies for the production flow. Waste is segregated by type and storage areas are monitored on a daily basis. ZIR relies on authorised external companies to recycle waste, guaranteeing sustainable management in compliance with local laws.

In Serbia, Zoppas Industries (ZIS) takes measures to reduce waste and minimise waste generation by managing its own waste internally. Internal management includes sorting, measuring and sending the waste to the appropriate containers.

The Multi Rail site is also an integral part of this global commitment. Multi Rail separates waste by type (EWC) and delivers it to the municipal public service or authorised companies. Wooden pallets are reused until they retain their functional characteristics. Although Multi Rail does not monitor waste directly, it records orders to suppliers in its software, ensuring accurate traceability.

[7] The quantitative data on waste presented in the paragraph (GRI 306-3, 306-4, 306-5) do not take into account waste produced by Nova Coil, as the corresponding data is not available for the year reported.

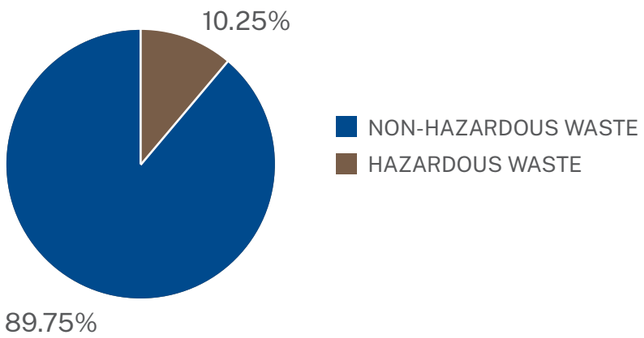
Zoppas Industries
Sustainability Report 2023

Finally, the Nova Coil site in the US outsources the management of recycled materials to certified recyclers and receives a declaration from suppliers on the amount of recycled material, ensuring transparency and efficiency in the recycling process.

The various practices implemented by the Zoppas Industries Group's sites demonstrate an ongoing commitment to sustainable waste management. Through reuse, recycling and strict control of production and disposal processes, each site contributes to reducing the Group's overall environmental impact.

For the ZIHET, the majority of waste is non-hazardous waste, which accounts for 89.75% of the total. Hazardous waste, on the other hand, constitutes only 10.25%. This indicates a commitment by the Group to minimise the production of hazardous waste, focusing more on the management and recovery of non-hazardous materials.

Waste breakdown, ZIHET 2023



Analysis of the table reveals a positive trend in waste management. ZIH made considerable progress in recovering hazardous waste, increasing from 3.8 tonnes to 121.5 tonnes, demonstrating significant improvement. In contrast, IRCA experienced a slight decrease in this category.
For non-hazardous waste sent for recovery, IRCA reported substantial increases, indicating optimisation of management practices and efficiency in material recovery.

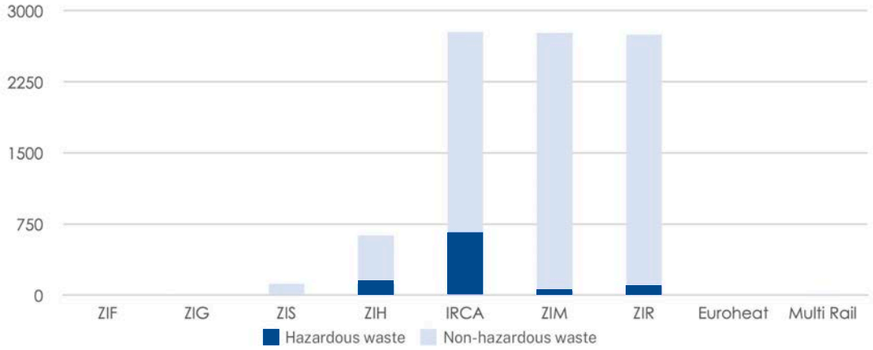
In the management of hazardous waste for disposal, ZIH and ZIM reduced the tonnage, reflecting effective hazardous waste reduction strategies. Regarding non-hazardous waste for disposal, IRCA showed a significant decrease from 589.2 to 526 tonnes, suggesting an improvement in reduction and disposal practices.

The 2023 graph illustrating the ratio of total waste to turnover demonstrates ZIHET's consistent commitment to waste management.

Waste generated (t), ZIHET 2022-2023

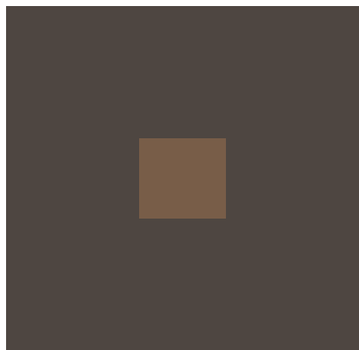
		Hazardous waste sent for recovery		Non-hazardous waste sent for recovery		Hazardous waste sent for disposal		Non-hazardous waste sent for disposal		Total waste generated	
	MU	2022	2023	2022	2023	2022	2023	2022	2023	**2022**	**2023**
ZIF	t	0	0	0	0.3	0	0	0	1.4	**0**	**1.7**
ZIG	t	0	0	0	3.5	0	0	0	0.5	**0**	**4**
ZIS	t	0.2	0	157.2	121	0.2	0	7.6	0	**165.2**	**121**
ZIH	t	3.8	121.5	853.3	510.6	33.9	0	0	0	**891**	**632.1**
IRCA	t	28.7	26.6	669.5	1,587.6	750.3	634.7	589.2	526	**2,037.7**	**2,774.9**
ZIM	t	0	40.3	2,507.5	2,453	4.2	3	24	268.8	**2,535.7**	**2,765.1**
ZIR	t	24.6	20.5	2,595.9	2,605.6	112	81.3	874.3	40	**3,606.8**	**2,747.4**
EUROHEAT	t	0	0.1	0	2.4	0	0.4	0	1.2	**0**	**4.1**
MULTI RAIL	t	0	0.3	0	11	0	0	0	0	**0**	**11.3**
TOTAL WASTE GENERATED	t	57.3	209.3	6,783.4	7,295	900.6	719.4	1,495.1	837.9	**9,236.4**	**9,061.6**

Waste generated, ZIHET 2023



Waste generated/turnover, ZIHET 2022 - 2023

The ratio of turnover to total weight of waste generated remained stable at 0.014 in both 2022 and 2023, demonstrating ZIHET's ongoing commitment to sustainable waste management. This result highlights how the company manages to keep waste generation under control, avoiding proportional increases even with production and turnover growth. Such stability is a positive indicator of operational efficiency and responsible resource management.



SIPA

USE OF MATERIALS

SIPA purchases a wide range of materials with multiple applications. To ensure the quality and safety of its products, as well as compliance with the required standards, SIPA regularly carries out chemical analyses and assessments of the mechanical properties of the materials used. This ensures that the finished products maintain the high quality standards expected.

In recent years, SIPA has developed a new plant in cooperation with EREMA for the production of recycled PET containers from secondary raw material flakes in a single production cycle, with the opportunity to significantly reduce process environmental impacts. The technology behind the plant is XTREME Renew, a revolutionary solution for the production of preforms from 100% recycled PET.

XTREME RENEW TECHNOLOGY

XTREME Renew technology represents a revolutionary advancement in PET recycling, combining the innovations of two industry leaders: Erema's Vacurema system and SIPA's XTREME. This solution integrates the entire production cycle of bottle preforms into one continuous process, eliminating the pelletising and rPET recrystallisation steps.

ADVANTAGES AND FEATURES OF XTREME RENEW

XTREME Renew offers several distinctive advantages:

- **Simplification of the Process**: By combining Vacurema and XTREME modules, XTREME Renew eliminates the need for intermediate steps such as pelletising and recrystallising rPET. This reduces operational complexity and improves overall plant efficiency.
- **Better Quality Preforms**: The single-cycle process enables preforms to be obtained with less material degradation than with conventional processes, ensuring more transparent, high-quality preforms.
- **Low Energy Consumption and Reduced Emissions**: The single-cycle process contributes to a reduction in overall plant energy consumption of up to 30%, compared to conventional methods. This is followed by a reduction in CO_2 emissions of up to 79% compared to the production of containers using virgin material, and a saving of 18% compared to the traditional process of producing recycled PET containers with granules.
- **Cost Reduction**: XTREME Renew offers a significant reduction in Total Cost of Ownership (TCO) of up to 15%, thanks to reduced dependence on virgin materials and reduced associated operating costs.
- **Logistics Reduction**: By producing preforms directly from rPET flakes, XTREME
- Renew reduces the need for storage space, logistics management and transport costs by up to 20%.
- **Freedom of Preform Design and Weight Reduction**: Thanks to the advanced technology, XTREME Renew allows greater freedom in preform design, enabling lighter bottles to be produced. For example, it was possible to produce preforms weighing only 3,9 grams for a 220 ml format, improving packaging efficiency and reducing environmental impact.

IMPLEMENTATION AND SUCCESSES OF XTREME RENEW

The first XTREME Renew plant was installed at Kyoei Industry in Japan in July 2018, demonstrating the success and reliability of this innovative technology. This pioneering implementation has set new standards in PET recycling, improving environmental sustainability and reducing the impact of plastic waste on the environment.
XTREME Renew not only promotes environmental sustainability through advanced material recycling, but also represents a strategic investment for companies wishing to improve their operational efficiency and reduce production costs. With its clear and measurable benefits, this technology continues to define the future of the PET bottle industry, contributing to a cleaner environment and a more efficient economy.

Waste management

SIPA closely monitors the lifecycle of its products and pays strict attention to the separation by type of the volumes of waste generated in its plants through specific registers and databases, in compliance with all associated regulatory and archiving requirements.

For waste management, SIPA has an in-house ecological island where waste is separated with a dedicated department for recording deliveries. The main waste is plastic, which is sent to recovery and recycling circuits. Progressively, the company is increasing the use of preforms made from recycled material instead of virgin material, also allowing the mixing of recycled material with virgin material.

In addition to plastics, SIPA's operations generate other types of waste, including ferrous metal scrap and wooden packaging materials. Each type of waste is classified according to its EWC code and is disposed of with the aim of recycling or reuse. For example, wooden pallets are kept in use until they reach the end of their functional life. With regard to paper, SIPA takes organisational measures such as using recycled paper for internal printing and promoting digital tools to reduce overall paper consumption.

In addition, SIPA implements actions to prevent waste generation in its internal operations and along the value chain. These measures include internal policies favouring the sustainable use of resources and the circular management of materials. SIPA actively involves suppliers and customers in the waste management process, ensuring that external activities also comply with the defined environmental and safety standards.

To monitor and collect waste data, SIPA uses a specialised software application provided by an external supplier. This tool supports the traceability and efficient management of generated waste, ensuring regulatory compliance and continuous improvement of environmental practices.

Finally, SIPA establishes clear criteria for third parties involved in waste management, requiring compliance with the organisation's safety and environmental procedures, as well as compliance with legislative and contractual regulations. This integrated approach reflects SIPA's commitment to responsible waste management and the pursuit of sustainable practices in all its operations.

New initiatives being planned for waste management at SIPA's sites include the introduction of metal skips specially designed to contain chips resulting from production processes and contaminated with oil. This approach will not only enable proper waste management and disposal, but also aims to prevent potential exceedances of discharge limits imposed by current environmental regulations.

At the Vittorio Veneto plant, the machine department is responsible for assembling and testing machines. During these stages, plastic waste is generated until acceptance is completed. In addition, a significant transformation of the plastic is carried out to adapt it to the needs of end users. The Vittorio Veneto moulds department, on the other hand, is responsible for the production of moulds for preforms and other components, using raw materials such as steel and aluminium, which are processed into moulds. During this process, electricity, compressed air and water are used, and solid and liquid waste is generated until the mould is tested.

Filling machines and palletisers are manufactured at the Parma plant. After assembly, the machines undergo a test phase that only requires the use of water from the aqueducts, which is discharged after the test. During this phase, a minimal amount of electricity is consumed and processing waste such as iron and plastic is produced.

A detailed analysis of the data for 2022 and 2023 shows an overall increase in waste generated by SIPA, with a particular increase in hazardous waste sent for recovery. This increase can be interpreted as a response to increased recovery operations and compliance with environmental regulations.

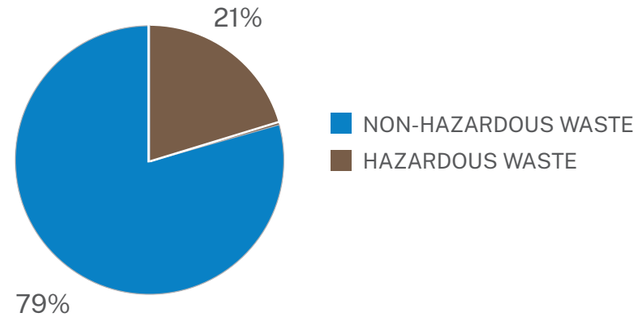
At the same time, non-hazardous waste sent for recovery increased from 1,388.6 tonnes in 2022 to 1,718.2 tonnes in 2023, indicating a strategy of optimising production processes to reduce environmental impact. Hazardous waste for disposal decreased slightly, reflecting an improvement in internal material management and the reduction of hazardous waste.

Non-hazardous waste for disposal also decreased from 2.5 tonnes in 2022 to 0 tonnes in 2023, signalling effective optimisation of production processes and increased efficiency in material recycling.

Waste generated, SIPA 2022-2023

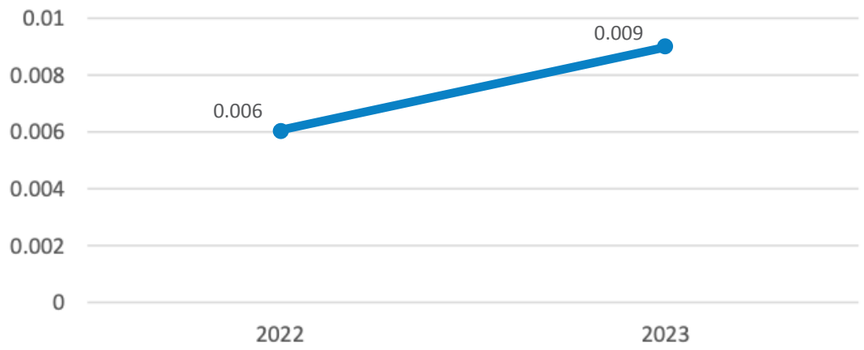
	MU	2022	2023
HAZARDOUS WASTE SENT FOR RECOVERY	t	14.3	453.6
NON-HAZARDOUS WASTE SENT FOR RECOVERY	t	1,388.6	1,718.2
HAZARDOUS WASTE SENT FOR DISPOSAL	t	195.3	186.5
NON-HAZARDOUS WASTE SENT FOR DISPOSAL	t	2.5	0
TOTAL WASTE GENERATED	t	**1,600.7**	**2,358.3**

Waste breakdown, SIPA 2023



The slight increase in the ratio of waste generated to revenue from 2022 to 2023 reflects the continued growth of SIPA and the resulting opportunities to further improve waste management. This trend is a positive stimulus to strengthen the sustainable initiatives already in place and develop new innovative solutions.

Waste generated/turnover, SIPA 2022-2023



BIODIVERSITY[8]

The Zoppas Industries Romania (ZIR) site, located in Sannicolau Mare in the Timiș district, is a significant example of the Zoppas Industries Group's commitment to biodiversity protection and responsible environmental management. ZIR's operational site covers a total area of 338,090 square metres and covers an area of 171,899 square metres (0.172 km^2) within the overall area. Three production plants, which manufacture heating elements, are located here.

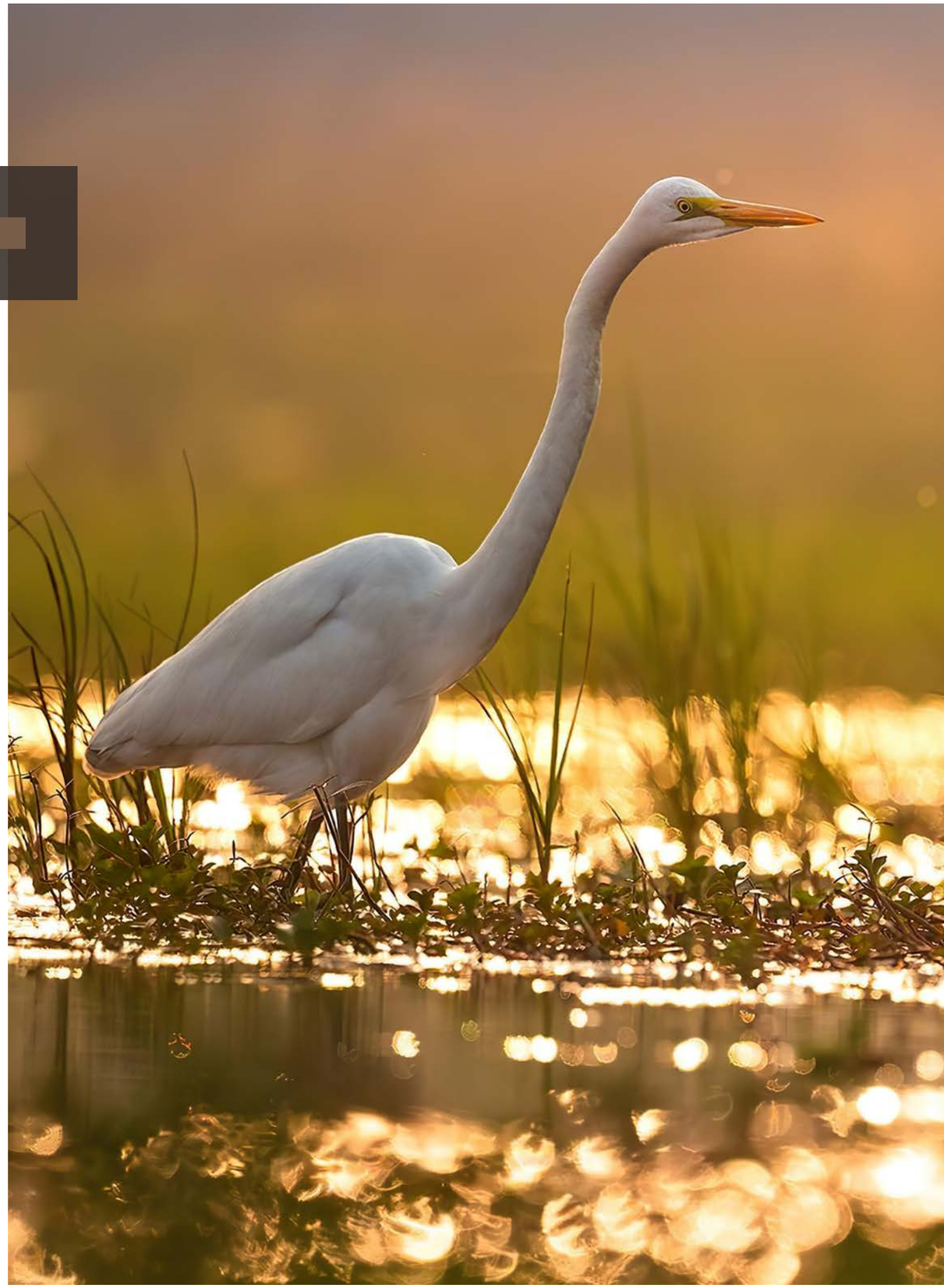
The site is located near the protected area ROC10345 Pajistea Cenad, which covers 5,965.3 hectares and is an area of high biodiversity value. This protected area is located north of the town of Sannicolau Mare, in the Pannonian geographical region. The proximity to this protected area entails an additional responsibility for ZIR, which must ensure that industrial operations do not compromise the ecological integrity of the region.

