

SOGEFI Group

Consolidated Non-Financial Statement

In accordance with the Legislative Decree no. 254/2016

Sustainability Report 2023

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1. Message to Stakeholders



Dear Stakeholders,

2023 was as expected a challenging year on many fronts that SOGEFI faced with its proven ability to adapt.

The 2023 results demonstrate the resiliency of our business strategy and the dedication of our staff.

The unpredictability of energy prices continues to be a component of the current inflation trend.

This means that in order to secure the energy supply and advance the global carbon neutrality route, we cannot cease investing in renewable energy sources and energy savings equipment.

The ultimate objective of SOGEFI is to contribute to environment protection while creating value over the short, medium, and long terms for all stakeholders.

Sustainability is seen as a driver of innovation, guaranteeing long-term strategic vision.

In order to play a significant role in the mobility of the future, SOGEFI is investing in sustainable technology and taking advantage of all available opportunities.

As an example, cooling plates for electric vehicle (EV) are part of our portfolio since last year and are made out an innovative process resulting with major energy savings compare to the existing market technologies.

In the process of the environmental and technical change, we are strengthening our relationship with original equipment manufacturers through:

- Innovation: in 2023, 48 new patents were filed;
- Research and Development: e-mobility platforms account for more than 40% of SOGEFI's R&D expenses;
- Optimization of energy sources: 11% of the total energy consumed by the group in 2023 comes from renewable sources.

In light of this, we also intend to encourage our suppliers to work harder at running their businesses more sustainably and efficiently in the upcoming years.

The annual SOGEFI staff survey's increased satisfaction to 69% (+3 percentage points from 2022) can be attributed to:

- Stronger coaching and talent development unleash the full potential of our employees;
- Increased adherence to the mission and values of our business;
- Group commitment to important community-based projects.

Finally, we would like to thank everyone of the group's workers and partners for their contributions and hard work in achieving the accomplishments in 2023.

Frédéric SIPAHI,
SOGEFI Group CEO

2. The SOGEFI Group profile

SOGEFI Group, founded in Italy in 1980, is a worldwide leader in the design and manufacture of engine and cabin filtration, air management, engine cooling and vehicle suspension components. The Group is in partnership with the world's major car and commercial three-wheeler and two-wheeler vehicle manufacturers. The Group's history highlights a worldwide expansion through strategic acquisitions and joint ventures in the automotive components sector.

Sogefi S.p.A. is a listed company with registered offices in Via Ciovassino 1, Milano (Italy) and its corporate offices in Immeuble Renaissance, 1, Avenue Claude Monet, 78280 Guyancourt (France).

The SOGEFI stock has been listed since 1986 in the Milano Stock Exchange and has been traded on the STAR segment (today Euronext STAR Milan) since January 2004.

The Company is subject to the management and coordination of the holding CIR - Compagnie Industriali Riunite S.p.A. (a Company controlled by F.lli De Benedetti S.p.A.).

SOGEFI is a multinational Company with a global presence in 17 countries¹, 35 production sites² and 8 R&D center and 11 commercial sites.

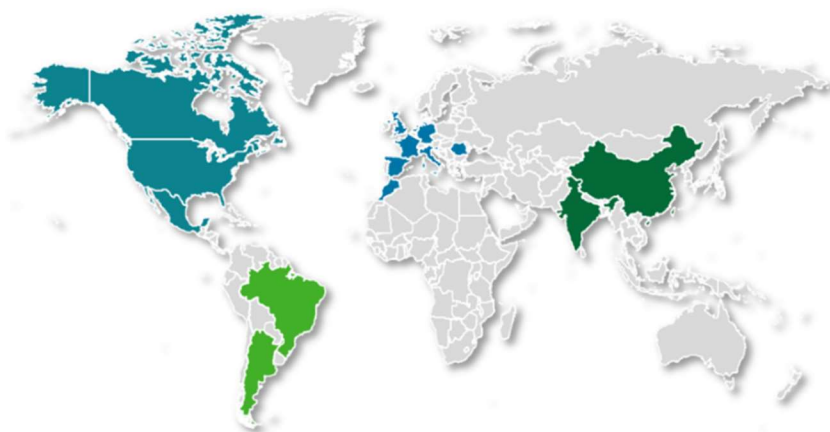


17
countries



35 productions
plants
R&D centers **8**

**Air&Cooling
Filtration
Suspensions** **3** Business
Lines



North America

Canada	Montréal
Mexico	Monterrey
USA	Prichard

South America

Argentina	Cordoba
Brazil	Mogi Mirim

Asia

China	Wujiang	India	Pune
India	Bangalore	India	Gurgaon

Europe

France	Vire	Italy	Settimo Torinese
France	Marcillac	Italy	Raffa di Puegnago
France	Orbey	Morocco	Tangier
France	Pfaffenheim	Romania	Titesti
France	Châteauroux	Romania	Oradea
France	Fronville	Slovenia	Medvode
France	Douai	Slovenia	Skofja Loka
France	Revigny	Spain	Nules
France	Charmes	Spain	Alsasus
Germany	Hagen	UK	Tredegar
Germany	Witten	UK	Rochdale
Holland	Hengelo		
Italy	S. Antonino		

¹ The number of countries refers to Sogefi's global presence, commercial sites, research and development centres and production sites.

² The map is showing the 35 production sites (in Pune and Wujiang there are 2 plants in each city).

Group organization and main products

SOGEFI is organized in three business lines: Suspensions, Filtration and Air & Cooling (also A&C), which operate through a wide product portfolio. A brief overview by Business Lines is presented here below:



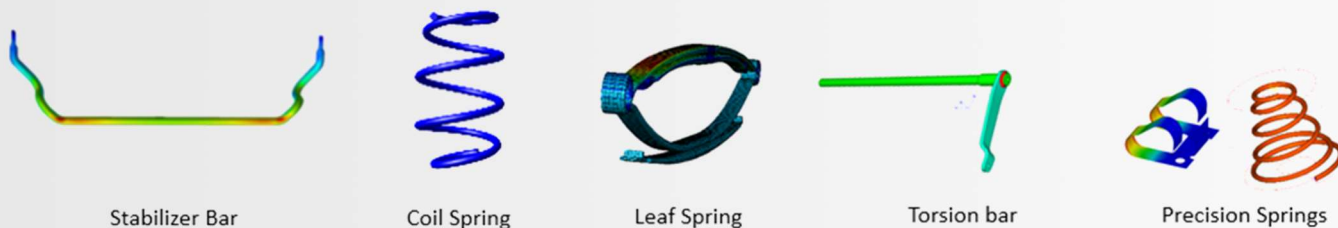
The use of Sogefi's products extends beyond passenger automobiles to a variety of markets within the automotive industry:



Suspensions

SOGEFI's Suspensions business line produces a complete range of products including stabilizer bar, coil spring, leaf spring and torsion bars which are engineered in close collaboration with the main automotive manufacturers. SOGEFI products supply cars, light and heavy commercial vehicles, earth-moving equipment and railways. The business line operates in 3 main segments: **Passenger Cars**, **Heavy Duty** and **Precision Springs**.

SUSPENSIONS - PRODUCT PORTFOLIO



Filtration

SOGEFI's Filtration business line produces a full range of filters for the Original Equipment (OE), Original Equipment Spares markets (OES), and the Independent Aftermarket (IAM).

Specifically, the Aftermarket division serves all channels of the replacement markets, by dealing products with Group brands: Purflux, Tecnocar, CoopersFiaam and FRAM®. Supporting the market transition to E-Mobility, the product portfolio has been enlarged to HEPA air filters, transmission filter and fuel cell air cathodes.

FILTRATION - PRODUCT PORTFOLIO



Air & Cooling

SOGEFI's Air & Cooling traditional product line is designed and manufactured thanks to strong competences on cooling, flow distribution and welding. ICE know how allows SOGEFI to enlarge its product portfolio to E-Mobility with, among the other, battery cooling plate and cooling module.

A&C - PRODUCT PORTFOLIO



Manifold



Coolant Pump



Coolant Outlet Housing

EV Flow
distribution unit

EV coolant flow



EV cooling plate

To learn more about the business lines and their product portfolio, please visit the SOGEFI website www.sogefigroup.com

3. Sustainability Management

Sustainability Governance

The governance structure ensures that the strategic orientation of the Group is aligned with long-term sustainability goals, and that any critical issues in this area are addressed and integrated as needed into the company's decision-making process. **In this regard, since February 2021, the Risk Control & Sustainability Committee (RCSC) of the Company has extended their competences to sustainability-related matters.**

The Strategy & Sustainability Director (SSD), reporting directly to the Group CEO, is responsible for global sustainability management, by proposing SOGEFI's strategies and policies, coordinating the three business lines in order to implement projects and initiatives related to ESG-related activities (e.g., Environment, Social and Governance).