The protected area is characterised by the presence of species of high conservation value, including Mustela eversmanii, also known as the Siberian weasel, and Spermophilus citellus, both of which are classified with a B conservation status.

The main sources of pollution generated by the plant include gases such as CO_2 and NO_2, as well as suspended particles. These pollutants are monitored regularly to ensure that they remain within the limits set by current regulations. Waste water is also frequently monitored to ensure compliance with environmental standards.

ZIR takes a proactive approach to avoid any negative impact on the surrounding environment. There is no evidence of introduction of invasive species, habitat conversion or species reduction due to industrial activities. Furthermore, no changes in ecological processes were detected outside the normal variations, such as salinity or alterations in groundwater levels.

[8] It is specified that, the information related to biodiversity (GRI disclosures 304-1, 304-2, 304-3), is reported exclusively with reference to the company Zoppas Industries Romania.



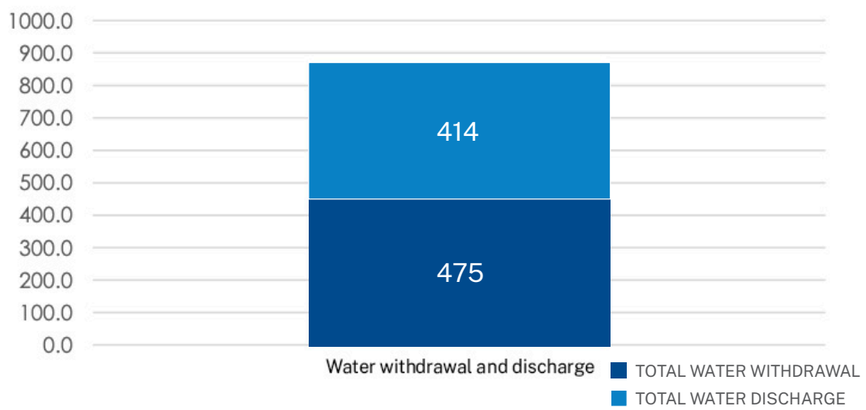
WATER RESOURCE MANAGEMENT

The Zoppas Industries Group is actively committed to the responsible management of water resources, as demonstrated by the 2023 figures. During the year, total water withdrawals amounted to 455 mega-litres, while total water discharges amounted to 414 mega-litres. These figures reflect a careful approach to environmental sustainability, seeking to maintain a balanced water balance. The Zoppas Industries Group continues to implement advanced practices and technologies to monitor and improve water use efficiency, thus contributing to the conservation of the environment and the wellbeing of the communities in which it operates.

Water withdrawal and discharge, Zoppas Industries Group 2023

	MU	WATER STRESS AREA
TOTAL WATER WITHDRAWAL	ML	475
TOTAL WATER DISCHARGE	ML	414

Water withdrawal and discharge, Zoppas Industries Group 2023



ZIHET

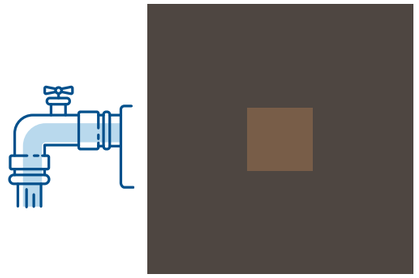
ZIHET, in most of its sites, relies on municipal aqueducts to meet civil water needs such as supply for offices and common areas. For technical uses such as machine cooling and fire-fighting systems, the company uses wells to ensure a constant and reliable flow of water. This dualistic approach is implemented in both Italian and foreign sites, reflecting a balanced strategy for efficient and sustainable water resource management.

The Italian sites of the ZIHET are actively involved in the treatment of industrial and cooling waste water. Following strict procedures, these operations are conducted in compliance with the emission limits set by the Technical Implementation Rules of the Water Protection Plan. Periodically, qualified professionals perform detailed analyses to monitor crucial parameters such as pH, total suspended solids, COD and other critical pollutants. IRCA ensures constant supervision of the treatment and purification systems, with regular maintenance and replacement of filters according to the best available practices, documenting all activities in the maintenance records to ensure the integrity of the water system.

Among the Italian sites, IRCA Engineering adopts advanced technologies to minimise the direct use of water in production processes. Both IRCA Engineering and IRCA Logistic Hub use cooling systems designed to reduce the local environmental impact, thus reducing dependence on water resources. In contrast, FADN 1 and FADN 2 extract water from artesian wells to ensure a sustainable supply of water resources. IRCA 1 and 2 conduct regular chemical and physical analyses by qualified external laboratories to ensure that discharges meet the quality parameters set by the competent authorities.

Zoppas Industries Romania (ZIR) uses both mains and groundwater in its production processes. It closely monitors wastewater to ensure compliance with local regulations and to mitigate environmental impacts. Zoppas Industries' Romania sites base their water impact reports on Integrated Environmental Authorisations, ensuring compliance with local and international regulations for wastewater treatment. Zoppas Industries Romania (ZIR) adheres to the measurement results declared to state bodies to ensure responsible water management.

Zoppas Industries China (ZIH) focuses on optimising water use for production by setting consumption targets that consider environmental and operational variables. In terms of setting objectives and targets, Zoppas Industries China sets targets based on internal analyses of environmental conditions and operational needs. Zoppas Industries China adopts high standards for drinking water as part of its internal practices, ensuring the quality of water used in production processes and for human consumption.



Minimum quality standards for water discharges are strictly adhered to through Discharge Authorisations. ZIR and Zoppas Industries Mexico (ZIM) comply with specific regulations for the treatment of discharged water, using technologies and processes that comply with current environmental regulations. ZIM complies with law NOM-002-SEMARNAT-1996 for the treatment of discharged water, using technologies and processes that comply with established environmental standards.

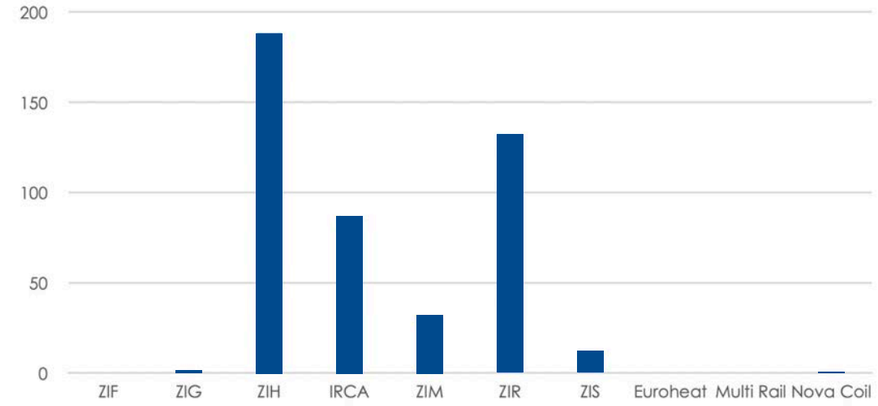
In summary, ZIHET manages water resources through diversified approaches according to the needs and locations of its global sites, adopting advanced technologies, careful monitoring and regulatory compliance to ensure responsible and sustainable water management.

During 2023, the different ZIHET sites showed significant variations in their water withdrawal patterns. Most of the water withdrawn comes from groundwater resources and internally produced water, while surface water and third-party water through aqueducts account for a smaller part of the total.

Water withdrawal, ZIHET 2023

	MU	SURFACE WATERS	GROUNDWATER (WELL)	PRODUCED WATER	THIRD-PARTY WATER BY SOURCE OF WITHDRAWAL (AQUEDUCT)	**TOTAL WATER WITHDRAWAL**
ZIF	ML	0	0	0	0.1	**0.1**
ZIG	ML	0	0.7	0	0.1	**0.7**
ZIH	ML	0	0	188.3	0	**188.3**
IRCA	ML	0	61.6	0	24.8	**86.4**
ZIM	ML	30.5	0	0	0	**30.5**
ZIR	ML	27.8	104.1	0	0	**131.9**
ZIS	ML	0	0	0	10.5	**10.5**
EUROHEAT	ML	0	0	0	0.4	**0.4**
MULTI RAIL	ML	0	0	0	0.3	**0.3**
NOVA COIL	ML	0	0	0	0.6	**0.6**
					TOTAL WATER WITHDRAWAL	**449.7**

Total water withdrawal, ZIHET 2023

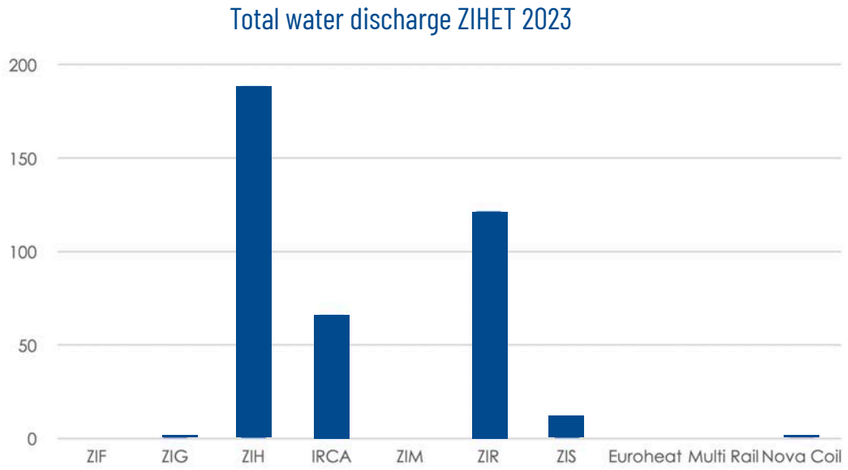


The activities carried out at the Italian sites of ZIHET are critical to the core business; water use is intensive and requires special attention to the management and optimisation of available resources. Water is supplied through two wells located near the IRCA S.p.A. premises (IRCA 1 and IRCA 2), which are supported by an aqueduct line in case of peak demand or emergency situations. As far as water discharges are concerned, IRCA 1 releases cooling water, while IRCA 2 handles water used for washing the heating elements, a purification plant for process fluids and deals with the challenges of ferric chloride treatment.

To ensure the environmental sustainability of its operations, ZIHET adopts strict procedures for waste management, strictly complying with environmental regulations. The table below reveals a diversified picture in the management of its water discharge between the various company sites for the year 2023. Most of the water discharge comes from groundwater and internally produced water, while surface water, seawater and third-party water make up a smaller part of the total. The ZIH, ZIR and IRCA sections have the largest water discharge volumes. In particular, ZIH discharged 188.3 ML of internally produced water, making it the site with the highest individual discharge. ZIR discharged 121.7 ML, mainly surface and groundwater, while IRCA discharged 65.9 ML, split between groundwater and third-party water.

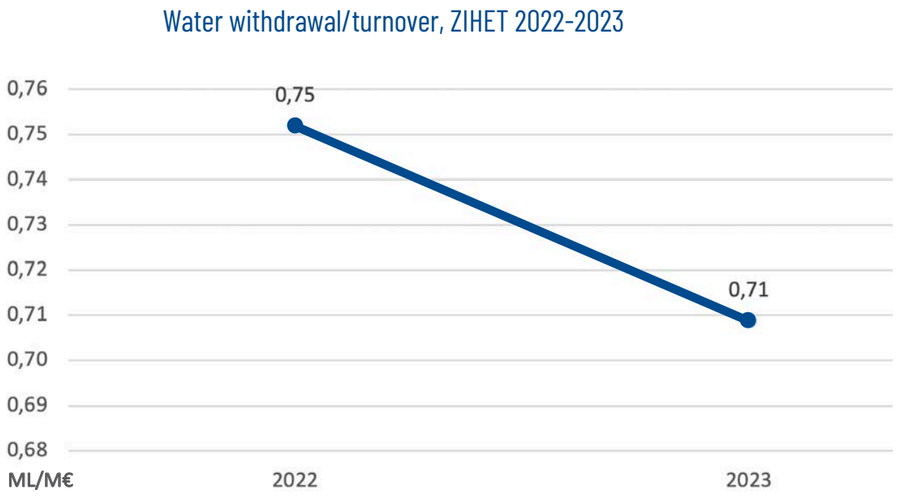
Water discharge, ZIHET 2023

	MU	SURFACE WATERS	GROUNDWATER	SEAWATER	PRODUCED WATER	**THIRD-PARTY WATER**	**TOTAL WATER DISCHARGE**
ZIF	ML	0	0	0	0	0.1	**0.1**
ZIG	ML	0	0.7	0	0	0.1	**0.7**
ZIH	ML	0	0	0	188.3	0	**188.3**
IRCA	ML	0	54.2	0	0	11.7	**65.9**
ZIM	ML	0	0	0	0	0	**0**
ZIR	ML	27.8	94.0	0	0	0	**121.7**
ZIS	ML	0	0	0	0	10.5	**10.5**
EUROHEAT	ML	0	0	0	0	0.4	**0.4**
MULTI RAIL	ML	0	0	0	0	0.4	**0.4**
NOVA COIL	ML	0	0	0	0	0.6	**0.6**
						TOTAL WATER DISCHARGE	**388.6**



With a view to continuous optimisation and responsible management of water resources, ZIHET is exploring a number of initiatives to further improve its approach to water management. For example, faced with the growing need to mitigate its impact on water resources, the company is considering the implementation of water recycling measures, e.g. through the recovery of water used in life testing.

In summary, ZIHET is actively committed to improving its water management, adopting a holistic approach that combines operational efficiency with environmental sustainability.



SIPA

SIPA carefully manages water resources at all its sites, adopting different approaches according to local characteristics. Water supply sources include aqueducts and artesian wells, used in production processes to ensure operational efficiency.

The identification of environmental impacts related to water consumption is a priority, integrated in the company procedure S.E.PR.023, which constantly monitors consumption through dedicated meters. Furthermore, SIPA assesses these impacts in the broader operational context, reflecting the company's commitment to sustainable resource management.
SIPA is actively committed to reducing water consumption by setting measurable annual targets that serve as key performance indicators (KPIs).

The minimum quality standards for water discharges are strictly defined in the authorisations issued by the competent authorities. SIPA verifies compliance with these standards through chemical and physical analyses conducted by certified external laboratories, ensuring compliance with environmental regulations.

In terms of regulations, SIPA does not currently operate plants with discharge requirements. There are no developed internal standards for water quality or specific guidelines. This reflects adherence to local standards, including receiving watershed profiles.

Among the new initiatives being planned by SIPA is the installation of a channel system to collect rainwater from surrounding areas. This water will undergo targeted treatment before discharge to minimise environmental impact and ensure compliance with safety and sustainability regulations.

Another important project of SIPA is the wastewater treatment plant, which was realised by Chimica Ecologica. This plant takes a sustainable and efficient approach to ensuring responsible use of water resources by organising the system into different areas, each with specific functionalities to optimise water treatment and management. In the Heating Plant Area, the plant is capable of producing 20 m^3 of softened water per cycle. The water is treated with a corrosion inhibitor, extending the life of the systems and improving the overall efficiency of the system. In the Cold Room Area, SIPA uses a high-tech reverse osmosis system that reduces salinity, organics and bacterial load with minimal energy consumption. In the Blow Mould Assembly Area, SIPA employs a selective resin filtration system to remove heavy metals from waste water.

The resins are replaced every 2-3 years, ensuring a sustainable process and improving the quality of the treated water. In the Local Compressor Area, the company handles the treatment of evaporator tower purge and osmosis waste, treating a total volume of about 24 m^3/day. A 5000 litre tank and a sanitisation system ensure that the treated water is safe for release into the environment.

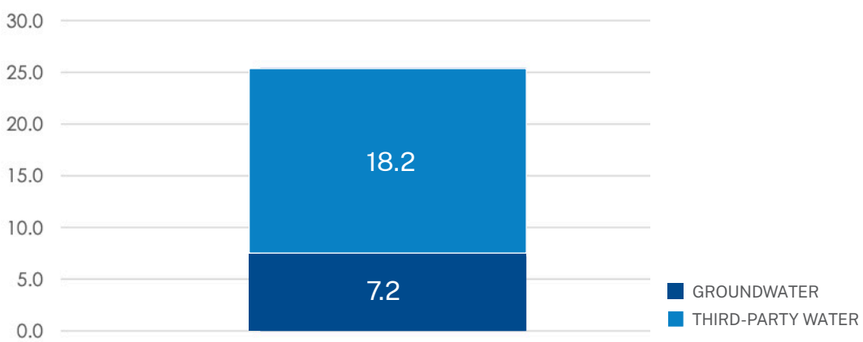
SIPA also implemented an advanced metal removal filtration plant designed to remove zinc and traces of iron from wastewater. This system starts with primary sedimentation and de-oiling, followed by filtration over a mixed bed of quartzite and pyrolusite, which removes solid particles and metals. The system is automatic and comprises three filtration columns that are made of corrosion-resistant materials. The plant ensures that treated water meets the legal limits for discharge into surface waters, contributing to the environmental sustainability of SIPA's operations and demonstrating the company's commitment to environmental protection.

SIPA's approach also includes advanced H_2O_2 dosing and pH measurement systems, ensuring that effluents meet the environmental limits set by current regulations. Through these advanced technological solutions, the company demonstrates its commitment to sustainability, contributing to the preservation of water resources and complying with environmental regulations.

A further tangible sign of SIPA's commitment to sustainability is reflected in the water withdrawal and discharge figures for 2023. Water withdrawal is mainly concentrated on two sources: groundwater and third-party water through aqueducts. Most of the water withdrawn comes from the aqueduct, with a total of 18.2 ML.

	MU	WATER WITHDRAWAL, SIPA 2023
SURFACE WATERS	ML	0
GROUNDWATER (WELL)	ML	7.2
PRODUCED WATER	ML	0
THIRD-PARTY WATER BY SOURCE OF WITHDRAWAL (AQUEDUCT)	ML	18.2
TOTAL WATER WITHDRAWAL	**ML**	**25.4**

Water withdrawal, SIPA 2023

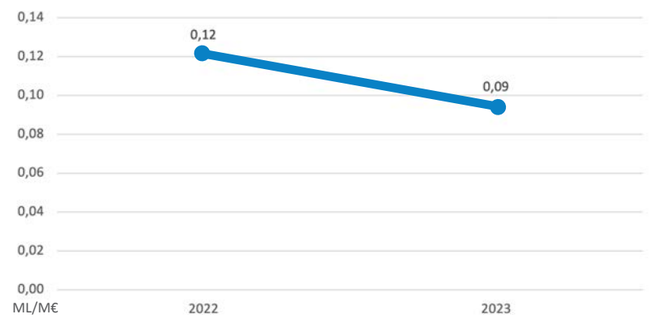


With regard to water discharge, SIPA discharged a total of 25,4 ML in 2023, of which 7,2 ML came from groundwater and 18,2 ML from third-party water. Again, the company managed the discharges in such a way as to reduce the environmental impact, ensuring that the discharged water was treated and complied with current regulations.

	MU	WATER DISCHARGE, SIPA 2023
SURFACE WATERS	ML	0
GROUNDWATER	ML	7.2
SEAWATER	ML	0
PRODUCED WATER	ML	0
THIRD-PARTY WATER	ML	18.2
TOTAL WATER DISCHARGE	**ML**	**25.4**

Water discharge, SIPA 2023

Water withdrawal/turnover, SIPA 2022-2023



THE EU ENVIRONMENTAL TAXONOMY PURSUANT TO REG. (EU) 2020/852

The regulatory context

As part of the policies to achieve Europe's 2050 carbon neutrality target, the European Commission considered it essential to introduce a classification system for economic activities that would consider their impact on climate change.

In 2020, the so-called European "Taxonomy", Regulation (EU) 2020/852 of the European Parliament and of the Council establishing a framework for sustainable investment and amending Regulation (EU) 2019/2088, was launched.

The Taxonomy Regulation applies to companies subject to the obligation to publish a non-financial statement pursuant to Articles 19a and 29a of Directive 2013/34/EU of the European Parliament and of the Council.

With the entry into force of the Corporate Sustainability Reporting Directive, the number of companies subject to the obligation to publish the DNF in the form of the Sustainability Statement in the Management Report is progressively increasing and, as the Taxonomy disclosure is one of the CSRD compliance requirements, the subjective scope of application of the Taxonomy Regulation increases accordingly.

This regulation envisages a classification system to identify environmentally sustainable economic activities and to establish, with a common language, a clear definition of what is "green", with the ultimate aim of directing capital and investments in this direction, thus reducing the risks of "Greenwashing".

Companies subject to the Taxonomy Regulation are in fact required to carry out an assessment of the environmental impacts of their activities according to predefined and strict technical criteria, in order to calculate three economic indicators related to capital expenditure (CapEx), operating expenditure (OpEx) and turnover (Turnover) associated with the eco-sustainable activities resulting from their business activity.

Reporting on these aspects promotes the transparency of financial markets with respect to the sustainability of investment choices, providing investors with adequate information to direct capital flows towards sustainable and virtuous choices.

1. Specifically, the regulation provides for **three general conditions that an economic activity must jointly fulfil in order to qualify as environmentally sustainable**:
   1. Make a **"substantial contribution**" to achieving at least one of the following six environmental objectives: Mitigazione dei cambiamenti climatici (CCM);
   - Climate Change Mitigation (CCM);
   - Climate Change Adaptation (CCA);
   - Sustainable use and protection of water and marine resources (WTR);
   - Transition to a circular economy (CE);
   - Pollution Prevention and Control (PPC);
   - Protection and restoration of biodiversity and ecosystems (BIO);

2. "**Do No Significant Harm**" (DNSH) to any of the other environmental objectives;

3. Be carried out in compliance with the "**minimum safeguard guarantees**".

The European Environmental Taxonomy for the Zoppas Industries Group

Aware of the importance as well as the scope of the regulatory provisions of the Taxonomy Regulation, although falling within the scope of application starting from the Fiscal Year 2025, the Zoppas Industries Group has initiated a process aimed at determining which of its economic activities may fall within the sectors covered by the delegated acts issued to define the rules on Taxonomy reporting.

This first **pilot eligibility exercise for the Taxonomy** on FY 2023 focused on economic activities that can contribute to the two climate objectives: **Climate Change Mitigation and Climate Change Adaptation**[9].

The analysis of the NACE codes did not reveal any relevant correspondence, confirming that the Group's sector is not closely related to the activities mapped so far by the Delegated Regulation (EU) 2021/2139, referring to the first two objectives of the Taxonomy, i.e. Climate Change Mitigation and Climate Change Adaptation.

For this reason, in order to conduct a more in-depth assessment, the Zoppas Industries Group carried out an analysis of its business activities, evaluating their consistency with the descriptions in the Delegated Regulation (EU) 2021/2139. This preliminary screening was verified by the key corporate figures for the processes concerned, who selected through comparisons and focus groups, from the mapped activities, those applicable to the Zoppas Industries Group. This first exercise involved contact persons for the Operations, Facility Management, R&D and IT functions for SIPA's Italian office and for ZIHET's foreign and Italian offices.

Thanks to this assessment, the economic activities eligible for the Taxonomy were identified in qualitative terms. The activities mapped fall into the sectors "Manufacturing activities", "Energy", "Transport", "Construction and real estate activities", "Information and communication" and "Professional, scientific and technical activities" and specifically concern:

- Manufacture of other low-carbon technologies;
- Production of electricity using photovoltaic solar technology;
- Installation and operation of electric heat pumps;
- Transport by motorbikes, cars and light commercial vehicles;
- Construction of new buildings;
- Renovation of existing buildings;
- Installation, maintenance and repair of energy efficiency devices;
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in the parking spaces pertaining to buildings);
- Data processing, hosting and related activities;
- Research, development and innovation close to the market.

The validation of the list identified in this phase will subsequently be completed with the analysis of the economic values of CapEx, OpEx and Turnover associated with the economic activities that emerged from the assessment, culminating in the calculation of the KPIs provided for by the Taxonomy Regulation and Delegated Regulation (EU) 2021/2178, which defines the criteria for their calculation.

The future inclusion of all eco-sustainability objectives in the scope of the analysis, as well as the updating of the lists presented in the delegated acts of the Taxonomy (Reg. 2021/2139 and Reg. 2023/2486) may lead to the identification of additional eligible economic activities.

[9] Eligible activities relating to the mitigation and adaptation objectives correspond to any activity explicitly included in the list of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 as amended by Delegated Regulation (EU) 2023/2485 regardless of whether that economic activity meets one or all of the established technical screening criteria.

4 SOCIAL DISCLOSURE HIGHLIGHTS

MATERIAL TOPICS REPORTED

- Human capital management
- Workers' health and safety

SUPPORTED SDGs

KEY RESULTS

ZIHET

- 6,911 employees
- 138,760 training hours provided
- Continuation of the path towards obtaining UNI/PdR 125/2022 certification

SIPA

- 814 employees
- 7,438.5 training hours provided
- Reduction in the accident rate compared to the previous year
- Support of numerous social initiatives in the area

MAIN OBJECTIVES FOR THE FUTURE (2024 – 26) – ZIHET and SIPA

- Definition of an ESRS-compliant Human Resources and Diversity and Inclusion Policy for the entire Group
- Achievement of UNI/Pdr 125:20 certification for IRCA and SIPA
- Strengthening employee training and corporate welfare plans
- Adoption of a workers' health and safety management system for the Group's Italian plants
- Development of a Human Rights Policy
- Delivery of training activities on sustainability topics

PEOPLE, THE ENGINE FOR THE FUTURE

As part of its ethical principles and its mission to promote a corporate culture based on integrity and respect, both ZIHET and SIPA have adopted a Code of Ethics in accordance with It.Legislative Decree 231/2001, extending it to the entire social fabric that makes up and revolves around the company.

In accordance with this code, Zoppas Industries invites its employees, staff and representatives to act responsibly and with respect for the collective well-being, paying particular attention to individual behaviour that reflects the values of **loyalty**, **fairness** and **transparency**.

Recognising the value and importance of human dignity, Zoppas Industries is also committed to providing its resources with a safe and inclusive working environment, free from discrimination of any kind, based on gender, race, language, personal conditions or religious and political beliefs. In the eyes of Zoppas, this commitment represents a founding value and is indispensable for the promotion of a **respectful and fair corporate culture** that reflects the principles of human rights enshrined in the main international institutions.

Indeed, the Company recognises that the protection and respect of human dignity and individual differences are essential to the company's success and the well-being of its employees. In this regard, Zoppas Industries actively promotes gender equality and inclusion in its leadership and internal decision-making processes, recognising the value of gender contributions to balanced and effective business management. This commitment is an integral part of the company's strategy for its human capital, aimed at enhancing the value of its people and ensuring excellent business performance based on talent and long-term sustainability.

Zoppas Industries is committed to maintaining high standards of integrity, transparency and respect for human rights in all its activities, thus contributing to the creation of a fair, inclusive and sustainable working environment.

The corporate population of Zoppas Industries Group as at 31.12.2023 is shown below: :

Employees by gender, Zoppas Industries Group 2023

Employees by age group, Zoppas Industries Group 2023

In 2022, ZIHET adopted a specific Human Resources Management Policy, applied to all personnel employed in the Italian sites and in those in Romania, China, Russia and Serbia, and aimed at providing clear and shared processes that take into account all aspects of the business life of each resource; among the aspects to which greater importance is given: the sharing of information, training and development of the skills of all personnel, in every company role; training interventions aim to develop both the knowledge required by the specific skills of the role held, and awareness of the importance of one's own contribution to the achievement of company objectives, including those related to quality, respect for the environment and the protection of health and safety in the workplace and towards customers.

PERSONNEL SELECTION PROCESS, CHARACTERISTICS AND COMPOSITION OF THE WORKFORCE

The Group's personnel selection is carried out in line with the principles expressed in the IRCA and SIPA Codes of Ethics: professional and individual competencies are evaluated without any discrimination that may influence recruitment, training, promotion or the contractual duration of the relationship with the Company. This approach fully embraces the issue, crucial for the Group and mentioned earlier, of **gender equality in the workplace**, as well as the **empowerment and involvement of minority resources**.

The personnel selection and recruitment process consists of **6 main steps**:

1. Acquisition of the request for staff adjustment
2. Acquisition and management of CVs
3. Selection
4. Offer formulation and recruitment
5. Definition of the induction plan for the new recruit
6. Evaluation of the probationary period and confirmation of the candidate

In fact, co-workers are chosen exclusively on the basis of their professional skills, in line with the roles that need to be filled. This approach reflects the Group's commitment to personnel management that ensures equal opportunities in the workplace.

With regard to this topic, IRCA has also embarked on the **path of gender equality certification according to the UNI/pdr 125:2022 standard**, developed in line with existing international documents such as the ISO 30415 standard, adapted to the Italian social and economic context.

As part of this process, a general training course on the content of certification was set up in 2023, as well as a collection phase for relevant data. The Group's short- to medium-term goal is to complete the certification for IRCA, and then, over the next few years, extend the best practices associated with it to the Group's foreign sites as well.

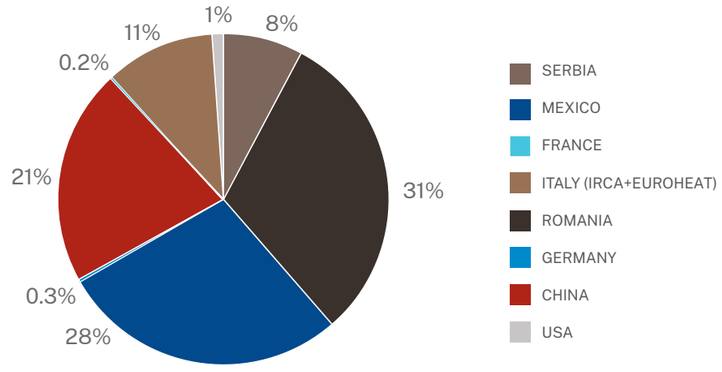
Obtaining the Gender Equality Certification will certainly represent an opportunity for the Organisation to consolidate a structured approach to managing equal opportunities and gender equality internally, implementing new policies that aim to reduce the gender gap and stimulate the Company's internal growth, as well as its competitiveness in a context that is increasingly attentive to social and sustainability issues.

Through specific KPIs, the Organisation will be required to account for its positioning with regard to a number of key aspects, subject to evaluation, and to monitor improvements over time. There are 6 topics evaluated: Culture and Strategy, Governance, HR Processes, Opportunities for growth and inclusion of women in the Company, Gender pay equity, Protection of parenthood and work-life balance.

ZIHET

The company population of ZIHET as at 31.12.2023 was 6,911 employees[11].

Percentage of employees per geographical area, ZIHET 2023



The entire workforce of IRCA, ZIHET Serbia, France and Romania is covered by collective agreements, whereas the employees of Nova Coil, Euroheat and ZIHET China are not covered by collective agreements. As far as ZIHET Germany and Mexico are concerned, however, only a percentage of the employees are employed by the Company through CCNL (about 70% of the total resources for each of the two companies).

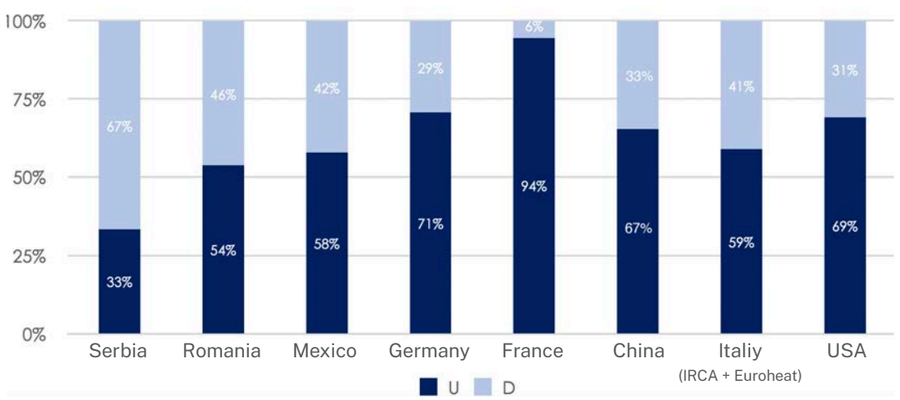
CONTRACT TYPE	2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
PERMANENT EMPLOYEES	3,658	3,045	**6,703**	3,371	2,590	**5,961**
	52.47%	43.68%	**96.16%**	48.78%	37.48%	**86.25%**
FIXED-TERM EMPLOYEES	175	93	**268**	559	391	**950**
	2.51%	1.33%	**3,84%**	8,09%	5,66%	**13,75%**
TOTAL EMPLOYEES	**3,833**	**3,138**	**6,971**	**3,930**	**2,981**	**6,911**
	54.98%	**45.02%**	**100%**	**56.87%**	**43.13%**	**100%**

TYPE OF EMPLOYMENT	2022			2023		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FULL-TIME EMPLOYEES	3,830	3,074	**6,904**	3,690	2,888	**6,578**
	54.94%	44.10%	**99.04%**	53.39%	41.79%	**95.18%**
PART-TIME EMPLOYEES	3	64	**67**	240	93	**333**
	0.04%	0.92%	**0.96%**	3.47%	1.35%	**4.82%**
TOTAL EMPLOYEES	**3,833**	**3,138**	**6,971**	**3,930**	**2,981**	**6,911**
	54.98%	**50.02%**	**100%**	**56.87%**	**43.13%**	**100%**

[11] This is understood as considering only the reporting boundary.