The SSD's responsibilities include:

- ✓ **promoting an approach that integrates sustainability into business operations**, taking into account the entire value chain;
- ✓ **monitoring the achievement of sustainability targets** and coordinating, where possible, the related activities at business line level;
- ✓ **ensuring the cross-functional cooperation** involved in sustainability within the organization;
- ✓ **promoting the ESG-related risk management process** as well as ensuring compliance with sustainability-related laws and regulations.

Particularly, the SSD is supported by other key managers, selected among the three business lines, to carry out the projects on environmental, social and any other ESG-related aspects at local and global level. They operate through local structures that can guarantee the timely implementation of defined actions and procedures, as well as the monitoring of relevant KPIs.

They can propose possible projects and initiatives that are business line specific to the SSD, which are able to impact the Group's sustainability management.

The RCSC Committee meets periodically (two to four times a year) for the purpose of discussing the management of the organization's impacts on the economy, environment, and people and reports back to the Board of Directors, which periodically meets to discuss ESG topics. In 2023 an induction activity on sustainability aspects has been carried out with the support of a leading consultancy firm to the Risk Control & Sustainability Committee of the Company.

In particular, the Board of Directors has identified the following parties/bodies involved:

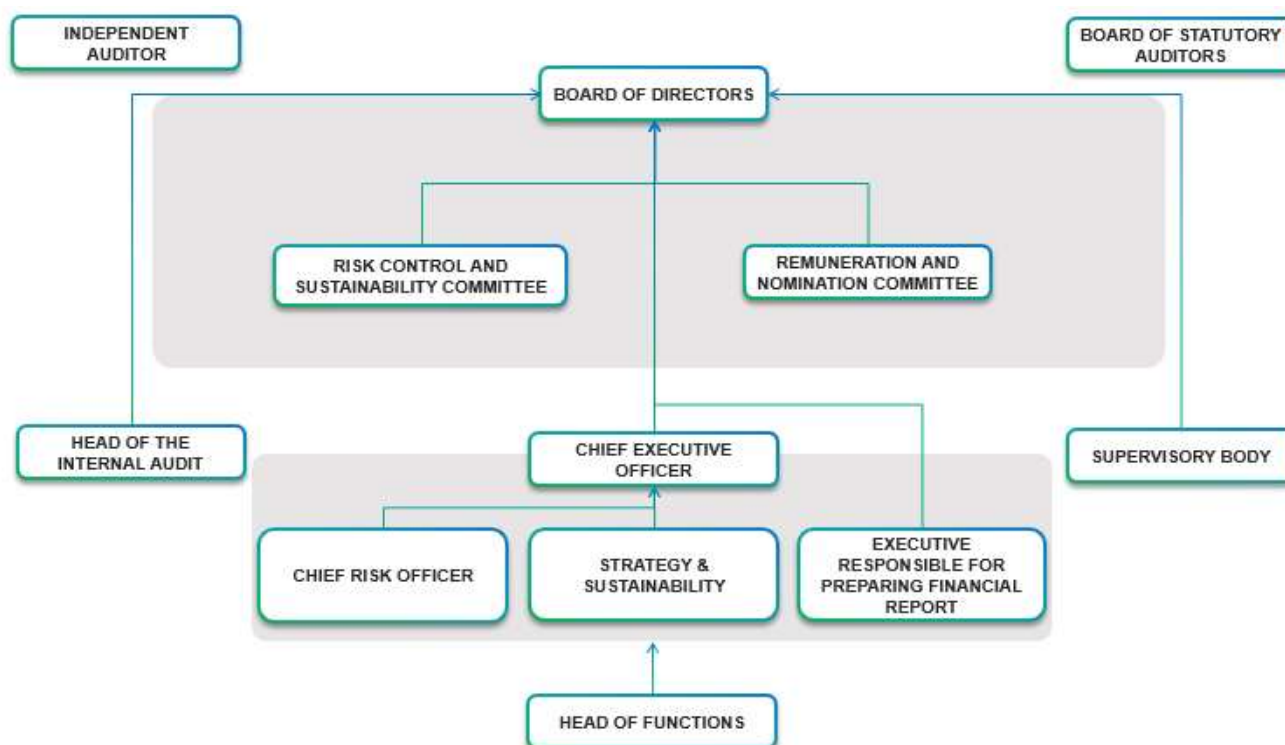
- ✓ **the Board of Directors**, which plays a role in providing guidance and assessing the adequacy of the system;
- ✓ the Director in charge of the Internal Control and Risk Management System, identified in the person of the **Chief Executive Officer**, which is responsible for implementing and maintaining an effective risk management process;
- ✓ the **Risk Control and Sustainability Committee** here in after "RCSC", set up within the Board of Directors, with the task, among others, of supporting the Board's assessments and decisions relating to the Internal Control and Risk Management System ("SCIGR");
- ✓ the **Chief Risk Officer**, responsible for risk management process and methodologies, coordinating the identification, assessment and management of business risks and the related mitigating measures;
- ✓ the **"risk owners"** business managers who have ownership and accountability for identifying, managing and monitoring the risks they supervise based on their role and responsibility;

- ✓ the **Head of the Internal Audit** department, responsible for verifying the SCIGR adequacy and consistency, in line with the guidelines defined by the Board of Directors;
- ✓ the **Executive responsible for preparing financial report**, (“Dirigente Preposto”), according to internal control over financial reporting requirements;
- ✓ the **Supervisory Body** pursuant to Article 6, par. 1, letter b) of Italian Legislative Decree no. 231/2001, which is organised in relation to the size, sector, complexity and risk profile of the company;
- ✓ the **Board of Statutory Auditors**, which monitors the effectiveness of the SCIGR.

In 2023 the ESG Internal Control System has been implemented releasing the “Non-Financial Statement Procedure” to define roles, responsibilities, three levels of control and timelines regarding non-financial information reported in the NFS 2023.

In addition the Company regarding the main environmental KPI’s defined an “Environmental Material topic procedure” to define the set of dedicated internal controls to mitigate the risks of misreporting related to the creation, aggregation, and disclosure of the relevant KPIs, coherently with the reference GRI standards. Both procedures have been distributed to all employees via the intranet MySogefi and with a dedicated mail to all head of functions and data owners involved in the NFS process.

Below a synthetic chart about the **Group Governance structure**:



Sustainability Risks

In a context characterised by market instability and a rapid evolution of business dynamics and regulations, careful and effective risk and opportunity identification and management is essential to i) support an informed decision-making process consistent with strategic goals and ii) ensure corporate sustainability and value creation in the medium-to-long term.

In this regard, as required by the Corporate Governance Code for listed companies of Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, adopted by the Company as well as by national and international best practices acknowledged in the market, as part of its Internal Control and Risk Management System ("SCIGR"), Sogefi adopted and implemented a structured and formalised ERM (Enterprise Risk Management) process.

The purpose of ERM process is to i) identify, assess, manage and systematically monitor the main risks that could hinder the achievement of the Group's strategic and business goals, ii) as well as

define appropriate information flows to ensure transparency and dissemination of information within the organisation.

The ERM framework is periodically updated in order to suit the needs of a growing Group, while maintaining continuity with the activities carried out in the past and in line with Group "Guidelines on the internal control and risk management system", which outline the governance model identifying the parties involved, assigning roles and responsibilities, and define the operating model, including the analysis and reporting activities to be performed periodically and the tools and methods to support them.

Risk identification and assessment provide the Board of Directors with a better understanding of the scenarios that could hinder the achievement of set goals and enable it to determine which actions should be taken to prevent, mitigate or manage the main exposures and their order of priority, taking in account the risk appetite.

The ERM framework comprises a wide portfolio of risks, which vary in nature and type, including all sustainability-related risks.

The risks potentially applicable to the Group's business model are represented in the so-called Risk Model and grouped in four main risk categories:

- ✓ **Strategic Risks**, relating to the external and business environment or governance strategies and decisions that can significantly affect the Group's performance and/or the achievement of the defined strategic objectives.
- ✓ **Operational Risks**, which can affect the effectiveness/efficiency of business processes, jeopardising the creation of value.
- ✓ **Financial Risks**, mainly related to exchange rates, interest rates, access to credit, liquidity, which may affect the results and sustainability of the Group's plans.
- ✓ **Legal and Compliance Risks**, relating to non-compliance with applicable laws and regulations, and/or internal Codes, Policies and Procedures that may lead to legal disputes, financial losses and potential adverse effects on the Group's reputation.

Sustainability risks are an integral part of the ERM model, cross-cutting to the risk categories above described (i.e., strategic, financial, operational, legal and compliance risks, represented in the Risk Model) and aligned to the Group business model.