EMPLOYEES[12] BY PROFESSIONAL FIGURE AND GENDER	2023											
	<30			30-50			>50			TOTALE		
	U	D	TOT.	U	D	TOT.	U	D	TOT.	U	D	TOT.
EXECUTIVES	0	0	**0**	12	2	**14**	15	3	**18**	**27**	**5**	**32**
	0.00%	0.00%	**0.00%**	0.17%	0.03%	**0.20%**	0,22%	0.04%	**0.26%**	0.39%	0.07%	**0.46%**
MIDDLE MANAGERS	2	0	**2**	109	35	**144**	54	7	**61**	**165**	**42**	**207**
	0.03%	0.00%	**0.03%**	1.58%	0.51%	**2.08%**	0,78%	0.10%	**0.88%**	2.39%	0.61%	**3.00%**
WHITE-COLLAR WORKERS	120	99	**219**	553	271	**824**	226	81	**307**	**899**	**451**	**1,350**
	1.74%	1.43%	**3.17%**	8.00%	3.92%	**11.92%**	3,27%	1.17%	**4.44%**	13.01%	6.53%	**19.53%**
BLUE-COLLAR WORKERS	895	490	**1,385**	1,553	1,473	**3,026**	391	520	**911**	**2,839**	**2,483**	**5,322**
	12.95%	7.09%	**20.04%**	22.47%	21.31%	**43.79%**	5,66%	7.52%	**13.18%**	41.08%	35.93%	**77.01%**
TOTAL	**1,017**	**589**	**1,606**	**2,227**	**1,781**	**4,008**	**686**	**611**	**1,297**	**3,930**	**2,981**	**6,911**
	14.72%	**8.52%**	**23.24%**	**32.22%**	**25.77%**	**57.99%**	**3.93%**	**8.84%**	**18.77%**	**56.87%**	**43.13%**	**100%**

Employees by gender and geographical area, ZIHET 2023



In addition to the employees mentioned, there are 127 additional resources, namely:

- 108 workers with temporary contract (39 women and 69 men) and 13 interns (5 women and 8 men), working at IRCA sites,
- 1 female worker with a temporary contract for Euroheat (Italy),
- 3 interns at Zoppas Industries China,
- 2 sales agents for Zoppas Industries Germany.

[12] The company does not require employees to specify their gender; instead, it derives social security numbers. Therefore, no employees fall into the “other” or “not reported” categories.

SIPA

As far as SIPA is concerned, the total number of employees was **814** as at 31 December 2023, an increase of +5% compared to the previous year.

Almost all employees are employed on a full-time, permanent contract. In fact, the company's will is geared towards the retention of its employees through the offer of stable, long-term contracts. In addition, 100% of SIPA employees are covered by national collective agreements – specifically, the collective agreements applied to employees are: the CCNL for the Mechanical Engineering and Plant Installation Industry and the CCNL for Industry Managers.

CONTRACT TYPE	2022			2023		
	MEN	WOMAN	**TOTAL**	MEN	WOMAN	**TOTAL**
PERMANENT EMPLOYEES	662	88	**750**	687	90	**777**
	85.20%	11.33%	**96.53%**	84.40%	11.06%	**95.45%**
FIXED-TERM EMPLOYEES	23	4	**27**	26	11	**37**
	2.96%	0.51%	**3.47%**	3.19%	1.35%	**4.55%**
TOTAL EMPLOYEES	**685**	**92**	**777**	**713**	**101**	**814**
	88.16%	**11.84%**	**100%**	**87.59%**	**12.41%**	**100%**

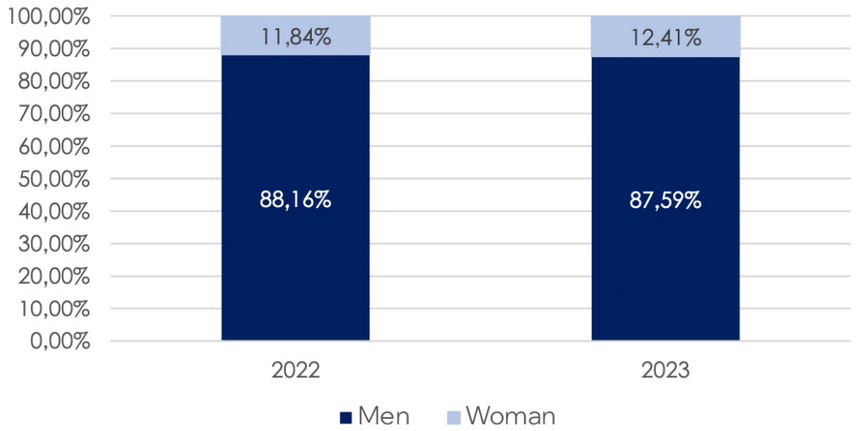
TYPE OF EMPLOYMENT	2022			2023		
	MEN	WOMAN	**TOTAL**	MEN	WOMAN	**TOTAL**
FULL-TIME EMPLOYEES	678	68	**746**	708	84	**792**
	87.26%	8.75%	**96.01%**	86.98%	10.32%	**97.30%**
EMPLOYEES PART-TIME	7	24	**31**	5	17	**22**
	0.90%	3.09%	**3.99%**	0.61%	2.09%	**2.70%**
TOTAL EMPLOYEES	**685**	**92**	**777**	**713**	**101**	**814**
	88.16%	**11.84%**	**100%**	**87.59%**	**12.41%**	**100%**

In addition to the above-mentioned employees, there are also 15 additional resources, i.e. 4 interns and trainees (4 men), most of whom are involved in the company's school-to-work alternation (PCTO), curricular and extracurricular internships and/or thesis projects[13]; as well as 7 temporary workers[14] and 4 CO.CO.PROs (for the customer service and supply chain areas), and consultants (for the technical department and sales area).

[13] In the specific case of the 4 interns present at 31/12/2023, the offices they belong to are: metrology room, marketing, technical department and production.
[14] The Company usually chooses to activate contracts for temporary work in the production and warehouse areas. With reference to the 7 active contracts as at 31.12.2023, the jobs held are assembly workers, CNC machine operators and warehouse workers.

EMPLOYEES[15] BY PROFESSIONAL FIGURE AND GENDER	2023											
	<35			30-50			>50			TOTALE		
	U	D	**TOT.**	U	D	**TOT.**	U	D	**TOT.**	U	D	**TOT.**
EXECUTIVES	0	0	**0**	5	0	**5**	11	0	**11**	16	0	**16**
	0.00%	0.00%	**0.00%**	0.61%	0.00%	**0.61%**	1.35%	0.00%	**1.35%**	1.97%	0.00%	**1.97%**
MIDDLE MANAGERS	0	0	**0**	19	0	**19**	35	2	**37**	54	2	**56**
	0.00%	0.00%	**0.00%**	2.33%	0.00%	**2.33%**	4.30%	0.25%	**4.55%**	6.63%	0.25%	**6.88%**
WHITE-COLLAR WORKERS	38	15	**53**	178	54	**232**	119	30	**149**	335	99	**434**
	4.67%	1.84%	**6.51%**	21.87%	6.63%	**28.50%**	14.62%	3.69%	**18.30%**	41.15%	12.16%	**53.32%**
BLUE-COLLAR WORKERS	62	0	**62**	154	0	**154**	92	0	**92**	216	92	**308**
	7.62%	0.00%	**7.62%**	18.92%	0.00%	**18.92%**	11.30%	0.00%	**11.30%**	26.54%	11.30%	**37.84%**

Employees by gender, SIPA 2022-2023



The overview of human resources employed at SIPA shows a clear majority of male employees, which can be traced back to the sector and technical tasks carried out by the various company departments[15]. The distribution of the company population by professional category, gender and age group remained in line with the percentage values recorded for the previous reporting year, with the largest proportion of employees aged between 30 and 50.

[15] The company does not require employees to specify their gender, but obtains the information indirectly via the tax code. For this reason, no employee falls into the “other” or “not reported” categories.
[16] The company does not require employees to specify their gender, but obtains the information indirectly through the tax code. For this reason, no employee falls into the "other" or "not reported" categories.

TRAINING AND SKILLS DEVELOPMENT

Skills development is one of the cornerstones of Zoppas' personnel management policy, which provided **146,198.5 hours of training** to its employees in the fiscal year 2023. In fact, the Zoppas Industries Group believes that a productive and cutting-edge working environment must provide employees with the best opportunities for specialisation and professional training. For this same reason, Zoppas Industries invests in training courses, designed to meet the needs gathered internally.

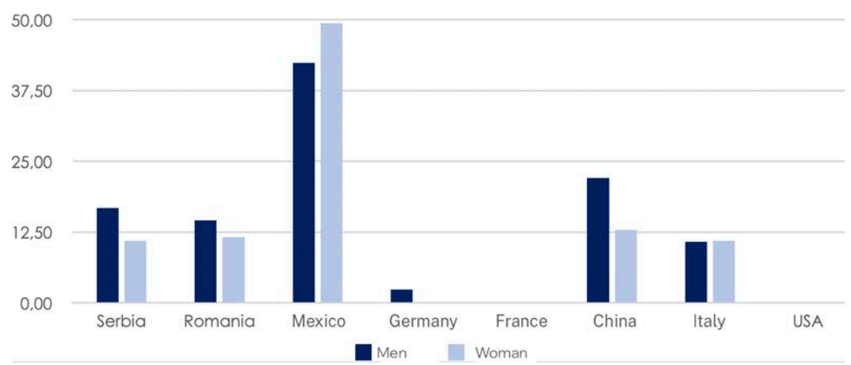
ZIHET

During 2023, ZIHET delivered a total of **138,760 hours of training**. Below are the average hours of training provided to ZIHET employees by professional category and gender, as well as a graph showing the average hours of training by gender and geographical area:

AVERAGE TRAINING HOURS

	2023		
	MEN	WOMAN	AVERAGE HOURS BY PROFESSIONAL CATEGORY
EXECUTIVES	10.5	51.0	14.8
MIDDLE MANAGERS	20.7	47.7	25.3
WHITE-COLLAR WORKERS	35.0	53.0	40.5
BLUE-COLLAR WORKERS	10.4	13.1	11.6
AVERAGE HOURS BY GENDER	**18.1**	**21.2**	**19.3**

Average hours of training by gender and geographical area, ZIHET 2023



The training and on-the-job training activities at Zoppas Industries are structured in a flexible and dynamic way, responding to different needs and indications from the various company levels.

With the exception of training that is compulsory by law, which is automatically integrated into the **Training Plan** under the supervision of the OHSO, other training activities are identified on the basis of criteria such as the need to enhance specific skills or to fill any gaps that may have arisen during the employee evaluation process;

When defining the training to be provided, factors such as the introduction of new machines, equipment or facilities whose use requires targeted training, and the needs arising from the risk assessment, as set out in the Information and Training Programme drawn up by the OHSO, are taken into account.

In addition to the proposals arising from the needs listed above, **specific training/ informative events are planned to raise the awareness** of personnel carrying out activities with a particular impact on quality, the environment and safety at work, and for the induction of new employees into the workforce; and, in some special cases, the possibility of structuring specific courses for particular talents, such as **master's degrees or customised development programmes**, is considered.

Annually, IRCA assesses the performance and skills of all employees, so as to better calibrate the training courses of its personnel and to foster professional growth; specific training needs can be reported either by function managers or by the resources themselves. Once collected and assessed, these needs can be integrated into corporate financial planning.

The evaluation of employee performance is aimed at:

- guide, stimulate and incentivise the improvement of individual, structure and Group performance;
- valuing the role and contribution of each resource;
- facilitate confrontation and dialogue between managers and co-workers;
- support managers on the most appropriate professional development interventions for their co-workers;
- provide tools to improve overall performance, also with the support of specific training interventions.

With regard to training delivery, training materials and resources are shared with all employees via **ZIHET Academy**, a dedicated website.
In line with this vision and the importance attributed to training and the continuous search for new talent to enhance the Group's internal competencies, ZIHET maintains solid and constant relations with schools and universities, both with regard to institutes located in Italy and universities close to the Group's foreign offices[16].

SIPA

As in the case of ZIHET, SIPA also endeavours to systematically survey the training needs of the various company areas and draw up a Training Plan, which is then submitted to the management for approval and, as in the case of IRCA, integrated into the company's financial planning. Training, therefore, is not generally aimed at all employees, but is delivered in a targeted manner according to the specific needs of different functions. During 2023, the Company provided a total of **7,438.5 hours of training**.

SIPA pays special attention to training on occupational health and safety (H&S), in respect of which a large part of the training activity is concentrated, even beyond the compulsory training – this especially considering personnel working in international contexts or on construction sites where specific safety requirements are demanded.

Courses are also offered to develop the soft skills of resources, such as communication and public speaking, available for those in the company whose specific job might require such skills; as well as training sessions dedicated to sustainability topics (specifically in 2023, the focus was on sustainable procurement and gender equality).

With regard to the delivery of training content on soft skills and general topics, SIPA works with established providers, while for technical content, such as patents, training is handled in-house.

Below is an overview of the average hours of training provided by SIPA to its co-workers during 2023:

AVERAGE TRAINING HOURS

	2023		
	MEN	WOMAN	AVERAGE HOURS BY PROFESSIONAL CATEGORY
EXECUTIVES	8.0	0.0	4.0
MIDDLE MANAGERS	6.0	5.0	5.5
WHITE-COLLAR WORKERS	9.0	3.0	6.0
BLUE-COLLAR WORKERS	11.0	13.5	12.3
AVERAGE HOURS BY GENDER	**8.5**	**5.4**	**6.9**

[16] This is the case, for instance, of ZIHET Romania's relations with the University of Timisoara, or ZIHET Huanzong's relations with Huazhong University of Science and Technology and the University of Shanghai for Science and Technology.

Average hours of training by gender, SIPA 2022-2023

The trend shown in the table and graph above highlights an increase in the average training hours provided in 2023 compared to the same data for the previous year.

In order to strengthen the Company's commitment to training, a project is currently being implemented to deliver IT security training online, through a platform that will provide greater flexibility and allow employees to manage their course participation independently.

Like ZIHET, SIPA also believes in the importance of attracting **young talent**, and activates projects with schools and universities that arouse their curiosity, promote technical learning and lead to the faster and more profitable integration of new co-workers. In particular, in 2023, young people with different backgrounds and schooling were offered a dedicated Tooling Academy, enabling them to train for the position of machine operator. Specifically, the Academy week is preceded by a talent attraction phase and preliminary selection interviews. Afterwards, a half-day in-company assessment is organised, where in plenary the students are confronted with aptitude and logic/mathematics tests. Once the candidates have been selected to join the Academy, a further training week is organised with SIPA lecturers in order to give the basics of drawing and machining and production cycles.

OCCUPATIONAL HEALTH AND SAFETY

The commitment to the protection of natural capital goes hand in hand with the **promotion of occupational safety and the individual and collective wellbeing of the human capital that is part of the entire Zoppas Industries Group**. For this reason, the Group has adopted policies of constant monitoring to ensure **optimal workplace health conditions** for its employees, accompanied by adequate and structured **policies for the prevention of accidents at work**.

With the intention of effectively addressing occupational health and safety aspects, both IRCA and SIPA have implemented a **management system at their Italian sites in accordance with Uni-Inail guidelines and covering all workers**. These guidelines are not intended for certification (or use for supervisory purposes by institutional bodies), but represent a fundamental document to be referred to in the planning, implementation and execution of a structured internal occupational health and safety management plan. It should also be noted that, in addition to monitoring and tracking accidents in special accident registers, all ZIHET and SIPA plants and to adapt the H&S training provided by the Company.

It should also be noted that for all Group companies, workers' health is monitored and protected by the occupational health service provided by qualified external providers through preventive and periodic health surveillance[18]. In addition, agreements are in place for all plants that allow employees to access healthcare services at reduced prices[19].

[17] The plants of the foreign Group companies do not have a certified occupational health and safety management system.
[18] This is a legal provision in several of the countries in which the Group operates (e.g. France, Italy, etc.). In the specific case of ZIHET Mexico, it is also pointed out that these examinations involve an annual audiometry and spirometry for workers most exposed to acoustic risks, and that, furthermore, during 2023 the Company promoted a vaccination campaign.
[19] For IRCA and SIPA, for example, there is an active agreement with the Metasalute Fund.

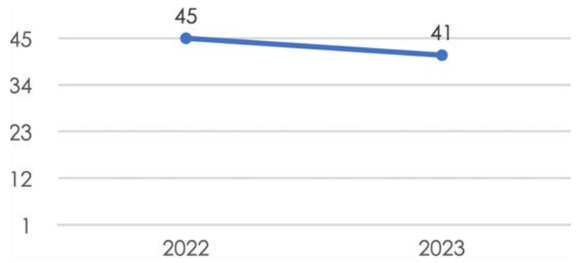
ZIHET

Consistent with the above-mentioned Uni-Inail guidelines, IRCA has equipped itself with a document for the identification and assessment of health and safety risks (DVR), in order to be able to map and assess all the main H&S-related risks in the Company on a regular basis. With respect to this issue, workers, through their WSRs, are made aware of the updated safety measures implemented or changes within the Organisation during periodic meetings, which, in the event of particular situations, may also be organised in extraordinary sessions, called at the company's initiative, through the OHSO or at the initiative of the WSRs.