The ERM operating model requires that risk assessment activities are carried out on an annual basis by identifying, analysing and assessing priority risks for the Group. Priority risks are managed by defining ad hoc mitigating action plans and their evolution is periodically monitored.

With regard to the method for assessing and documenting risks, in order to effectively measure and manage the risks identified, Sogefi carries out an assessment based on two main variables: the likelihood (probability of occurrence) and the potential impact (financial/reputational/operational). The assumptions used for the risks evaluation and the mitigating actions taken by Sogefi are included in this assessment.

The results of the ERM process are also used by the Internal Audit department to prepare its annual Audit Plan, in a risk-based approach that is in line with best practices, so that resources and activities can be allotted to those areas that are considered to be most critical and/or risky.

For more details on the Internal Control and Risk Management System, please refer to the Annual Report on Corporate Governance available on the Company's website.

Based on 2023 risk assessment, the most significant risks were identified considering the reference sector, business and sustainability topics for which a periodic assessment and mitigating actions are required.

ESG related risks have been identified in relation to **10 risk priorities**, summarized below.

RISK TOPICS	RISK DESCRIPTION	MITIGATION IMPLEMENTED	ESG RELATED ASPECTS
	<p>Transitional risk refer to Regulatory and technological changes that could affect the evolution of Sogefi business model towards solutions and technologies aimed at the low-carbon economy.</p> <p>Regulations and laws are evolving and pushing towards rapid decarbonization that implies operational changes in all sectors to reduce emission intensity with consequent impacts on reduced fossil fuel use and electricity costs.</p>	<p>SOGEFI is addressing transitional climate change risk by:</p> <ul style="list-style-type: none"> - Closely following regulatory laws and updates. - Analysing impact of scenarios, ensuring compliance and a sustainable business model; - Investing significantly in R&D and development of new products dedicated to E-Mobility cars - Following annual roadmap to reduce emissions through: <ul style="list-style-type: none"> i) actions to increase production efficiency and reduce energy consumption while keeping the same production output; ii) switching from gas to electricity/hydrogen when operationally possible and progressively increase in the purchase of green energy; iii) installation of photovoltaic panels (with progressive coverage of one additional plant per year). 	<ul style="list-style-type: none"> ▪ Innovation and low carbon mobility solutions ▪ Climate Strategy
<p>Climate change</p>	<p>Physical Risk include event driven (<i>acute risks</i> – e.g., floods, wildfire or heat waves) and longer-term shifts in climate patterns (<i>chronic risks</i> - e.g., sea level rise, heat stress).</p> <p>The intensification of physical risks related to climate change may affect the performance of the Group, including:</p> <ul style="list-style-type: none"> - Negative impact on employees well-being; - Production interruptions and/or cost increase for operation in adverse conditions; - Damage of Company assets: efficiency reduction or increase in prevention and maintenance costs; - Supply chain interruption; - Insurance premiums increase. 	<p>During 2022 SOGEFI, supported by a leading consultancy firm, conducted a climate risk assessment to evaluate the climate change impact at local level for the following 5 years (2023-2028).</p> <p>All risks listed in the Climate Change Delegated Act Annex I – Appendix A have been analyzed and grouped as acute or chronic around 4 areas: temperatures, winds, water and solid mass.</p> <p>The assessment was conducted for all Group sites, analyzing for each risk the exposure and the probability of occurrence using a broader set of assessment tools.</p> <p>Climate acute events occurred during 2023 have not impacted any of Sogefi plants; based on the climate assessment results, none of the risks analyzed would require structural actions by the Group.</p> <p>The Climate Physical assessment will be updated in 2024 with a horizon period 10-30 years.</p>	<ul style="list-style-type: none"> ▪ Climate Strategy ▪ Sustainable Water & Waste Management

RISK TOPICS	RISK DESCRIPTION	MITIGATION IMPLEMENTED	ESG RELATED ASPECTS
Innovation	<p>Risk related to the Company's Technological Innovation.</p> <p>SOGEFI might lose competitiveness due to failure in developing new/innovative technologies required by the market, incurring in extra costs in product development phase, and/or following the introduction of new disruptive products by competitors.</p> <p>This risk particularly concerns Filtration and Air & Cooling Business Lines, whose products are more impacted in the long term by the E-mobility transition.</p>	<p>In order to reduce the risks associated with technological innovation, SOGEFI has set specific yearly targets for E-mobility products in terms of:</p> <ul style="list-style-type: none"> - E-mobility products sales; - Orders value related to e-mobility products; - Research and development expenditure on products for e-mobility. <p>Target achievement progress are constantly monitored.</p>	<ul style="list-style-type: none"> ▪ Innovation and low carbon mobility solutions
Sales	<p>Risk of Consumer Demand unfavorable trend / volumes drop.</p> <p>Economic downturn and less stable geopolitical environment might negatively affect consumer demand in the automotive sector and consequently SOGEFI's financial results, in consideration of:</p> <ul style="list-style-type: none"> - Prolonged economic downturn / slow global growth - Crisis in automotive sector - High inflation rate and price increases in Car mass market - Transition to electrical vehicles <p>The risk could impact Air&Cooling and Suspension Business Lines, with particular reference to European market and European Car Makers.</p>	<p>SOGEFI is addressing the risk through:</p> <ul style="list-style-type: none"> - Constant backlog monitoring by Region / Market / Business Lines; - Close relation with Customers to detect and anticipate risks/ new negative scenarios. 	<ul style="list-style-type: none"> ▪ Strategy & Economic performance
Supply chain	<p>Raw Material Shortage risk relates to potential supply restrictions (imbalance between supply and demand, sourcing issues, geopolitical disturbances) and raw material prices.</p>	<p>Sogefi adopts procurement strategies to address the risk of raw material shortage:</p> <ul style="list-style-type: none"> - Avoiding excessive concentration of supplier portfolio; - Carefully monitoring suppliers risks and purchasing issues; - Leveraging on geographical diversification. <p>Over the last months, the raw material shortage risk has significantly decreased.</p>	<ul style="list-style-type: none"> ▪ Optimization of material cycles in industrial processes

RISK TOPICS	RISK DESCRIPTION	MITIGATION IMPLEMENTED	ESG RELATED ASPECTS
Human Resources	<p>Risk related to Talent Attraction, retention and professional development.</p> <p>The labour market after the pandemic period and the change in work patterns has been characterised by high turnover rate and shortage of resources, in particular those with specialised/technical skills.</p> <p>The risk might affect the Company ability to face the technological and managerial challenges linked to the market evolution.</p>	<p>The risk of high turnover and shortage of qualified personnel is mitigated by:</p> <ul style="list-style-type: none"> - Systematic and consistent personnel recruitment and development strategy; - Identification and confirmation of talents and critical skills; - Identification and implementation of retention actions; - Periodic training activities to develop and enhance managerial and technical skills; - Yearly employees well-being opinion survey, to address appropriate actions and strengthen talent retention; - Brand promotion activities to increase the Group's attractiveness. 	<ul style="list-style-type: none"> ▪ Attraction & retention, professional development
	<p>Labor costs inflation risk. The high inflation recorded in different geographies and the evolution of the labour market, could potentially lead to:</p> <ul style="list-style-type: none"> - Risk of an increase in salary costs impacting Group's competitiveness; - Tensions in Unions negotiations; - Employees dissatisfaction and attrition rate increase. 	<p>SOGEFI is addressing the risk through:</p> <ul style="list-style-type: none"> - Close monitoring activities especially in higher inflation Countries; - Social dialogue with local Unions to reach fair agreement; - Salary negotiation and prioritization of lower salaries; - Variable remuneration measures implementation. 	<ul style="list-style-type: none"> ▪ Diversity, Inclusion & Equal Opportunity ▪ Employees engagement & satisfaction ▪ Distributed value and impact on local communities
	<p>Health & Safety: Fire Risk. Fire and/or explosion in local production sites could trigger Health & Safety consequences, physical assets damages and business interruption.</p> <p>The risk mainly concerns Suspension Business Line.</p>	<p>Group prevention plan is continuously strengthened:</p> <ul style="list-style-type: none"> - Training and awareness: protocols, operating instructions and periodic fire drill activities; - Engineering preventive controls and technical monitoring activities; - Recovery plans to ensure business continuity. <p>Specific insurance policies are in place to cover the related financial risks.</p>	<ul style="list-style-type: none"> ▪ Occupational Health and Safety

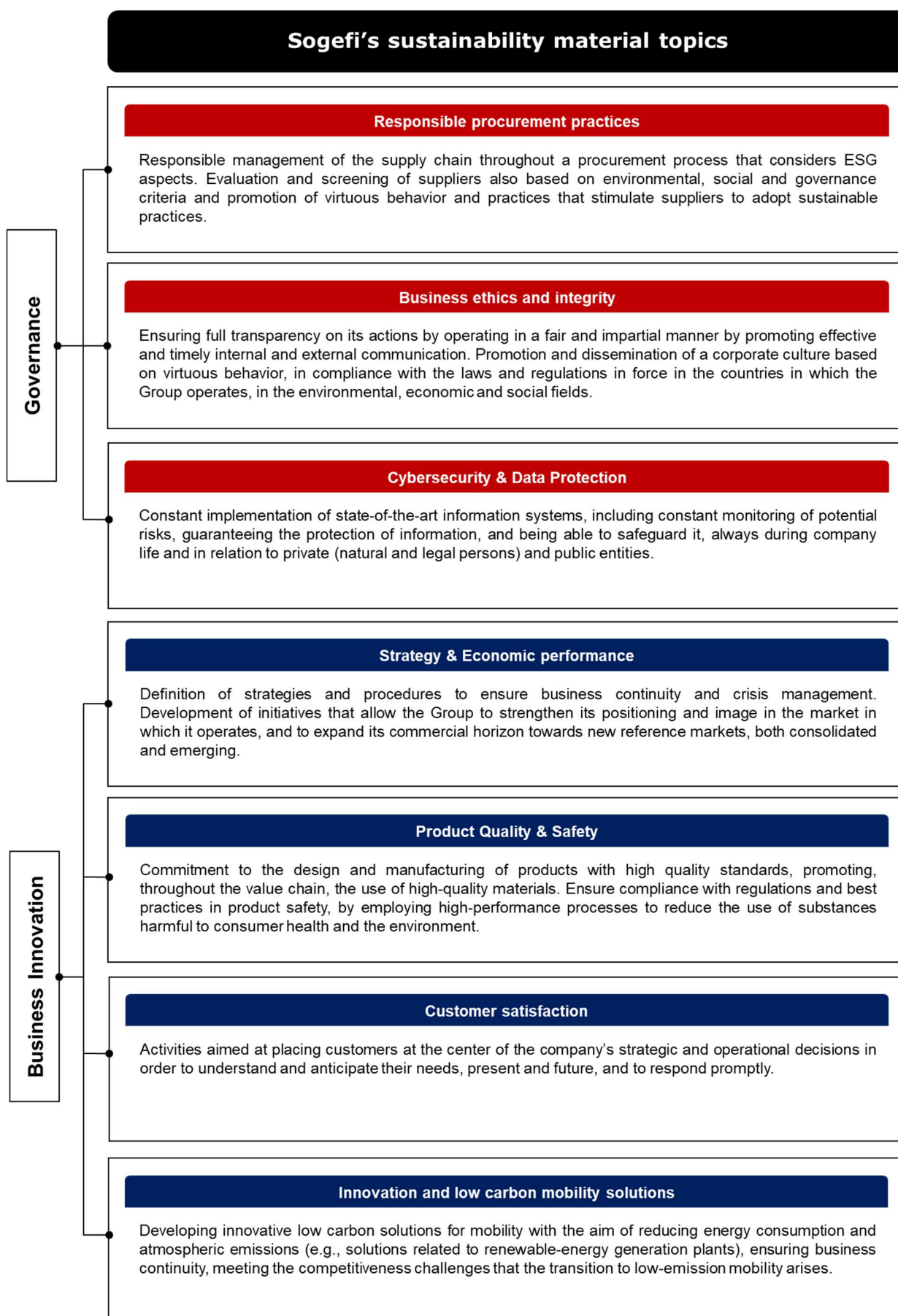
RISK TOPICS	RISK DESCRIPTION	MITIGATION IMPLEMENTED	ESG RELATED ASPECTS
<p>Cyber Security</p>	<p>Risks related to Cyber Security: unauthorised access by third parties to SOGEFI IT systems. These attacks can be aimed at access sensitive data (e.g., strategic or product related), to steal or alter them, or even block Group's information systems.</p> <p>These risks could have negative impacts from financial (e.g. sanctions or increased insurance premiums), operational (e.g. temporary interruption of operations) and reputational perspective (concerns of public opinion and negative stakeholders judgments).</p>	<p>SOGEFI has adopted a global cybersecurity organization to closely monitor cyber risks:</p> <ul style="list-style-type: none"> - IT risk assessment periodically performed to identify and strengthen Group's Information Systems security, evaluating existing/ new threats and identifying prevention / protection actions; - Cyber Security trainings and awareness campaigns regularly launched at Group level; - Periodical third parties audits on SOGEFI's Information Security. 	<ul style="list-style-type: none"> ▪ Cybersecurity & Data Protection
<p>Product reliability</p>	<p>Risk related to the non-satisfaction of customers' expectations regarding product reliability, compliance with regulations, quality standards that could lead to quality claims, recall campaigns, warranty issues, with consequent reputational damages or financial losses.</p>	<p>Risk prevention and mitigation measures are implemented to address Product non reliability/ Non-Conformity risk:</p> <ul style="list-style-type: none"> - Quality-Safety-Health Environmental Policy, that defines the guiding principles and objectives to ensure high operational standard; - Specific KPIs defined to analyse and monitor Group's overall quality performance and customer satisfaction; <p>IATF 16949:2016 Group Plants certification of the quality management system obtained for the 100% of the Plants.</p>	<ul style="list-style-type: none"> ▪ Product Quality & Safety

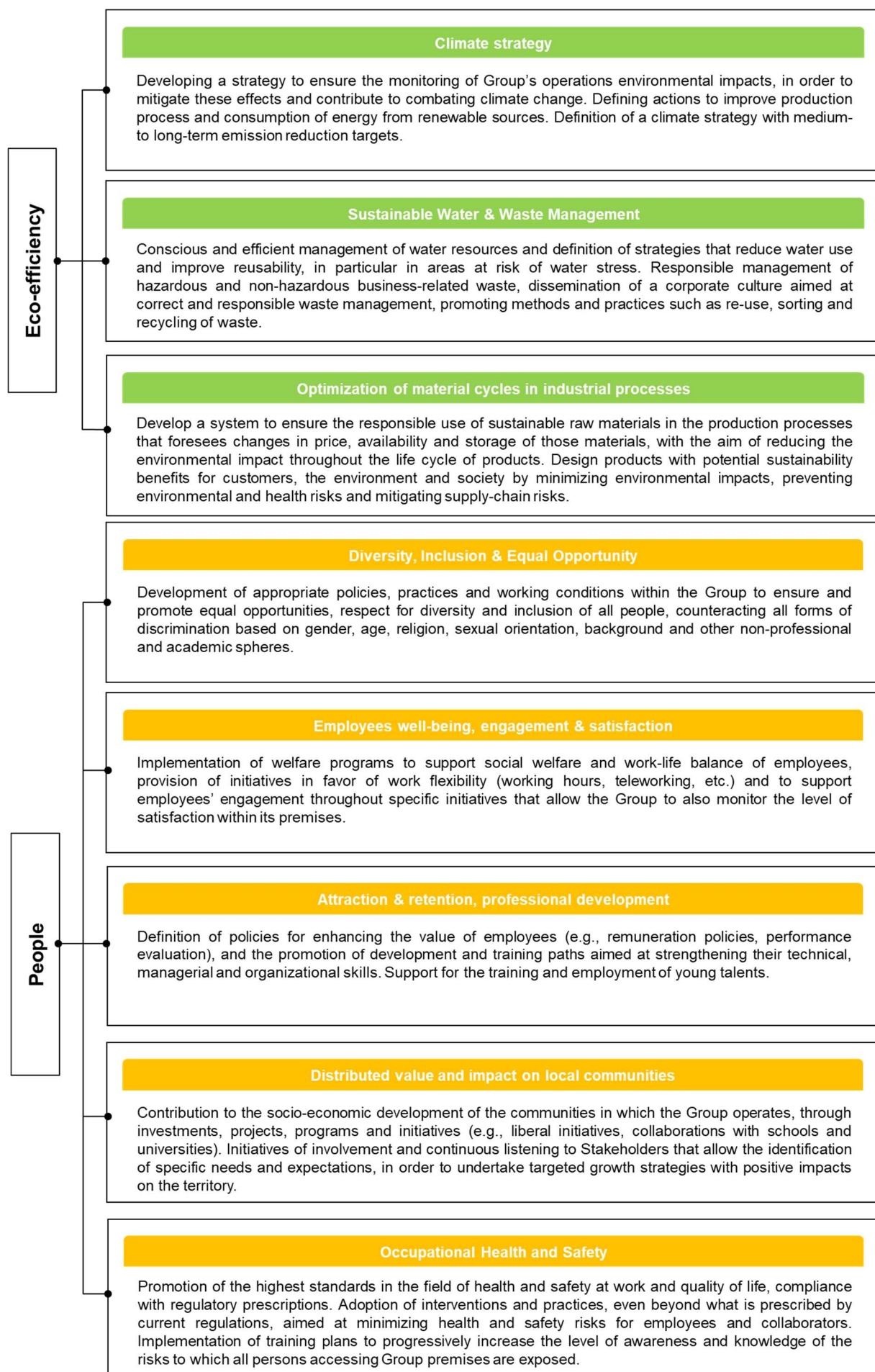
Sustainability Material Aspects

According to the Group guidelines that define the operational instructions, roles and responsibilities of the process for the preparation of the Consolidated Non-Financial Statement, the materiality assessment is annually performed by direct engagement of the internal and external stakeholders and by a benchmarking analysis taking into consideration regulations, sector trends, international standards (such as the SASB materiality matrix) and internal evaluation (such as the ERM assessment).