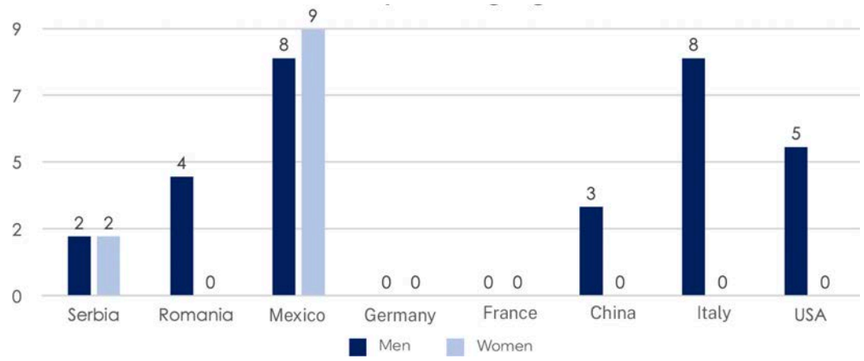
Employees are encouraged to report anomalies or dangerous situations through existing internal contacts (telephone, email, etc.) or directly to their supervisor/manager through the near miss reporting form.

Below is a table of accidents that occurred in 2023, broken down by geographical area: in total, 41 accidents were recorded during the reporting year, of which 9 had serious consequences (excluding death).

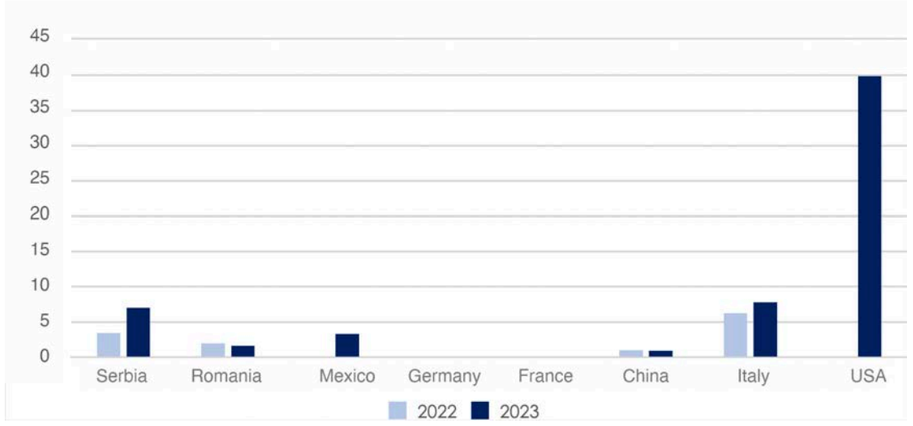
Number of accidents, ZIHET 2022-2023



Number of accidents per geographical area, ZIHET 2023



Accident rate, ZIHET 2022-2023 [20]



With regard to occupational diseases, during 2023, ZIHET recorded 9 cases of occupational diseases, and no deaths related to them.

H&S Training

In 2023, a total of 8,083 training hours were provided at IRCA (+58% compared to 2022, due in part to the renewal of expiring courses, as provided for by It.Legislative Decree 81/08; and in part to new additions, which have to be aligned with the training) divided into the following courses:

- Forklift driver training course
- PES/PAV electrical risk safety courses
- FAOA general and specific training update
- Lifting equipment training course
- Refresher course for first aid and emergency teams
- Training course for Safety officers
- Chemical risk training course
- Safety Managers Course
- Course for operators using products containing isocyanates

Also in the Group's foreign plants, the training hours dedicated to health and safety focused on similar topics, and courses related to specific tasks were provided to the workers concerned.

[20] Accident data for 2022 for ZIHET France, ZIHET Germany and Nova Coil (USA) are not available.

SIPA

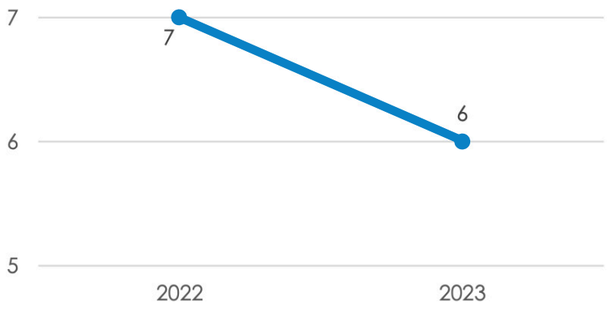
SIPA is committed to creating and maintaining a working environment that ensures the protection and safety of its employees, in compliance with current workplace safety regulations. To this end, SIPA constantly monitors data concerning health and safety in the workplace, consequently adopting all technical and organisational measures, both preventive and corrective, necessary to guarantee the best working conditions for its resources.

In particular, SIPA also has a formalised procedure for the identification and assessment of health and safety risks in its workplaces for each of its plants. Specifically, the OHSO periodically schedules meetings with the Safety Officer, the WSR (Workers' Safety Representative) and the Competent Doctor, in order to assess any new risk situations and to analyse the timing and progress of actions to improve safety and health in the Company.

As a consequence of the identified risk assessment and estimation phase, the appropriate prevention and protection measures to be taken are defined in order to eliminate or reduce exposure and/or the number of exposed persons. These measures form the Intervention Implementation Plan, i.e. the programme of measures to improve the overall level of safety within the Company over time.

Accidents and occupational diseases

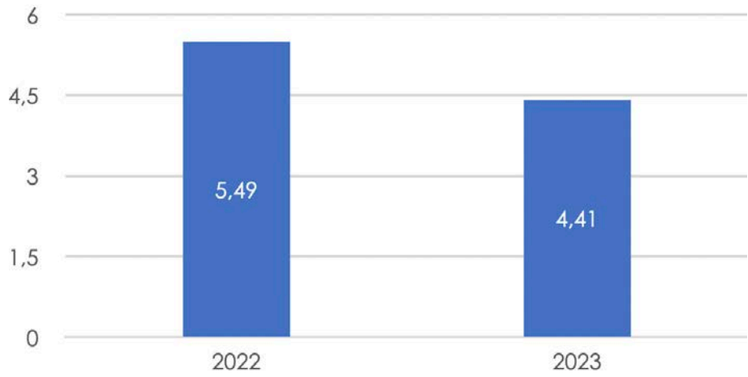
Number of accidents, SIPA 2022-2023



The trend of registered accidents over the last two years shows a progressive reduction in accidents, which becomes even more evident when considering the figures for 2022 (12 registered accidents). The same applies to the accident rate[21], while the severity index[22] remained stable compared to the previous year.

[21] The recordable occupational accident rate is calculated as the ratio of the number of recorded occupational accidents to the number of hours worked multiplied by 1,000,000 hours worked.
[22] The severity index is calculated as the ratio of the number of days lost due to accidents to the number of hours worked multiplied by 1,000.

Accident rate, SIPA 2022-2023



No cases of occupational diseases have been recorded in the last three years.
The internal procedure for analysing and recording accidents stipulates that in the event of an accident, the person in charge (head of department/function), together with the Occupational Health and Safety Officer, carries out an internal inspection and investigation and also reports any near misses, i.e. an event that occurred for which first aid is not required or a risky situation that could have led to an accident.

Subsequently, the OHSO defines in cooperation with the other corporate bodies the need to implement corrective actions and verifies the implementation and evaluates the effectiveness of any corrective actions applied.

Finally, the Human Resources department registers the accident in the Accident Register and, if the accident has a prognosis of more than three days, forwards the accident report/ notification to INAIL.

H&S Training

During FY2023 SIPA provided **3,927 hours of occupational health and safety training**. In particular, the courses delivered mainly concerned:

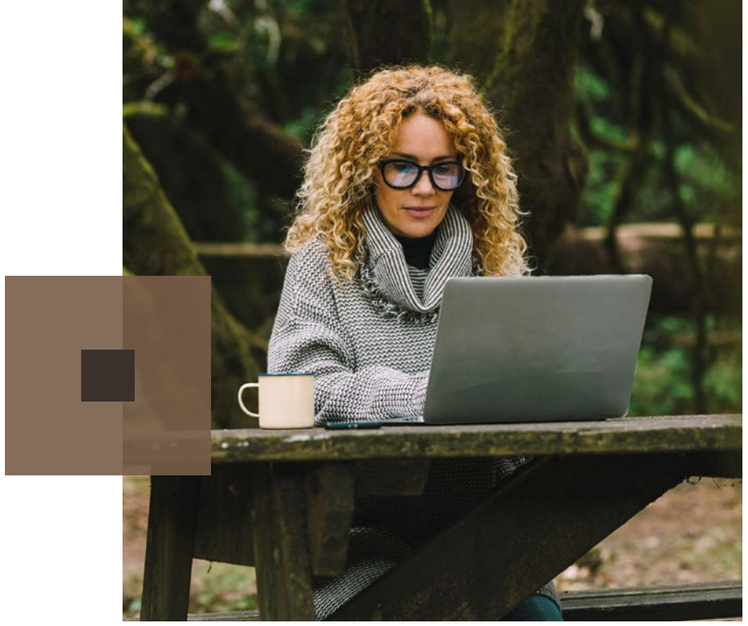
- General H&S training
- PES/PAV/PEI Electrical Workers Update
- Update of work at height and use of anti-fall PPE
- First aid training
- Emergency and fire-fighting training
- Forklift truck driver training
- Refresher training for supervisor
- Training Art. 36 It.Legislative Decree 81/08 & ISO 14001
- Overhead crane / Jib crane training
- Training for safety representatives
- Operating Instructions concerning the First Aid Plan in the event of accidents and/or illness

WORK LIFE BALANCE E CORPORATE WELFARE

Since 2017, Zoppas Industries has adopted a **dedicated platform for welfare plan management**. The functionalities and services included and available to the Group's employees were selected to support and adequately meet their needs[23]. Within the platform, in fact, several services for employee welfare are available, which can be found in the CCNL for workers in the private metalworking and plant installation industry, company disbursements and conversion of the performance bonus. By accessing the platform, beneficiaries are able to take advantage of various services such as shopping vouchers and fuel vouchers, reimbursements for transport and school expenses, and scholarships, so that they can select the benefits that best suit their interests and personal needs.

Culture	Pension fund	Long Term Care	Health Family Care Welfare
Medical Expenses	School Expenses	Social Welfare Expenses	Transport Expenses
Sport	Leisure Time	Travel and Holidays	Voucher

[23] In the provision of welfare and benefits, the Company makes no distinction between the various types of contract (fixed-term/indefinite-term; part-time/full-time).



It is then emphasised that, in the field of welfare, the Organisation is also committed to preserving the health status of workers by offering social security services, professional and extra-professional policies, psychological support initiatives[24] and coverage of medical expenses[25], as well as specific initiatives linked to the promotion of an active lifestyle, through the organisation of sports activities, which also encourage socialisation among resources and strengthen employees' sense of belonging. In line with the objective of encouraging socialisation, the Group implemented, at SIPA and the Italian offices of ZIHET, a car pooling project among employees to reach the workplace, thus combining, through the initiative, the optimisation of home-work journeys - with a consequent saving in terms of transport costs and CO_2 emissions - and the opportunity to socialise among colleagues.

Wherever possible, depending on the role of the resource within the Company, the regulated possibility of smart working is offered, according to formalised and regulated procedures.

In general, therefore, the promotion of flexibility and the improvement of the work-life balance represent strengths for the Organisation, ensure its competitiveness and, above all, consolidate employee satisfaction.

[24] Group staff, on a voluntary basis, can activate an account that allows them to use the following free of charge:
- various instruments and self-assessment tests to measure the state of well-being;
- exercises and video content to deepen the topics of interest;
- 4 consultations with a dedicated professional

Furthermore, at the end of the 4 free consultations, the user can, if interested, continue independently with further consultations at a reduced price per session.

[25] Including those incurred during business trips abroad.

RELATIONSHIP WITH THE COMMUNITY

The Zoppas Industries Group is concretely committed to contributing to the development of the community and the urban context in the territories where it operates.

To this end, it is personally involved in offering support to programmes or initiatives in the fields of education, health or the environment, and in listening to the needs and values of local communities, also offering them direct assistance where necessary. Below are some of the projects carried out by the Group for the region over the past year.

ZIHET

ZIHET Romania

During 2022 and until December 2023, ZIHET Romania committed to health and cancer prevention through a campaign aimed at raising awareness of the importance of cervical, breast and prostate cancer prevention. The main aims of the project were to strengthen the dialogue between the Company and its employees, to protect the well-being and health of all through screening examinations at its Medical Office, and to facilitate the booking of specialist examinations through the National Breast Cancer Prevention Plan in Romania.

ZIR also works with local hospitals to promote awareness of the challenges of access to paediatric care. This takes the form of encouraging employees to participate in support actions such as donating blood.

ZIR is also actively engaged in the environmental protection of the territories in which it operates through reforestation initiatives and the reconstruction of natural habitat and biodiversity. This is the case, for example, with the project "Ecological habitat reconstruction for the European bee-eater"(coracias garrulus), conducted in cooperation with various organisations in the area. This programme includes the planting of trees such as white poplars, oaks and ash trees, with the aim of preserving the environment and restoring the habitat of this bird species. In addition, the project also promotes the natural reforestation of flat areas near the city.

ZIHET Mexico

ZIHET Mexico, on the other hand, with the aim of protecting the health of the community and raising awareness about helping others, carried out the operation "Un dìa sin frìo" in the winter of 2023, replicating the same initiative already proposed last year. This project took the form of collecting blankets and duvets donated by employees and distributing them to people in need in the Santa Maria del Rìo area, in order to prevent seasonal illnesses and provide material support and proximity to the poorest families, helping them to cope with the harsh winter temperatures.

In the context of the "Jugueton" initiative, ZIHET Mexico employees collected and donated toys to schoolchildren in Rio Verde and San Luis Potosí in order to reduce the economic and social inequalities that, unfortunately, are an obstacle in these areas from an early age.

Other social commitments of ZIHET Mexico in the same area include sponsoring scholarships for the families of workers employed at its sites.

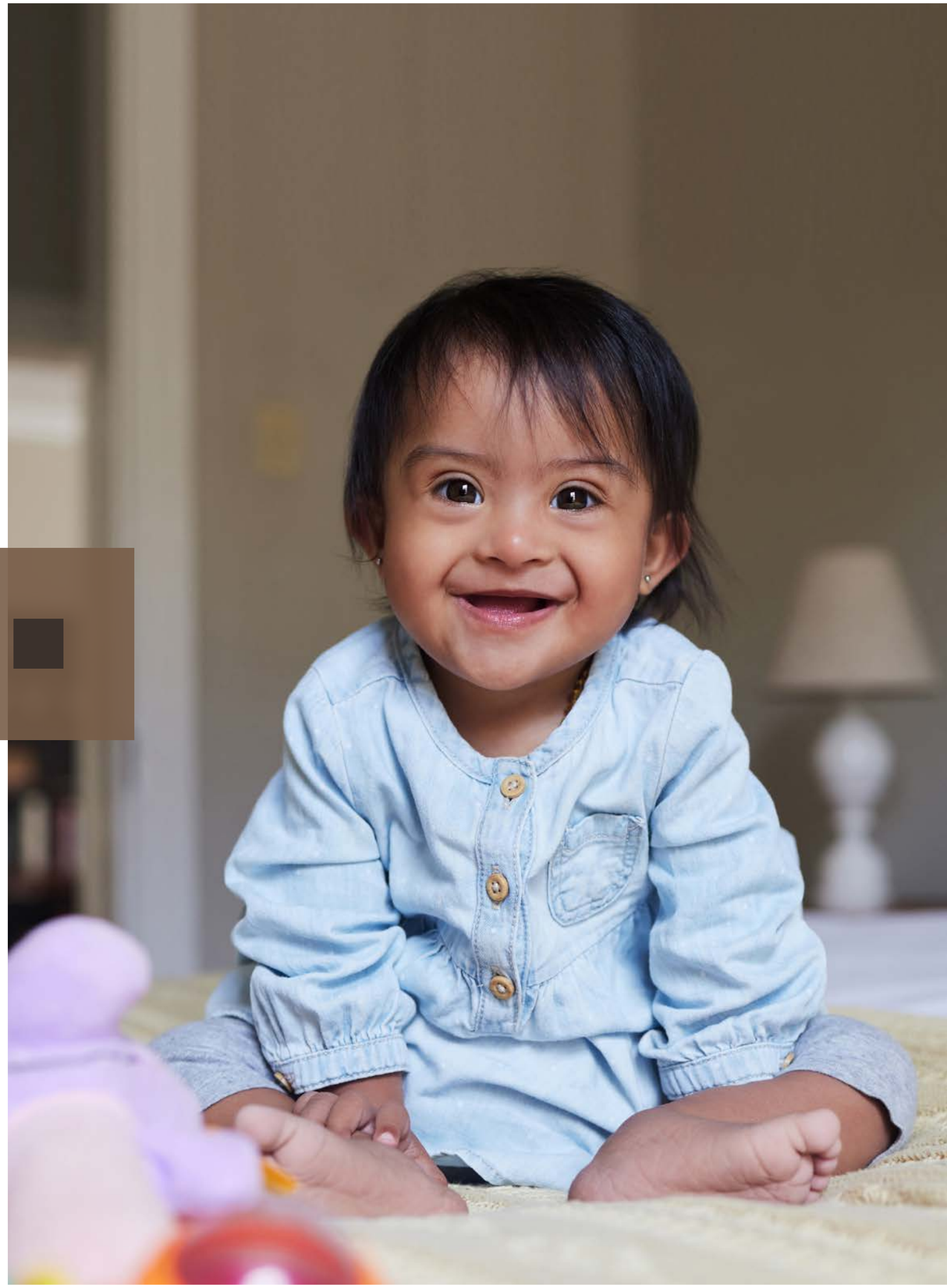
SIPA

SIPA supports the Azienda Pedemontana Sociale's project to provide care services to disabled, elderly and other frail persons who are not in a position to participate fully independently in the life of their community.