Therefore, in order to identify the main sustainability aspects representing the Group impact on the external environment or that can impact Sogefi's business, strategy and financial performance, defined as material aspects by the GRI, the company developed the analysis throughout 2023 divided into six main steps:

- ✓ **Benchmarking Analysis.** Starting from the ESG aspects identified in 2022, a benchmarking analysis, taking into consideration peers, best practices and aspects deemed relevant by ESG assessments and standards, has been performed in order to identify additional topics or significant changes. The benchmarking analysis led to a change in the list as follows:
 - "Product Quality & Customer satisfaction" has been separated into the topics "Customer satisfaction" and "Product Quality & Safety", to which has been added the former topic "Product Safety";
 - The topic "Innovative and Eco-responsible products / technologies" has been reformulated, now called "Innovation and low carbon mobility solutions";
 - The topic "Diversity & Equal Opportunity" has been reformulated, now called "Diversity, Inclusion & Equal Opportunity".
- ✓ **ESG impact identification - Inside-out perspective.** Starting from last year Sogefi's materiality analysis and taking into consideration the benchmarking analysis, the list of ESG topics and related impacts has been updated. In particular, a new identification of positive/negative and potential/actual impacts generated by the Group on the economy, environment, people and human rights considering its internal and external context has been conducted. The impacts were then associated with the related relevant ESG topics.
- ✓ **Survey to Stakeholders - Inside-out evaluation.** A survey was forwarded to the Group's Stakeholders for the assessment of the impacts' scale, scope and likelihood, in order to determine their significance.
- ✓ **Financial impact identification - Outside-in perspective.** In 2023, ESG topics were correlated with the risks identified by the Enterprise Risk Management analysis with the aim of assessing their impact on Sogefi's business and financial performance. The evaluation on the outside-in materiality was coordinate with Finance and Risk functions, considering last risk assessment update carried out with Sogefi risk owners, determining the impact of the ESG topics on Sogefi's business through the Financial Materiality perspective and thus aligning and incorporating the ERM analysis within the materiality process.
- ✓ **Workshop with the Top Management.**
 - Inside-out evaluation: assessment of the impacts' scale, scope and likelihood by the Top Management in order to determine their significance. The results of the stakeholder' survey have been shared and taken into consideration to finalize the inside-out evaluation of the impacts.
 - Outside-in evaluation: the output of the "Financial impact identification - Outside-in perspective" have been shared with the Top Management and validated.
- ✓ **Impact prioritization and Materiality Matrix.** Prioritization of the impacts according to their significance and elaboration of a ranking of material topics ordered by relevance. The results have been then reprocessed to create a Materiality Matrix, approved by the CEO, reviewed by the Control, Risk and Sustainability Committee and approved by the Board of Directors.

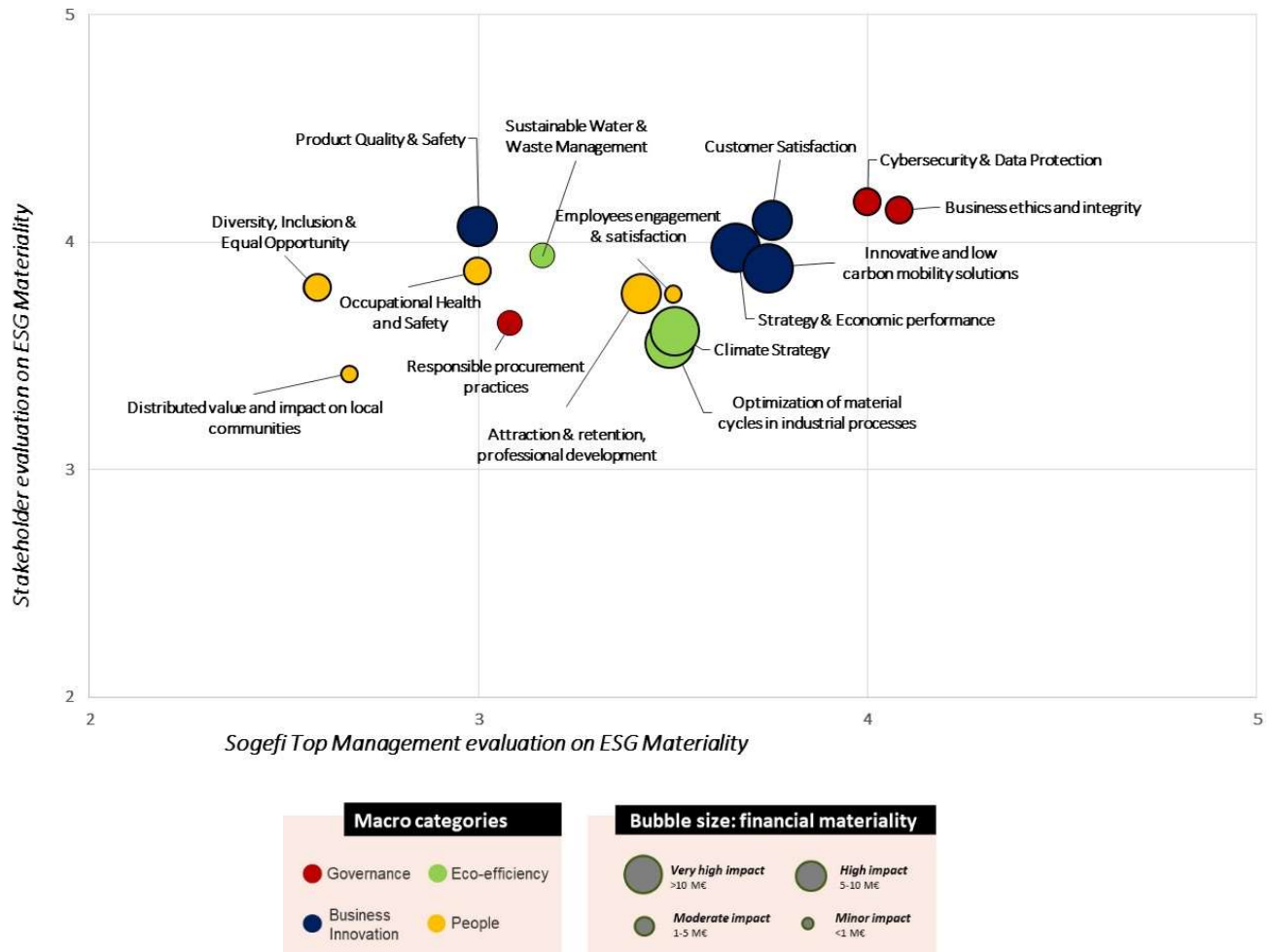




The major changes in the evaluation of impacts relevance compared to the 2022 materiality matrix are listed below:

- ✓ **Cybersecurity & Data Protection** has gained relevance following an enhanced collective awareness on its importance with technological advances;
- ✓ **Diversity, Inclusion and equal opportunities** in 2023 has been considered a less impactful topic by Top Management but slightly higher by Stakeholders compared to 2022;
- ✓ **Customer Satisfaction** has gained importance in top management's evaluations, and has remained Very High for Stakeholders;
- ✓ **Responsible procurement practices** has been voted as less relevant (Medium instead of High) by both stakeholders and the top management;
- ✓ **Attraction & retention, professional development** has been voted as moderately impactful by stakeholders and Top Management, holding the same importance compared to the previous year.