As a sponsor, SIPA also supported the 22nd edition of the Off Track MTB Giovanissimi, the final of the Vento Cup Kids. In particular, the cross-country sporting event, dedicated to children between the ages of 7 and 12, took place in Conegliano on 9 September 2023. Thanks to the support of SIPA and other sponsors and supporters, regardless of the outcome of the race, all registered children were given a souvenir medal, gadgets and school supplies.

Again in the context of projects related to local children, SIPA also supported the “Keep the Rhythm” project in 2023: an initiative of the Associazione Amici della Musica di Santa Lucia di Piave aimed at developing the creativity, motor coordination and emotional intelligence of the fourth grade pupils of the town's school through musical workshops.

Finally, during the reporting year, the company contributed financially to the planting of trees and the restoration of damaged playground equipment in the Bolda Park in Santa Lucia di Piave. These interventions were necessary due to the damage suffered by the park following the occurrence of extreme weather phenomena.



CUSTOMER AND END-USER PROTECTION

The Zoppas Industries Group guarantees compliance with the regulations of the sector in which it operates and is committed to complying with customer requirements, especially in the case of restrictions on the use of certain materials in production. The Group is committed to remaining compliant with established international regulations for the protection of the environment, as well as all safeguard measures for customers and end users of its products. Compliance is maintained through various methods and guidelines described in the Company's functional specifications.

ZIHET

ZIHET is committed to protecting human health and the environment by constantly improving the management of chemicals contained in the products manufactured and marketed by the Company. This commitment translates concretely into proactive management of the traceability of substances "of very high concern" (SVHC of the REACH Candidate List), substances subject to the restrictions identified in Regulation 1907/2006 (REACH) and Directive 2011/65/EU (RoHS 2), as well as any other substances relevant to specific customers or specific production chains, depending on the end-use markets of the products.

REACH Regulation and Waste Framework Directive

When technically possible and accepted by customers, ZIHET undertakes to market products that do not contain Candidate List SVHCs above the threshold of 0.1% at the individual item level. Conversely, where this is not possible, their presence is consistently communicated to customers, as required by Article 33 of the REACH Regulation, in conjunction with the issuance of a SCIP notification on the ECHA portal in accordance with the provisions of Article 9(1) of Directive 2008/98/EC (Waste Framework Directive) to ensure safe and appropriate end-of-life management of products.

RoHS directive

Recognising the important role of each operator involved in the production chain also in the end-of-life management of the products it introduces to the market, ZIHET ensures that each of its electrical and electronic equipment (EEE) complies with the requirements defined by the RoHS Directive applicable to EEE. To this end, ZIHET guarantees that the content of hazardous substances contained in such components complies with the limits defined in the Directive, ensuring that any exemptions are applied within the time limits defined by law.

Restriction lists of materials and/or substances

ZIHET has defined and formalised internal procedures to organically integrate the management of product regulatory requirements, including those presented in the previous paragraphs, with the specific requirements defined in the lists of restricted materials and substances requested by individual customers, depending on the sector in which they operate (e.g. RML, RSL) or the supply chain (e.g. Rail Industry Substance List (RISL), Global Automotive Declarable Substance List (GADSL)). For this purpose, ZIHET collects, archives and analyses, through the use of proprietary or third-party databases (e.g. IMDS – International Material Data System), the information transmitted by customers through dedicated portals (own or third-party).

In order to ensure its responsiveness in a constantly and rapidly changing international environment, ZIHET also works with the support of a specialised external consulting company, as well as industry associations, which enable the company to develop and keep up-to-date the skills of its staff, through "ad hoc" consultancy, training courses and technical committees and work groups. As of 2022, the Quality function was further strengthened with the establishment of the "**Regulatory Compliance Department**", responsible for the management of product legislative governance, including the management of materials and substances subject to customer and/or supply chain restriction lists.

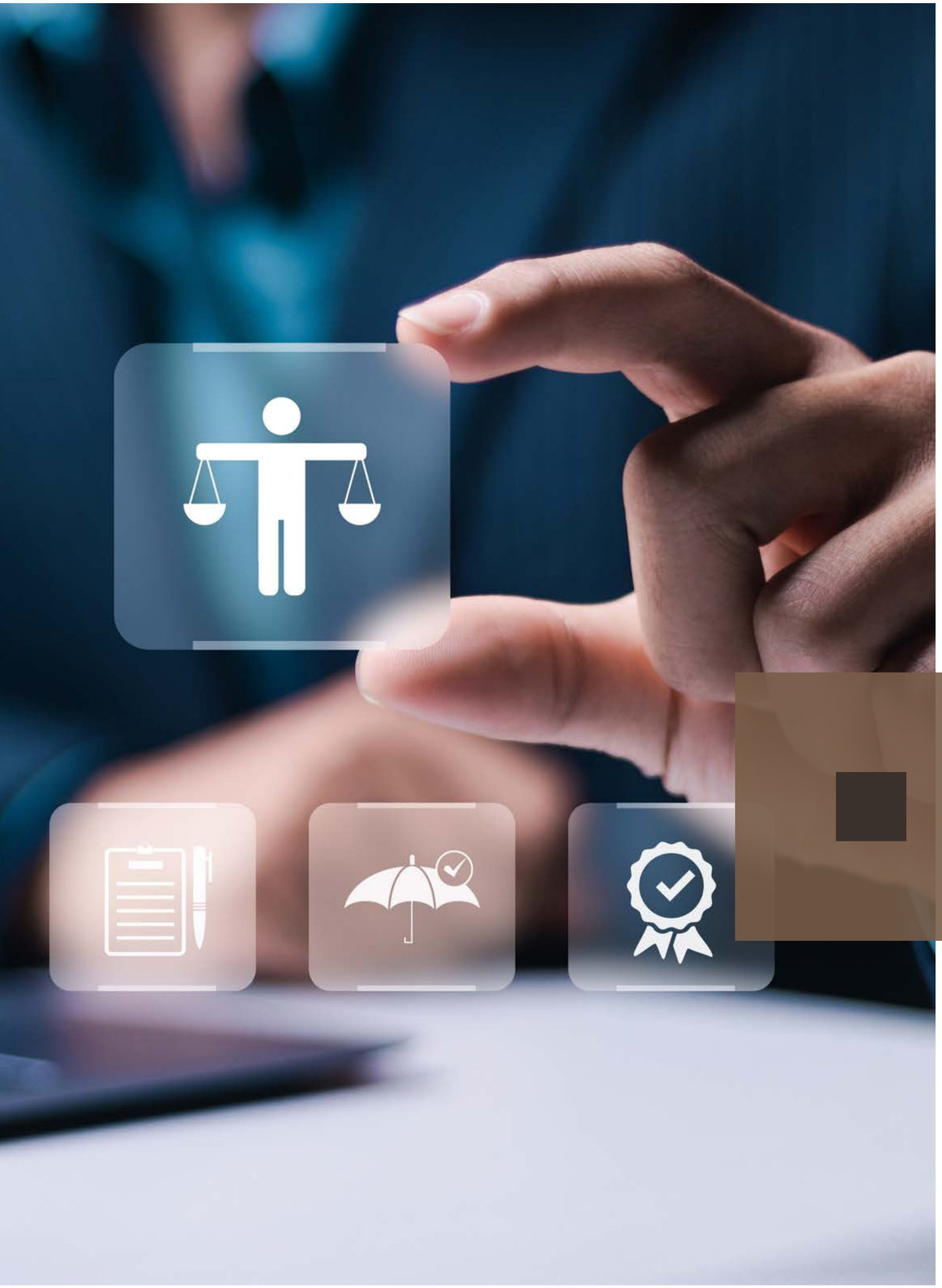
SIPA

SIPA excludes the use of potentially hazardous substances in the production and use phase of all its products. Conformity with regulations[26] is declared and documented to the customer with test reports from the laboratories on the machines.

ECHO PLATFORM

SIPA is always ready to provide a high level of support to its customers through local networks and remote help desks. SIPA has also adopted **ECHO**, the digital technology platform, as a multi-channel contact point that promotes the principles of the sharing economy and offers customers access to a wealth of targeted, real-time information: functions, applications and solutions that interact with data, connecting the entire ecosystem to actively create value. ECHO goes beyond the concept of a technical portal because it enables an exchange between SIPA and its customers. The personal areas of the application are customised according to the user's profile and interests, the type of SIPA technology installed and the type of product processed. In this way, the platform creates a direct line to the customer and talks to them through a unique communication channel, where operational processes become smart and available at the click of a button.

[26] Reference is made specifically to: Directive 2006/42/EC (Machinery Directive), PED (Pressure Equipment Directive), MOCA (Food Contact Materials and Objects), FPM-FDC (Food Contact Packaging Materials), REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) directives.



5 DISCLOSURE ON GOVERNANCE HIGHLIGHTS

MATERIAL TOPICS REPORTED

- Business ethics and risk management
- Supply chain management

SUPPORTED SDGs

KEY RESULTS

ZIHET

- Review of the Organisational, Management, and Control Model (MOG) 231 and the Code of Ethics of IRCA
- No reported breaches of customer data privacy
- Establishment of a Whistleblowing reporting channel
- Development of a Supplier Code of Conduct
- Completion of the EcoVadis questionnaire for IRCA, with a score of 50/100 for the Sustainable Procurement section
- Distribution of a survey to suppliers as part of the 2023 Conflict Minerals campaign

SIPA

- Review of the Organisational, Management, and Control Model (MOG) 231 and the Code of Ethics of IRCA
- No reported breaches of customer data privacy
- Establishment of a Whistleblowing reporting channel
- Drafting and promoting the signing of a Supplier Code of Conduct
- Evaluation and classification of suppliers based on EcoVadis criteria, categorising them as high, medium, or low risk.
- Completion of the EcoVadis questionnaire for SIPA, with a score of 70/100 for the Sustainable Procurement section
- Sustainable procurement policy and integration of the Sustainability Code of Conduct into contracts to ensure compliance with these standards
- Training on ESG issues to the Procurement Team

MAIN OBJECTIVES FOR THE FUTURE (2024 - 26)

ZIHET

- Definition and implementation of a Training Plan on ESG issues (with a focus on the sector and topics that have emerged as material) aimed at BoD members, members of ESG committees, etc.
- Translation of the Code of Conduct into all reference languages for Zoppas Group companies
- Optimisation of the supply chain through a reduction in the overall number of suppliers (-10%)
- Increasing the number of global trade agreements to improve operational efficiency
- Increasing the number of EcoVadis assessed suppliers at Group level
- Digitalisation of the supplier selection and evaluation process
- Improvement of the EcoVadis score

SIPA

- Promotion of a sustainable procurement model aimed at involving all SIPA strategic suppliers in a path of growth and improvement in the ESG area (strategic partnership with EcoVadis)
- Organisation of awareness-raising and training activities for suppliers on ESG issues and the management of the main ESG risks to which the supply chain is exposed
- Structuring the purchasing department in a clear definition of the roles and responsibilities necessary for an efficient running of the EcoVadis programme
- Implementation of a Supplier Portal

ETHICS IN THE CONDUCT OF BUSINESS

In the first half of 2023, Zoppas Industries Group formally revised its Organisation, Management and Control Model for the prevention of the offences set out in (It.) Legislative Decree no. 231/01 (“231 Model”), both with regards to IRCA and SIPA. In particular, both documents also contain the relevant Codes of Ethics. These documents enable the Group to have a clear and shared vision of the principles and rules of conduct to be observed in compliance with the law and in the protection of all stakeholders.

In relations with the Public Administration, customers, suppliers, and other business partners, the values of integrity, fairness, impartiality, and legality are promoted. Compliance with anti-corruption principles and rules, and abstention from any incompatible conduct, is required through dedicated contractual clauses.

Always in the context of the aforementioned documents, Zoppas Industries Group has also implemented, a Group-wide internal reporting channel for unlawful conduct (known as Whistleblowing procedure) relevant pursuant to (It.) Legislative Decree no. 231/01, of violations of the Code(s) of Ethics, of the Model(s), of the Management Systems and Protocols for Zoppas Industries Italy and SIPA.

This procedure can be taken as a reference for making reports relating to, for example:

- Violation of human rights;
- Financial fraud;
- Discrimination, harassment and sexual harassment;
- Competition violations;
- Money laundering;
- Corruption;
- Conflicts of interest;
- Environmental, health and safety issues;
- Disclosure of confidential information.

The procedure is formalised and included in a specific annex to the MOG 231, as regards both IRCA and SIPA.

THE CODES OF ETHICS OF IRCA AND SIPA

Code of Ethics

In order to create the prerequisites for an increasingly socially responsible and respectful attitude towards reference stakeholders, IRCA and SIPA have chosen to adopt **an ethical-behavioural guideline instrument** that lays down the **reference values** and **corporate commitments**, concretely regulating the relevant conduct of those who work in the service of the same and specifying rules and behaviour, which is recognised as having a positive ethical value.

Zoppas Industries Group has always operated with integrity, respecting not only the laws and regulations in force, but also the moral values that are considered inalienable by those whose ultimate aim is to act always and in any case with fairness, honesty and respect for the dignity of others, in the absence of any discrimination of persons based on gender, race, language, personal conditions and religious and political beliefs. In this perspective, IRCA and SIPA adhere to the principles set out in (It.) Legislative Decree no. 231/2001 through the adoption of the Organisation, Management and Control Model for each of the Group’s two cores, which finds its highest expression in the Code of Ethics, which, as mentioned, is therefore an integral part of the Models.

The Codes, aligned in their contents and fundamentally similar in the values they express[27], do not replace or overlap laws and other external and internal regulatory sources, but rather embody useful tools to supplement and reinforce the principles contained in those sources, with specific reference to the **ethical nature of corporate behaviour**.

They represent, therefore, the tool designed to identify and define the set of **corporate ethical values** that it recognises, accepts and shares, assuming the corresponding responsibilities in the event of non-compliance. Through these documents, the Group publicly declares that it wishes to pursue the highest levels of ethics in the fulfilment of its corporate mission, identifying operating standards and rules of conduct, also with respect to the prevention of the offences contemplated in (It.) Legislative Decree no. 231/2001.

[27] By virtue of this overlap between the two Codes of Ethics, in this paragraph, we refer generically to the “Code of Ethics”, using the singular, but always referring to the content of both documents.

Anti-corruption and transparency

Zoppas Industries Group undertakes to put in place all the measures necessary to prevent and avoid acts of corruption, bribery, fraud and other unlawful conduct that constitute offences under (It.) Legislative Decree no. 231/2001.

With this in mind, it is forbidden to offer or induce the offering of money, gifts or compensation of any kind (including the hiring or granting of consultancy appointments and promises of hiring or appointments, or discounts or more favourable purchasing conditions on products) that may reasonably be interpreted as exceeding normal courtesy practices, exert unlawful pressure, promise any object, service, performance or favour to public officials, public service officers, managers, officials or employees of the Public Administration or public service concessionaires or to their close relatives or cohabitants, whether Italian or from other countries. If the Company uses a consultant or a third party to represent it in relations with the Public Administration or public service concessionaires, it must be envisaged that such parties accept all the rules of the Code in writing.

In relations with the Public Administration or public service concessionaires, the Company must not be represented by collaborators who might have a conflict of interest with them. In the course of a business negotiation, request or commercial relationship with the Public Administration or public service concessionaire, it is forbidden to solicit or obtain confidential information that could compromise the integrity or reputation of one or both parties. It is strictly forbidden to submit untrue declarations to public bodies, whether national or international, in order to obtain public grants, contributions or subsidised loans, or to obtain concessions, authorisations, licences or other administrative acts. It is forbidden to allocate sums received from public, national or Community bodies, by way of grants, contributions or financing, for purposes other than those for which they were designated. It is prohibited to alter the operation of a computer or data transmission system of the Public Administration or to manipulate the data contained therein in order to obtain an unfair profit.

Conflicts of interest

In order to avoid situations of conflict of interest, the Code of Ethics requires all its addressees to refrain from including personal economic and financial interests in their relations with suppliers and competitors, just as it requires all Group employees not to carry out any type of work activity with suppliers or competitors.

Reflecting a general principle of transparency, the Code of Ethics expressly forbids accepting money or favours from persons or companies that are already, or intend to enter, into business with Zoppas Industries Group in order to avoid situations of conflict of interest.

In the event of a conflict of interest, the person concerned is required to immediately inform his/her supervisor and/or the Supervisory Board.

In addition, with the exception of limited activities within the scope of organisations with a social purpose (school committees, local sports associations, or owners' associations), any offers to employees of managerial positions with non-executive or supervisory duties in commercial or non-profit ventures must be submitted to the relevant bodies within the Group for examination and approval.

Privacy and data protection

Zoppas Industries Group aims to treat the data and information in its possession with an adequate level of confidentiality and is committed to observing the provisions on the protection of personal data, in order to respect the privacy of those with whom the company interacts (including, first and foremost, employees and collaborators, customers, partners and suppliers). The Company therefore safeguards the confidentiality of information belonging to it that constitutes a corporate asset, or in any case of the information or personal data of third parties in its possession, by strictly complying with current legislation on the protection of personal data.

During the reporting year, there were no established cases of privacy breaches or data loss at Group level.