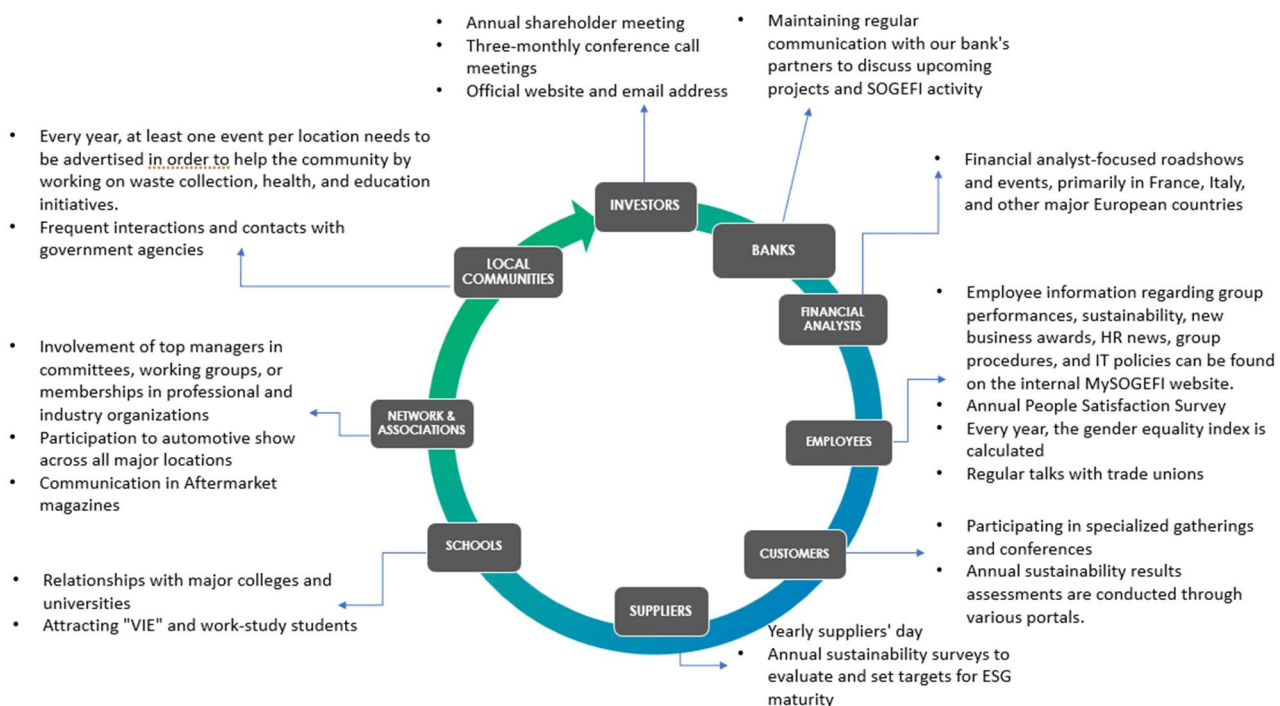
Group Materiality Matrix 2023



The above financial impacts are expressed as potential impact over the 3 years plan period.

In addition, SOGEFI, operating in the dynamic and competitive scenario of the automotive industry, considers it fundamental to develop a continuous form of dialogue and interaction with its Stakeholders, to identify emerging trends and meet their needs and expectations in the best possible way. In this regard, on top of stakeholder engagement developed for the scope of updating the materiality matrix.

The summary of the important **Stakeholder categories** for the Group and the associated engagement activities is provided below:



4. Group strategy

Mid-term Roadmap

The SOGEFI Group is committed to promoting and adopting a model of sustainable and inclusive development while at the same time ensuring the creation of long-lasting shared value with its stakeholders.

In order to maximize the benefits of ongoing market and regulatory changes and address the socio-environmental challenges that are unique to its value chain, the company is pursuing an ongoing sustainability path that seeks to strengthen the group's long-term resilience and accelerate the shift to a low-carbon economy.

The Group is currently developing a road map for its action plan to reduce emissions within the next few years (the goal is to reduce emissions by approximately 30% by 2026 compared to 2021 at iso volumes and mix). The plan focuses on internal efficiency actions to reduce energy intensity, replace high carbon impact energy with renewable energy sources and International Renewable Energy Certificates ("I-REC"), and search for

industrial alternatives to reduce gas consumption in production (with a preference for hydrogen solutions and electric switches).

The Sustainable Development Goals (SDGs) of the United Nations serve as an inspiration for SOGEFI Group's sustainability strategy.

The ESG strategy, which was developed over the course of 2021 and formally approved by the Board of Directors on 2022, has been implemented in three pillars: business innovation, eco-efficiency, and people. It has been integrated into the Group's financial and strategic plan.

Specifically, SOGEFI concentrates its sustainability strategy on ten Sustainable Development Goals (SDGs). The Company is contributing to these goals by defining ESG targets, which are found in the ESG Plan 2022-2025 and updated in 2023 for the 2024–2027 timeframe.

Three primary objectives and associated goals have been established in Sogefi's ESG Plan.

SOGEFI Sustainability Plan

Business Innovation:

boost business innovation, with a specific focus on E-Mobility products

- ✓ **Develop innovative and eco-responsible products and technologies**, mainly focused on E-Mobility market.



Eco-Efficiency:

minimize CO₂ emissions and production-related consumptions

- ✓ **Reduce CO₂ emissions**, by improving energy efficiency, cutting energy consumption and promoting renewable energy sources.
- ✓ **Minimize waste**, by limiting the use of potentially hazardous substances and promoting recycling and reusable processes.
- ✓ **Adopt the best operational practices and processes** in business operations.



People:

support responsible business operations and generate positive contribution to local communities

- ✓ **Value the diversity and ensure equality**, rejecting any form of discrimination and harassment.
- ✓ **Ensure a healthy and safe working environment**, minimizing OH&S risks and preventing occupational disease and incidents.
- ✓ **Contribute with positive impacts on communities**, respecting local cultures and values.



The plan consists of **13 key performance indicators** and each one defines a target that the Company aims to achieve by 2025.

BUSINESS INNOVATION				
Key Performance Indicators	Actual 2022	Actual 2023	Target 2025	Actions/Achievements
1 % of sales for E-Mobility products (i.e., electric / hybrid / fuel cell) on total sales	14%	17%	22%³	<p>A&C concluded new contracts :</p> <p><u>in North America</u> for the supply of Cooling products for E-mobility platforms and Water Pump</p> <p><u>in China</u>, all with E-mobility key players:</p> <p>In first semester, a major order was awarded from BYD for a Plug-in-Hybrid platform</p> <p>To supply "Oil trees" used in EV cars to lubricate the gearbox.</p> <p><u>in Europe</u> for E-mobility Thermostat</p> <p>Suspensions has been awarded:</p> <p><u>In China</u> for the supply of stabilizer bars with an innovative local player, new entrant in the market, aiming to become one of the main producers in the electric car market</p> <p><u>in Europe</u>, related to E-mobility for both: coil springs and stabilizer bars.</p> <p>For stabilizer bars, one of the main contract is related to high-end electric SUVs</p> <p><u>in India</u> for stabilizer bars for light commercial vehicles from an innovative new company aiming to become a major EV market player in India</p>
2 % of orders' value for E-Mobility products (i.e., electric / hybrid / fuel cell) on total order intake value	52%	31%	37%⁴	<p><u>in China</u> for stabilizer bars for light commercial vehicles from an innovative new company aiming to become a major EV market player in India</p> <p><u>in India</u> for stabilizer bars for light commercial vehicles from an innovative new company aiming to become a major EV market player in India</p>
3 % of R&D spending on E-Mobility products (i.e., electric / hybrid / fuel cell) on total annual R&D spending (Gross of grants received)	35%	43%	50%	Sogefi presented its innovations in the field of cooling plates for Electric Vehicles platforms at keystone Electric Vehicles and Battery event (The Battery Show) in North America.
4 Number of new patents registered per year	37	48	50	

³ 2025 Target in 2022 NFS was equal to 24%, 2025 target has been slightly revised based on the most updated Financial and ESG plan 2024/2027 based on expected Group Sales evolution by powertrain.

⁴ 2025 Target in 2022 NFS was equal to 65%, 2025 target has been revised based on the most updated Financial and ESG plan 2024/2027 following 2023 huge orders on non e-mobility platforms mostly outside Europe that we expect would impact the % of e-mobility nominations even in coming years.

ECO-EFFICIENCY					
Key Performance Indicators		Actual 2022	Actual 2023	Target 2025	Actions/Achievements
5	ENERGY MIX % of renewable energy used and purchased from renewable sources / total energy used and purchased	8%	11%	25%	<ul style="list-style-type: none"> - Finalization of installation of Solar Panel in Nules and Alsasua (Spain), Pune (India) and Settimo Torinese (Italy) - I-REC in China; India, Brazil and Argentina; - Canada Hydropower provider.
6	ENERGY INTENSITY Tot. energy consumed / Tot. turnover (w/o price effect) <i>GJ=Gigajoule</i>	1,345 GJ/M€ (-10% vs 2019)	1,315 GJ/M€ (-2%% vs 2022) ⁵	-2% per year (vs 2022)	<ul style="list-style-type: none"> - 2023 trend on track with long term target thanks to plant efficiency actions
7	WASTE VALORISATION: % variation of valorised waste (focusing on reduction, landfill and/or hazardous waste reduction, regrind, recycled, incineration increase) / total waste <i>b.p.= basis points</i>	+17 b.p. (vs 2020) <i>Meaning Valorised waste = 89%</i>	+1 b.p. (vs 2022) <i>Meaning Valorised waste = 90%</i>	+21 b.p. ⁶ (vs 2020) <i>Meaning Valorised waste = 93%</i>	
8	CERTIFICATION LEVEL: % of sites with environmental, quality and safety systems certified accordingly to international standards: Quality (QL): IATF 16949 Environmental (EV): ISO 14001 H&S (HS): ISO 45001	QL: 97% EV: 100% HS: 7 sites	QL: 100% EV: 100% HS: 8 sites	QL: 100% EV: 100% HS: 10 sites ⁷	<ul style="list-style-type: none"> - Prichard get back Quality certification in 2023 - Titesti new plant certified H&S in 2023

⁵ In 2023, the negative forex impact on sales vs 2022 was higher than the positive price effect (-55M€ and +46M€ respectively)

In order to capture the real environmental performance 2023 vs 2022, 2023 index has been retreated by both forex and prices that do not correspond to a real volumes variation.

⁶ 2025 Target in 2022 NFS was equal to +25 b.p., 2025 target has been slightly revised based on the most updated Financial and ESG plan 2024/2027. Waste valorisation already reached 90%, each further point of increase is requiring higher efforts and by consequence the target has been slightly decreased.

⁷ 2025 Target in 2022 NFS was equal to 7 sites H&S certified. As this target was already reached in 2022, 2025 target has been improved by 3 sites.

PEOPLE					
Key Performance Indicators		Actual 2022	Actual 2023	Target 2025	Actions/Achievements
9	Number of training hours per employee per year <i>h = hours</i>	18.8h	29.8h	>25h	<ul style="list-style-type: none"> - WW training on information security - WW training on Group policies - Outdoor Leadership program - R&D training related to new mobility
10	GENDER EQUALITY INDEX⁸ Worldwide application and monitoring	2022 rating: 64/100	2023 rating: 67.5/100	Improve vs 2022 rating	<ul style="list-style-type: none"> - +3.5 points in one year - For further details please refer to the section 7. People
11	PEOPLE SATISFACTION Analysis of satisfaction level by conducting internal surveys	2022 rating: 64/100 Strongly Agree & Agree	2023 rating: 69/100 Strongly Agree & Agree	Improve vs 2022 rating	<ul style="list-style-type: none"> - 75% participation rate - an average of 69% of SOGEFI employees agree with the questions addressed, improving last year's results by 5 points
12	ACCIDENT FREQUENCY RATE Number of accidents for employees and supervised workers with lost time per million hours worked	2	1.2	<1.3	<ul style="list-style-type: none"> - Number of accidents strongly reduced in Suspensions Business Line
13	% of sites engaged in sustainable projects for local communities (i.e., Education, Sport, Solidarity, Health)	100%	100%	100%	<ul style="list-style-type: none"> - In 2023, SOGEFI reevaluated the primary objectives it aimed to accomplish by funding ad hoc projects for local communities, with the aim of improving efficacy and the benefits provided.

⁸ The "Gender Equality Index" is applied annually in France, by law, to each legal entity. It's monitored globally, on a voluntary basis, and is based on 5 gender indicators (i.e. man/woman pay-gap, pay rise, promotion, salary trend after maternity leave and Top10 paid employees mix), a final score is then assigned.

Innovative and Eco-responsible products / technologies

Research and development



The R&D activities are conducted in **eight global R&D centers, employing 342 individuals, with expenses accounting for 1.6% of Group revenues** in 2023.

R&D training	2021	2022	2023
Training hours	3,480	6,882	7,201
Number of employees who attended the training	166	287	245

Research and development (R&D) trainings, which are critical for innovation advancement, have been strategically conducted in 2023, with over 7,000 hours given and an average per person increase from 24 hours in 2022 to 29 hours in 2023.

As per the Group's strategy, developing eco-friendly and innovative products and technology, primarily aimed at the E-Mobility market, is essential to achieving Sogefi's 2025 sustainable development goals.

The Group has a Market Intelligence program focused on customer partnerships, benchmarking, follow-ups on competitors, consolidation of customer feedback, as well as mapping and market assessment for all product categories which are aimed at promptly identifying customer needs and market trends. The data received is evaluated to create product road maps whose goal is – for each product category – to highlight the impacts on car manufacturers, on engine and vehicle platforms and on SOGEFI's products. During the development phase as well as for future projects, these needs are then assessed in

comparison with technologies already internally available.



There are also several collaborative projects with private companies, start-ups, laboratories and research centres carried out by each business line. The aims of these collaborations are the development of new products and the improvement of existing technologies, as well as the participation in numerous conferences and specialized events which allow for direct benchmarking with the market.

The table below gives main examples of 2023 collaborations:

Business Line	Name of the entity/institution	Aim of the collaboration	Description
Air & Cooling	French automotive supplier	Know how sharing to get new businesses	Development of a cooling module. Sogefi develops its coolant flow distribution and electric pumps and our partners develops the power electronics.
Air & Cooling	Dassault System	Implementation of CO ₂ tracking solutions	Dassault System product would support R&D activities and projects management.
Suspension	Keonys	Software configuration	Implementation of product life Management system.

The good results of the Group's R&D activities are reflected in the number of patents increased by 12% versus last year with still 121 projects ongoing.

GROUP R&D KPIs	2021	2022	2023
Number of family patents	310	329	370
Number of R&D projects ongoing	157	147	121

On top, Sogefi received two new award in France:



A grant under the "France 2030" program was acquired by SOGEFI as a result of the e-water pump project.



In order to assist the Charmes plant's renovation project, SOGEFI received a grant as part of France's "Industrial Rebound" initiative.

Innovation

Creating new, environmentally friendly products is a strategic way for the business to strengthen its position in the market. The major automakers lead the automobile sector, which is strategically focused on producing cars with autonomous driving, lower CO₂ and polluting emissions, and alternate modes of transportation.

Therefore, the Group's R&D activities are addressed by the following key factors:

KEY DRIVERS TO INNOVATION

- ✓ New products for BEV, PHEV & FC applications
- ✓ Reduction of CO₂ and pollutants emissions
- ✓ Weight reduction
- ✓ Recyclability of materials
- ✓ Performance monitoring through the addition of mechatronic components
- ✓ Optimize product development time to support EV customer gaining better time-to-market
- ✓ Cost and performance optimization, also to face the global manufacturing platforms and standardization trends
- ✓ Product quality improvements in terms of noise suppression and increasing corrosion protection

With reference to pollutant emissions, regulated by national and international bodies that define thresholds for each vehicle produced, the main factors monitored by SOGEFI are Particulate Matter (PM) and Nitrous Oxides (NO_x), both associated with Diesel engines. To ensure compliance with regulatory requirements, test cycles in SOGEFI's R&D centres are designed to reproduce real driving conditions and measure actual driving levels.

Regarding material innovation, research activity is mainly focused on the use of lighter materials that allow a reduction in weight and therefore in vehicle emissions, through revisiting product dimensions and through the replacement of steel. Furthermore, the activity is also focused on recycled materials and/or the possible recyclability of products at the end of their life.

SOGEFI's Air & Cooling business line, thanks to its specific technical and production skills, has great opportunities to respond to current and future needs of the market. Its expertise in several welding technologies is driving a lot of potential. On the E-Mobility side, the development of thermal

management, cooling systems and the one of dedicated high voltage components are key areas to support our customers' transition to new engines. On the ICE side, development is mainly focused on the proposal of innovative mechatronic components that not only guarantee a significant downsizing of the main products offered, with a consequent reduction in fuel consumption, but also in an increase in combustion efficiency.

Among the main notable solutions are the development of the cooling plates and the cooling modules for thermal management applications. These solutions would allow to get higher energy-efficient products.

Thermal Management is the key to electrification of vehicles. Indeed, the management of calories is the key to increase the driving range of EV. Our products are aiming to reduce also material and energy consumption to manufacture a product.

On product side, cooling plates is necessary to keep the battery pack at the right temperature. Cooling modules are necessary to distribute all coolant flows inside of the car.

The Filtration business line presents different opportunities concerning the application of its products on new vehicles. Hybrid vehicles need oil filtration systems since they foresee different hydraulic circuits for suspension, transmission, and engine cooling. On all applications, air purity is becoming a key market expectation. In this regard, the Group has introduced several major technological innovations over the years: the most rewarded is the CABINHEPA+.