Respect for human rights and prohibition of discrimination

Zoppas Industries Group places respect for and the protection of human rights at the centre of its activities and promotes this principle also in its relations with all its Partners, as well as with its employees. In this regard, it is committed to the protection of individual freedom, in all its forms, and repudiates any kind of discrimination, violence, forced or child labour.

In the working relationship with its collaborators, the Group prepares and endeavours to maintain all the necessary conditions so that the professional skills and competences of each one can constantly enrich and evolve for the better. In line with this and with the other ethical principles that characterise its activities, the Group protects the moral integrity of its employees, guaranteeing them working conditions that respect personal dignity. Any form of pressure, violence or threat to induce persons to act contrary to the law and to the principles contained in the Code of Ethics is therefore prohibited. This is why Zoppas Industries Group:

- will not tolerate violent, threatening or psychologically abusive behaviour or behaviour that is in any way detrimental to the moral sphere of others in the workplace;
- will not tolerate sexual harassment behaviour in the workplace, of whatever degree, nature and severity;
- does not allow discriminatory behaviour in the workplace that offends the dignity of others on grounds of race, ethnicity, sexual orientation, age, religious belief, social class, political opinion, state of health.

It is therefore the Company's prerogative to recognise and safeguard the dignity, freedom and equality of human beings, to protect labour and trade union freedoms, health, safety, the well-being of the local communities in which the Organisation operates, as well as the system of values and principles on transparency and sustainable development, as affirmed by International Institutions and Conventions. Within this framework, the Group promotes a policy aimed at the concrete implementation of the Universal Declaration of Human Rights, approved by the United Nations' General Assembly on 10 December 1948, which is directly applicable to today's world of work and is the foundation of the UN Global Compact Human Rights Principles, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises and the principles enshrined in the United Nations Global Compact.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Zoppas Industries Group is actively committed to promoting the principles of sustainability along the entire supply chain, requiring third parties it works with to adhere to the provisions of its Code of Ethics. The Group reserves the right to terminate relations with business partners that do not comply with the ethical and sustainability standards outlined in its Code of Ethics, thus ensuring consistent alignment with the Company's fundamental principles. This approach reflects the Group's commitment to a responsible and sustainable management of its supply chain.

In this context, the Company is dedicated to several concrete actions:

- **Selection and qualification of suppliers:** The Group carefully selects its suppliers, favouring those whose approach is in line with the corporate policy and the values of ethical, social and environmental responsibility that it promotes. This selection and qualification process ensures that business partners share the same ethical and sustainable standards as the Group.
- **Continuous monitoring:** The suppliers are subject to constant monitoring to ensure compliance with the required standards.
- **Choice of business partners:** In the decision-making process for the selection of business partners, the Group gives priority to maximum competitive advantage and the highest quality, avoiding any form of discrimination. In addition, preference is given to local suppliers to support the development of the local economy and promote employment in the area.

ZIHET

The main suppliers with whom ZIHET interacts represent a fundamental pillar of its "upstream" supply chain as they supply a wide range of raw materials, including steel, aluminium, magnesium and other materials essential for production.

In addition to **raw materials**, numerous suppliers of **electronic components, cables and small parts** also contribute equally to the effective creation of ZIHET finished products.

The geographic distribution of ZIHET's suppliers is wide, with a significant presence in many regions of the world, including Japan, China, India, and various European countries, such as Italy, Romania and England; among these are centres of excellence for steel production, such as Japan, China and Europe.

The traceability of supplies depends on the type of material. For example, steel is often a priority due to customs and quality requirements. Other materials, however, may be more difficult to handle and require special attention.

In general, ZIHET suppliers fall into two main categories: **suppliers of direct materials**, which include raw materials and components required for production, and **suppliers of indirect materials and services**, which include goods and services used to support business operations, such as maintenance, transport and consulting services.

Direct materials

As far as the supply of direct materials is concerned, in 2023 ZIHET has **around 1,000 suppliers**, supporting a **catalogue of more than 14,000 items**. Of these, 3200 were recently introduced or revised, reflecting a significant dynamism in supply needs.

The total expenditure for direct materials amounts to EUR 315 million, with **80% suppliers being local** and the remaining 20% suppliers being foreign. This procurement structure is supported by a team of 39 buyers, 8 supplier quality experts (SQEs), 13 managers and management staff, working with common ERP systems, such as SAP and business intelligence (BI) platforms for reporting, which facilitate collaboration between the different regions.

Indirect materials and services

As far as indirect materials and services are concerned, in 2023 ZIHET operates a network of **over 2000 suppliers**, a number that is 15% lower compared to the previous year. These suppliers support the management of an extensive **catalogue of 35,000 articles**, comprising 32,000 purchase orders and 75,000 order rows. Total expenditure on indirect material procurement and services typically ranges between EUR 120 and 140 million, depending on the annual investment, with five teams spread across three continents to manage the operations.

Objectives and new initiatives

ZIHET Group aims to **further optimise its supplier network**. One of the main goals for both direct and indirect materials is to **reduce the total number of suppliers by 10%**, with the benefits expected from the standardisation of processes and the adoption of best practices.

Another goal is **to increase the number of global trade agreements to improve operational efficiency**. For direct materials, it is planned to extend key performance indicators (KPIs) to monitor cash outflows in all production units. In addition, the development of new global KPIs and the appointment of commodity specialists were planned in order to consolidate and standardise business procedures and policies across the various ZIHET operations.

For direct materials, a strategic backup plan was planned to ensure the availability of critical materials, with the aim of establishing shared objectives and dedicated teams to manage supply risks.

ZIHET then undertook a number of other initiatives aimed at improving the management of its supply chain, focusing on promoting sustainability and transparency principles among suppliers as well. To meet this challenge, the Company has drawn up a new **Code of Conduct specifically aimed at suppliers** and has improved the management of procurement contracts, focusing mainly on safety and compliance, aspects already included in the Code of Ethics.

These initiatives are reflected in the score ZIHET received from **EcoVadis**. On the purchasing and supplier side, the Company achieved a rating of 50/100 for the IRCA plant in Conegliano, performing significantly better than their competitors.

ZIHET has also **surveyed the percentage of EcoVadis-certified suppliers** among its existing ones and has set itself the goal of gradually increasing this percentage. Although initially the selection of suppliers did not take sustainability criteria into account, ZIHET is gradually including these aspects. In particular, since 2021, the Company has conducted a significant revision of its supplier selection and evaluation process, broadening the focus to include environmental requirements. Specifically, in 2023, 82% of the analysed suppliers were ISO 140001:2015 certified, an increase over the previous year (+22%). The selection process involves a detailed list of questions addressing topics such as energy supply, emissions and certifications.

At the same time, the Company launched a project to **digitise the supplier selection and evaluation process**, aiming to reduce paper usage. The Company also implemented a supplier scorecard that evaluates aspects such as price and quality of the products supplied.

Logistics

As far as logistics management is concerned, a commitment of ZIHET is to adopt a policy favouring the use of local suppliers for all its locations, both in Italy and abroad. This not only supports the development of local economies, but also reduces the environmental impact of transporting goods over long distances.

ZIHET is aware that, in some areas affected by conflict or at high risk, mineral extraction and trade can lead to serious abuses and negative impacts. To address this challenge, the Company has voluntarily taken **steps to ensure a responsible supply chain for tin, tantalum, tungsten, gold and their derivatives**, although it is not subject to specific regulatory obligations.

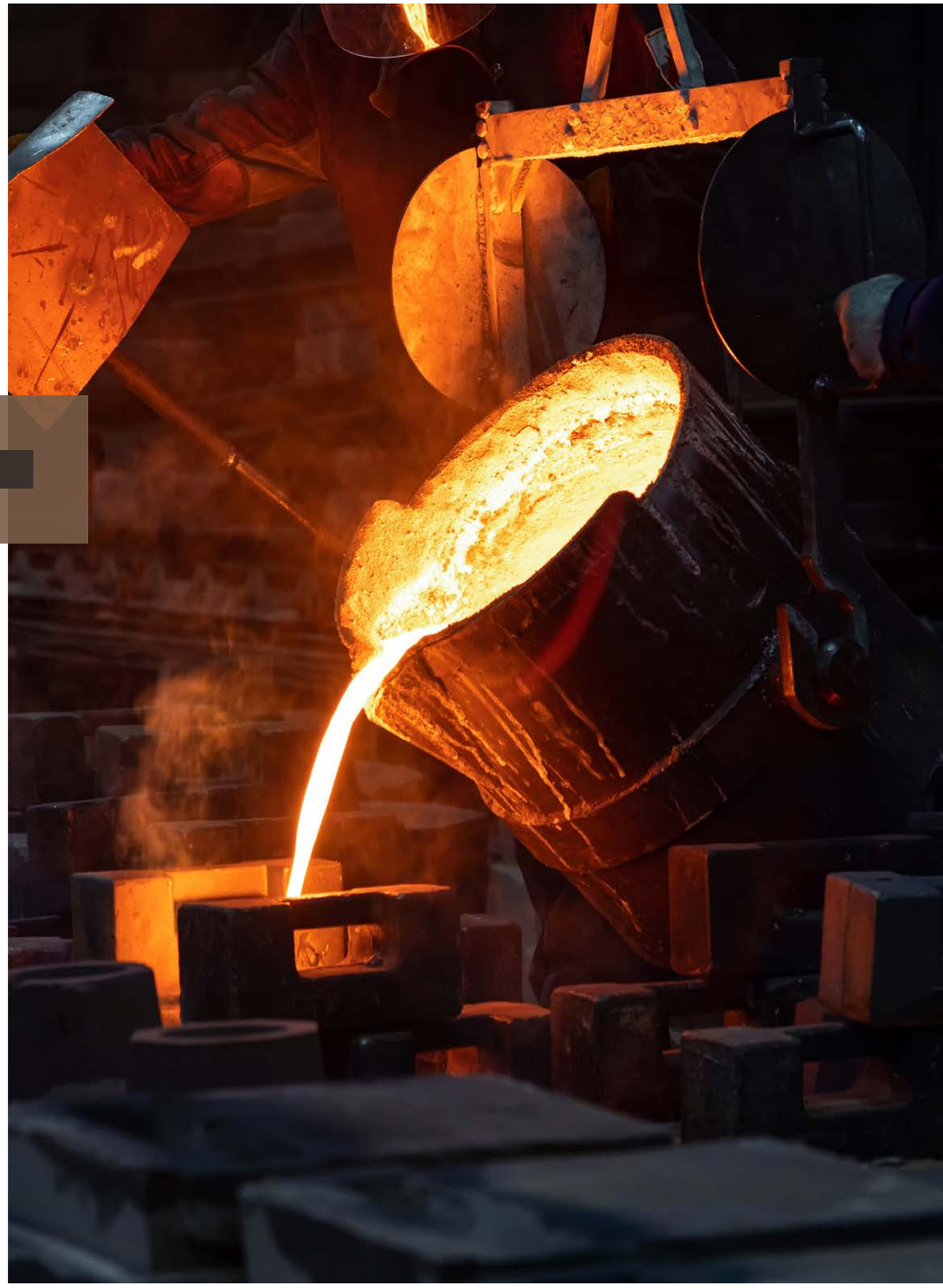
CONFLICT MINERALS POLICY

The "**Policy for Responsible Supply of Conflict Minerals**", formalised in 2015 and updated in June 2021, represents ZIHET commitment not to contribute to negative phenomena that may arise from the extraction, processing and trade of minerals from conflict-affected or high-risk areas, including: serious abuses associated with the extraction, transportation or trade of minerals, direct or indirect support to non-state armed groups, direct or indirect support to public or private security forces, bribery and misrepresentation of the origin of minerals, money laundering, payment of taxes and royalties due to governments.

The US Securities and Exchange Commission (SEC) passed the "Conflict Minerals" procurement law, as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 ("Conflict Minerals Rule"). In 2017, the European Union adopted Regulation (EU) 2017/821 laying down due diligence requirements for EU importers of tin, tantalum, tungsten, gold and their derivatives from conflict-affected or high-risk areas. With the aim of safeguarding the security, transparency and traceability of its mineral supply chain, ZIHET is committed to applying the principles outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, in particular by:

- integrating appropriate due diligence procedures into corporate management systems
- periodic tracking of the presence and origin of 3TG minerals in its critical supply chain through the use of the CMRT module
- mapping the supply chain to trace the origin of minerals and identification of certified smelters;
- an active dialogue with suppliers to mitigate identified risks;
- suppliers' adherence to the same due diligence principles;
- publication of the policy on the company website.

ZIHET is committed to maintaining up-to-date risk assessments of the presence of 3TG minerals in its critical supply chain, adopting the standard "Conflict Minerals Reporting Template" (CMRT) as a reporting tool. Furthermore, ZIHET establishes an open dialogue with suppliers to address identified risks and take all necessary actions to ensure a responsible and sustainable supply chain.



SIPA

SIPA's purchasing department manages the procurement of materials required for the production of its products, transport, installation and start-up services for end customers (direct materials), and all materials and services required for the operation of plants and personnel (indirect materials and services).

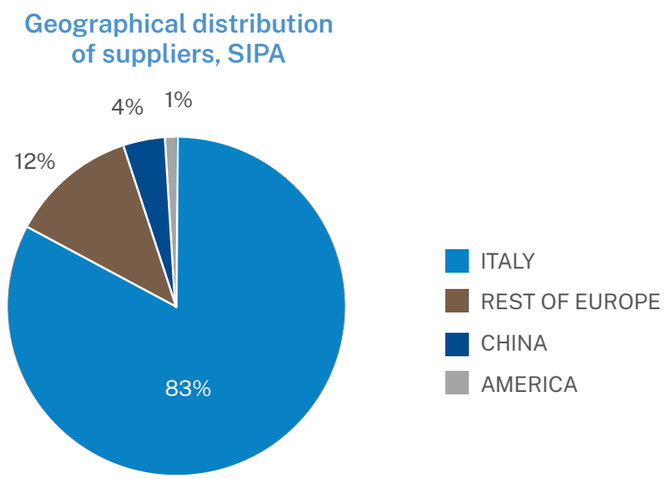
Direct materials

As far as items belonging to direct procurement are concerned, the main suppliers can be identified as engineering companies, manufacturers of commercial components or complete machines, companies providing specialised services in the food and beverage sector, and specialised operators in the world of industrial logistics.
Direct purchases are characterised by their **repetitive nature**, which depends on the finished products sold during the year.

Indirect materials and services

With regard to indirect purchases, the main suppliers are companies that provide corporate catering, cleaning, real estate or plant maintenance, and companies that produce or sell products, such as machine tools, industrial equipment and consumables of various types, vehicles, hardware and software, and civil works. Indirect purchases, on the other hand, are only partly repetitive, as they are made according to needs that arise or investment projects that emerge from year to year.

In terms of geographical location, the table for the reference year is shown below:



In 2023, SIPA overhauled its supplier selection process, placing special emphasis on environmental requirements. Using a self-assessment questionnaire with a specific section for these criteria, it evaluated 21 new suppliers. Of these, 2 suppliers were critical for the company, representing 9.52% of the total, while the remaining 19, or 90.48%, were non-critical. These results highlight the effectiveness of new corporate policies in promoting sustainable practices among business partners.

Objectives and new initiatives

In 2023, SIPA launched a series of initiatives to improve the involvement of external stakeholders in its supply chain. These initiatives enabled the company to achieve an overall Ecovadis score of 70/100 in all major assessment areas.

Currently, the company assesses its top 200 suppliers using EcoVadis criteria, classifying them according to high, medium or low risk levels, and, after an initial screening phase, asks them to complete a self-certification questionnaire provided by EcoVadis.
complete a self-certification questionnaire provided by EcoVadis.
The main initiatives undertaken by the Group include:

- **Sustainable procurement policy:** SIPA has implemented a purchasing policy that includes environmental and social criteria. Suppliers must comply with a Sustainability Code of Conduct, which is integrated into contracts to ensure adherence to these standards.
- **Screening of expenditure categories:** SIPA conducted a detailed screening of its expenditure categories to assess the sustainability risk. This made it possible to identify high-risk suppliers, subject to sustainability assessments and/or audits.
- **Dissemination of the Code of Conduct to suppliers:** The **Supplier Code of Conduct** was introduced, forwarded and signed by the 143 main suppliers. A sustainability risk assessment was introduced in the evaluation and validation process of new suppliers in July 2022.
- **Specific monitoring:** SIPA monitors suppliers' use of materials from conflict areas (via CMRT) and verifies chemicals according to REACH standards, ensuring compliance with regulatory requirements

Based on the materiality matrix developed by EcoVadis, which highlights SIPA's main strengths and improvement points, the company started to include improvement clauses in supplier contracts and organise workshops based on measurable targets for the future. Using the EcoVadis IQ platform, it can request suppliers to provide relevant information to assess and improve their environmental and social impact.

In particular, SIPA aims to further optimise the supplier network. To this end, it has entered into a strategic partnership with EcoVadis, with the aim of promoting a "**Sustainable Procurement" model** that will be developed over the next three years and that aims to involve all of SIPA's strategic suppliers in a path of growth and improvement in the ESG sphere. This involvement includes the participation especially of medium- to high-risk suppliers according to EcoVadis, to identify and implement improvement action plans and to monitor progress through future audits.

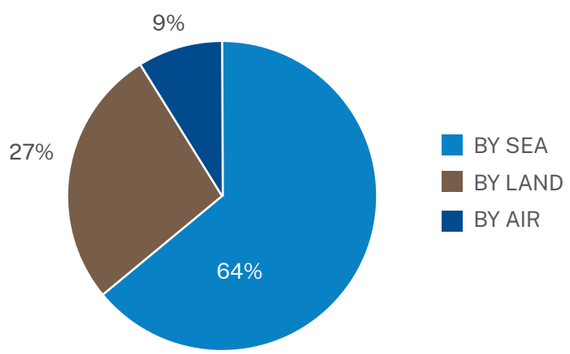
The outputs of the project are as follows:
- evaluation of supplier performance through a questionnaire covering several areas
- definition of customised improvement plans
- supplier training and support
- reporting of results.

SIPA then undertook a number of other initiatives during the reporting year to improve the involvement of external stakeholders in its supply chain, including:

- **Paper and packaging materials:** SIPA has active purchasing contracts that guarantee the use of recycled or FSC-certified paper and packaging boxes.

- **Supplier Portal:** Lastly, the implementation of a portal has been postponed to 2025, following the implementation of the new ERP SAP, through which SIPA will be able, among other benefits, to adopt strict contract management, with a focus on supplier compliance, and reduce the use of paper, toner, and archives. In addition, all persons involved in the information management process with suppliers will benefit from a leaner operational process, concentrating on higher value-added activities with an improvement in the quality of their work.

Shipments to customers, SIPA 2023



SIPA manages its "upstream" supply chain through a series of strategic partnerships with forwarding agents and (lower-impact) sea carriers for long-distance deliveries, while for shorter-distance deliveries, components and spare parts it mainly uses air freight, supplemented by road shipments for the remaining requirements.
The distribution, in terms of weight transported out, depends on the type of products sold and the location of the customers. For the reference year it is as follows:

SIPA shared with the Group guidelines for optimising logistics in terms of reducing CO_2 emissions. They include:
- Selection of new sustainability-oriented partners;
- Adoption of the so-called "milk run" principle, a method of delivering goods in which a vehicle picks up loads from several suppliers to group them and transport them in a single consignment. Some suppliers, active for years, manage flows with outsourced process providers in the provinces of Treviso, Pordenone and Parma.
- Optimisation of the supply process between China and Europe to have a high saturation factor of individual cargo units (fewer trips) and to intensify the use of rail or sea services, which have a lower impact than air transport.

In the reporting year, SIPA saw a marked increase in tonnes transported by sea and air compared to previous years, reflecting a trend towards optimisation and expansion of these shipping methods.

ROUTE	MODE OF TRANSPORT (TRANSPORT VOLUME/WEIGHT 40' BOX)	ton CO_2E (WTW)	ton CO_2E (TTW)
FROM: HANGZHOU, CHINA TO: VITTORIO VENETO (TV)	Option "A" (by air)	71.11	58.26
	Option "B" (by sea)	1.2	1.08
	Option "C" (by train)	3.9	0.07

Source of calculation EcoTransIT World - UNI 16258

Shipping method

	TRAIN		SEA		PLANE	
	NO. OF SHIPMENTS	T	NO. OF SHIPMENTS	T	NO. OF SHIPMENTS	T
2018	0	0	106	455	149	23
2019	4	15	87	347	255	42
2020	36	108	22	149	396	53
2021	11	45	41	406	122	148
2022	0	0	48	505	104	228
2023	0	0	61	746	142	241

6 THE ZOPPAS INDUSTRIES GROUP CSRD ROADMAP

TO MEET THE REQUIREMENTS OF THE NEW CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

Zoppas Industries Group, aware of the impact of its activities on the environmental and social contexts in which it operates, acts to create added and shared value in the long term, with workers, customers, suppliers and communities, thus integrating the concept of sustainability into its business model.

The approach to ESG (Environmental, Social, Governance) issues, which in recent years has attracted the constant and growing attention of international and national institutions, as well as citizens and consumers, represents the synthesis of initiatives, strategies, projects and activities designed to develop a positive impact on the three dimensions of the acronym:

- **Environmental Responsibility (E),** with reference to priority environmental protection issues, such as, for example, the development of a circular economy model, the containment of climate change, and the implementation of the energy transition towards renewable sources;
- **Social Responsibility (S),** with reference, inter alia, to aspects relating to people, the protection of gender equality, and the values of integrity, legality, safety and health in the workplace;
- **Governance (G)**, with reference to “business done ethically” and corporate governance consistent with this assumption.

At the regulatory level, on 16 December 2022, the text of the **EU Directive 2022/2464 ("Corporate Sustainability Reporting Directive" or simply "CSRD")** was published in the Official Journal of the European Union, a measure aimed at creating a common European reporting framework that improves the content and quality of information on ESG aspects published by companies on an annual basis, so as to meet the information needs of a growing number of stakeholders (e.g. investors, banks, customers, suppliers, etc.) in terms of completeness, reliability, and transparency. Together with the **Sustainable Finance Disclosure Regulation** (Regulation EU 2019/2088), the **Taxonomy Regulation** (Regulation EU 2020/852) and the **Corporate Sustainability Due Diligence Directive** (CSDDD), the CSRD is part of the package of measures designed by the European regulator to facilitate the flow of capital and investment towards ESG-friendly activities and companies.

By the first half of 2024, all national legislators, including the Italian one, are called upon to transpose Directive EU 2022/2464 into their regulatory framework.

The development of ESG reporting in accordance with the requirements of the new CSRD has considerable implications for companies in terms of both risks and opportunities. Listed below are some of the main points of attention, many of which are already the subject of specific monitoring within Zoppas Industries Group:

Governance of ESG issues

- The new ESRS standards will require companies to define and report on their **governance model to ensure that ESG issues are properly addressed**.
- In particular, Organisations will be required to establish, or enhance if already in place, **the set of processes, controls, and procedures** used to monitor and manage the impacts, risks, and opportunities associated with ESG issues.

Double materiality

- Identifying the ESG issues upon which to focus reporting will necessitate that companies identify and assess both the impacts that their activities have on the environment and on individuals ("**Impact materiality**"), as well as the implications of varying degrees of efficacy in managing ESG factors on the organization's resilience and business continuity ("**Financial materiality**").

Sustainability strategy

- The implementation of a reporting model that is both retrospective and prospective (**a "forward-looking" approach**) necessitates that companies establish short-, medium-, and long-term sustainability targets, alongside appropriate KPIs for monitoring and reporting on progress.
- Within this "Sustainability Plan," particular emphasis should be given to the **Climate Strategy** that the organization intends to pursue. Companies will be required to report on their commitment to addressing climate change in accordance with the guidelines set forth by the TCFD (Task Force on Climate-Related Financial Disclosure).

Nature of data reported

- To develop CSRD-compliant reports, companies will be required to adopt the new **European Sustainability Reporting Standards** (ESRS).
- In reporting on the impacts, risks and opportunities related to ESG issues, they will often be required to consider not only what happens within organisational boundaries, but also the **implications of the activities carried out by others along the entire value chain**.

Taxonomy Regulation

- Companies subject to the CSRD will have to update their accounting systems to be able to report on **eligible activities aligned with the eco-sustainability objectives defined in Regulation EU 2020/852** and its delegated acts.

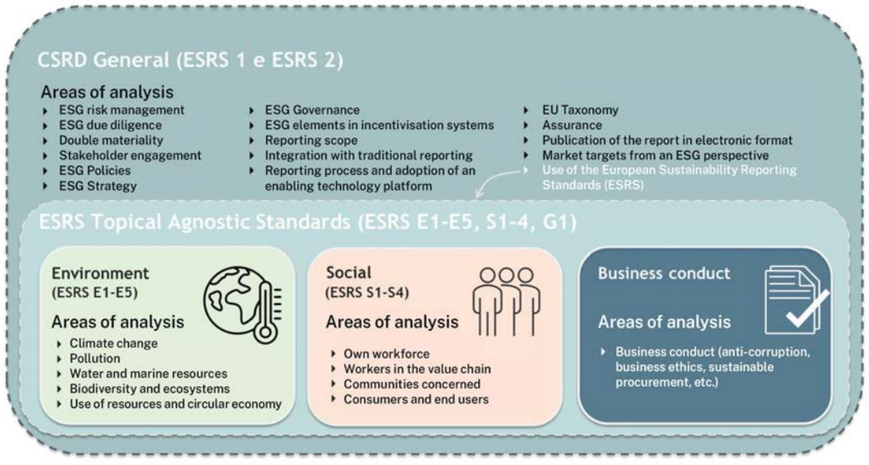
Assurance obligation

- Prior to publication, ESG reporting will be mandatorily **subject to assurance by a qualified and independent auditor** (initially adopting a "limited assurance" approach, with the prospect of transitioning to a "reasonable assurance" approach in the future).

Integration in the Report on Operations

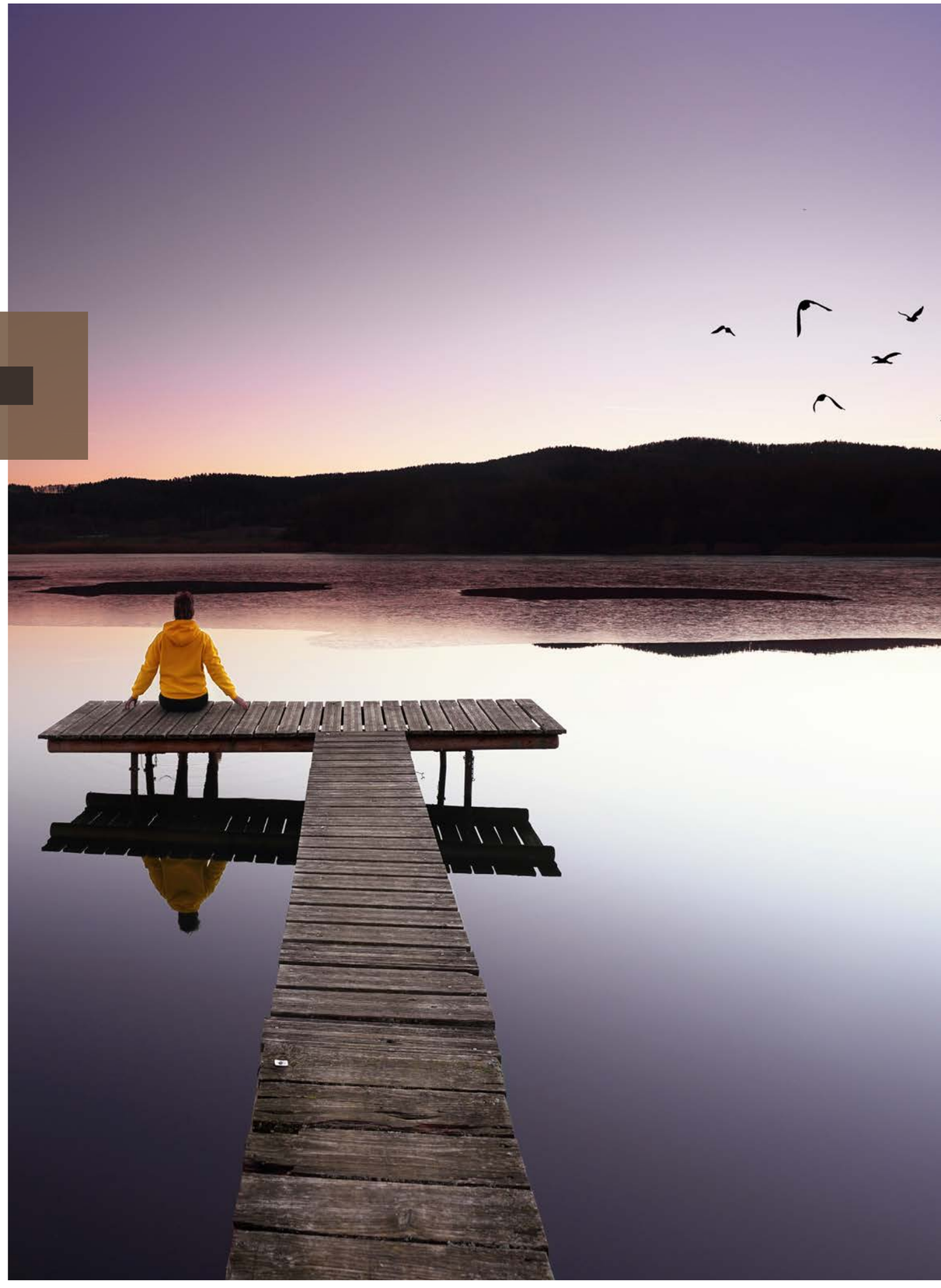
- The "Sustainability Statement" will be required to be published within a dedicated section of the Management Report.
- ESG information must also be published in the **single electronic format XHTML**, in accordance with Article 3 of Commission Delegated Regulation (EU) 2019/815.

Since Zoppas Industries Group will be required to comply with the reporting requirements introduced by the CSRD and the new **European Sustainability Reporting Standards (ESRS)** starting from the 2025 disclosure cycle, in the last months of 2023 the Group launched a project aimed at assessing its current level of alignment with these regulatory requirements and planning the actions necessary for a progressive and timely adaptation ("**CSRD Roadmap**"). Reflection was carried out in a thorough and precise manner and focused on the areas of analysis represented below, each of which was examined by taking into consideration internal documentation (e.g. policies, strategies, management systems, etc.) and through the vertical involvement of the heads of the main corporate functions.



Overview of disclosure areas considered during project activities

Once drawn up, the CSRD Roadmap was **presented to the General Managers of IRCA and Sipa and the Frontline Staff** at specific internal meetings.



7 GRI CONTENT INDEX

STATEMENT OF USE	In this non-financial disclosure, Zoppas Industries Group reports on the information contained in the GRI Content Index for the period from 01/01/2023 until 31/12/2023 in accordance with the option "**with reference to GRI Standards**".
GRI 1	GRI 1: Foundation 2021

GRI SUSTAINABILITY REPORTING STANDARD			PARAGRAFI	NOTE
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organisational details	1.1	
	2-2	Entities included in the organisation's sustainability reporting	Methodological note	
	2-3	Reporting period, frequency and contact point	Methodological note	
	2-4	Restatements of information	3.2.1	A restatement was made with regard to the figure entered in the sum of SCOPE 1 values in the previous reporting year.
	2-5	External assurance	Methodological note	
	2-6	Activities, value chain and other business relationships	1.1 5.2.1 5.2.2	
	2-7	Employees	4.2.1 4.2.2	
	2-8	Workers who are not employees	4.2.1 4.2.2	
	2-30	Collective bargaining agreements	4.2.1 4.2.2	
Material topics				
GRI 3: Material topics 2021	3-1	Process to determine material topics	2.3.1	
	3-2	List of material topics	2.3.2	

BUSINESS ETHICS AND RISK MANAGEMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	5.1	
GRI 205: Anticorruzione 2016	205-2	Communication and training about anti-corruption policies and procedures	-	No training on anti-corruption was provided in 2023, for the entire Group's scope.
	205-3	Confirmed incidents of corruption and actions taken		No confirmed incidents of corruption were recorded in 2023 for the entire Group.
ENERGY CONSUMPTION AND CLIMATE CHANGE				
GRI 3: Material topics 2021	3-3	Management of material topics	5.1	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	3.2 3.2.1 3.2.2	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2 3.2.1 3.2.2	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 3.2.1 3.2.2	
RESPONSIBLE RESOURCE MANAGEMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	3.3 3.4 3.5	
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	3.5.1 3.5.2	
	303-2	Management of water discharge-related impacts	3.5.1 3.5.2	
	303-3	Water withdrawal	3.5 3.5.1 3.5.2	
	303-4	Water discharge	3.5 3.5.1 3.5.2	
GRI 304: Biodiversità 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.4	It is specified that, the information related to biodiversity (GRI disclosures 304-1, 304-2, 304-3), is reported exclusively with reference to the company Zoppas Industries Romania.
	304-2	Significant impacts of activities, products and services on biodiversity	3.4	It is specified that, the information related to biodiversity (GRI disclosures 304-1, 304-2, 304-3), is reported exclusively with reference to the company Zoppas Industries Romania.
	304-3	Habitats protected or restored	3.4	It is specified that, the information related to biodiversity (GRI disclosures 304-1, 304-2, 304-3), is reported exclusively with reference to the company Zoppas Industries Romania.
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.3.1 3.3.2	
	306-2	Management of significant waste-related impacts	3.3.1 3.3.2	
	306-3	Waste generated	3.3 3.3.1 3.3.2	
	306-4	Waste diverted from disposal	3.3 3.3.1 3.3.2	
	306-5	Waste directed to disposal	3.3 3.3.1 3.3.2	
SUPPLY CHAIN MANAGEMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	5.2	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.2.1 5.2.2	
OCCUPATIONAL HEALTH AND SAFETY				
GRI 3: Material topics 2021	3-3	Management of material topics	4.4	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.4	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4	
	403-3	Occupational health services	4.4 4.5	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4	
	403-5	Worker training on occupational health and safety	4.4.1.2 4.4.2.2	
	403-6	Promotion of worker health	4.4 4.5	
	403-8	Workers covered by an occupational health and safety management system	4.4	
	403-9	Work-related injuries	4.4.1 4.4.2.1	
	403-10	Work-related ill health	4.4.1 4.4.2.1	

HUMAN CAPITAL MANAGEMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	4.1 4.3 4.4 4.5	
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.5	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	4.3 4.3.1 4.3.2	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	2.1 4.2.1 4.2.2	
GRI 406: Non discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-	No discrimination incidents were recorded during 2023 in the Group's scope.
PRODUCT ECO-DESIGN AND INNOVATION				
GRI 3: Material topics 2021	3-3	Management of material topics	3.1	
Additional GRI reported				
GRI 417: Marking and labelling 2016	417-2	Incidents of non-compliance concerning product and service information and labelling	-	No cases of non-compliance with regulations and/or self-regulation codes with regard to product and service information and labelling were recorded in 2023 in the Group's scope.
GRI 418: Customer privacy 2016	417-2	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.1