For fuel cell application, several new products like *Deionizer* or *Water Separator*, will play a part in enabling safe and low resistance in the cell's cooling circuit.

Another element of research and innovation concerns the use of plastic instead of metal components, with positive effects on energy consumption during production and therefore reducing polluting emissions.

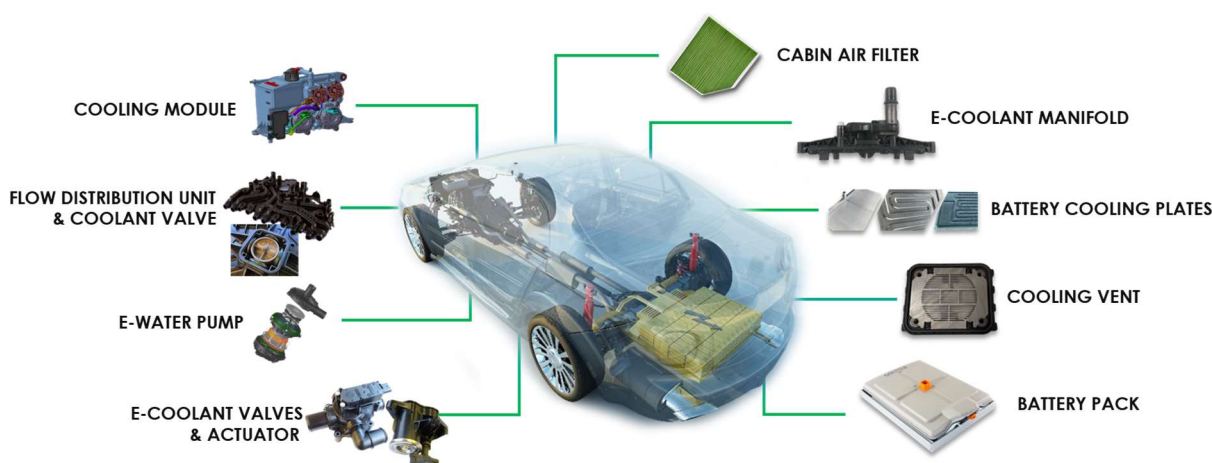
Regarding **the Suspensions business line**, the main products trends are:

- ✓ Capability for both, springs, and bars, to **address additional weight** on the chassis of electric vehicles;
- ✓ Capability for both, springs, and bars to **gain space** to host new components for electrified or electric trains;
- ✓ **Increase comfort** expectations.

SOGEFI can supply stabilizing bars and leaf springs using tubes instead of solid bars with consequent reduction of vehicles' fuel consumption.

Other improvements have been achieved with the introduction of innovative production processes and dedicated designs, which have enabled the extensive use of lighter helical coil springs, resulting in better performance in terms of life cycle, corrosion, comfort, silent operation and driving safety. Furthermore, SOGEFI continuously works on reducing car noise through innovative noise attenuation systems, which is of particular importance for electric vehicles. Whereas, regarding the technological trends SOGEFI is trying as well to move from hot to cold process to reduce CO₂ footprint.

Here below a representative picture of main **E-Mobility products offered by the Group**:



Associations

SOGEFI has joined multiple automotive associations in various regions where the Group is present, acknowledging the strategic value of membership.

Specifically, the Group actively participates:

CLEPA, *European Association of Automotive Suppliers* in Belgium



Founded in 1959 and based in Brussels, CLEPA is recognized as the natural discussion partner for matters concerning automotive supplies by international organizations and fellow associations. CLEPA brings together over 100 of the world's most prominent suppliers for car parts, systems and modules and more than 20 national trade associations and European sector associations.

FIEV, *Fédération des Industries des Equipements pour Véhicules* in France



Created in 1910, FIEV is the French trade association for OEMs, garage equipment manufacturers and all other providers of automotive solutions. It represents and promotes the interests of the automotive industry and as the majority shareholder of the trade show *Equip Auto*, FIEV actively contributes to the co-organization of the exhibition as an international gathering for automotive aftersales and services for mobility in France.

ANFIA, *Associazione Nazionale Filiera Industria Automobilistica* in Italy



The Italian Association of the Automotive Industry is one of the leading Italian Trade Associations. Founded in 1912, ANFIA's mission has always been to represent the interests of its associate members and ensure effective communication between the Italian motor vehicle industries on one hand, and the Public Administration and Italian political bodies on the other, about all technical, economic, fiscal, legal, statistical and quality-related issues referred to the automotive sector.

Pôle Véhicule du Futur in France



Labelled competitiveness cluster since 2005, the Pôle Véhicule du Futur is an association that promotes the synergy of companies, education and research in the field of vehicles and mobility of the future.

It brings together and animates an ecosystem of more than 500 members, on the eastern quarter of the France: Bourgogne-Franche-Comté and Grand Est. Their expertise allows SOGEFI to label the innovative projects.

5. EU Taxonomy

The Taxonomy Regulation is a **key component of the European Commission's action plan** to redirect capital flows towards a more sustainable economy and represents an important step towards European environmental goals and the green transition, as the Taxonomy is a classification system for environmentally sustainable economic activities.

SOGEFI, as a listed and manufacturing company is required to publish the NFS as per the current law (Legislative Decree 254/2016), and to **identify and report Turnover, Capex and Opex for any Group activity eligible and aligned for the two climate objectives** (i.e., climate change mitigation and climate change adaptation) and, since 2023 NFS, the Group is also required to verify the eligibility for the remaining four environmental objectives (i.e., Sustainable use and protection of water and marine resources, Transition to the circular economy, Pollution prevention and control and lastly Protection of biodiversity and the health of eco-systems).

Moreover, SOGEFI identifies **Capex and Opex for energy efficiency or the installation of renewable energy sources** (if not yet reported in relation to the two environmental objectives mentioned above).

In 2022 no activity has been considered eligible as per objective climate change mitigation and climate change adaptation - as described in Annex I and Annex II of the Taxonomy Regulation. However, regarding 2022 intangible and tangible assets (including right-of-use as per IFRS 16), investments in solar panels were considered eligible as per the **economic activities 7.6**.

In 2023 the analysis has been updated for all environmental objectives also taking into consideration the amendment of the Delegated Regulation (EU) 2021/2139 published on November 21, 2023. In particular, new economic activities were added to the Climate Delegated Act, among which the activity **3.18 “Manufacturing of automotive and mobility components”** which are essential for delivering and improving the environmental performance of a low carbon vehicle, thus recognising the importance of

undertakings and of the components they manufacture in climate change mitigation.

Among the components specified by the Delegated Act for delivering and improving the environmental performance of a low carbon vehicle, Sogefi products that fall into the definition are:

- ✓ A&C thermal management systems for 100% electrical vehicles (in particular in application of the technical screening criteria 1.a, 1.b, 1.c and 1.e) which are then considered eligible by Sogefi;
- ✓ Suspension products. However, the taxonomy refers only to “best-in-class suspension systems that lead to energy efficiency improvements” and since, as of now, there are no clear and precise criteria that allow to categorize a suspension as “best-in-class”, SOGEFI prudently considers that none of its product fall within the category identified by the Delegated Act.

Regarding the other four environmental objectives of the Delegate Acts, no activities were identified as eligible.

Based on the previous analysis, the share of eligible Group KPIs related to the activity “3.18 Manufacturing of automotive and mobility components” refers to A&C thermal management systems for 100% electrical vehicles. In 2023 **the eligible turnover is 2.18 million of Euro, the eligible capital expenditure (Capex) is 2.36 million of Euro** and eligible operating expenditure (Opex) is 0 million of Euro for the objective mitigation to climate change. Indeed, alignment has also been evaluated for the eligible activities identified, selecting those who also comply with all the requirements of Article 3 of EU Reg. 2020/852. In particular, technical screening criteria apply to A&C thermal management systems for 100% electrical vehicles, while the Do Not Significant Harm (DNSH) criteria have been assessed at plant level and the Minimum Social Safeguard (MSS) at HQ level. While for MSS Sogefi complies with all requirements, the DNSH criteria are valid for Orbey and Wujang plant. Therefore, the share of **aligned Group turnover related to the activity “3.18**

Manufacturing of automotive and mobility components” is 0.98 million of Euro, the capital expenditure (Capex) is 2.36 million of Euro and operating expenditure (Opex) is 0 million of Euro for the objective mitigation to climate change.

Regarding 2023 intangible and tangible assets (including right-of-use as per IFRS 16), **investments in solar panels are eligible as per the economic activities 7.6.** Indeed, those investments are related to:

- ✓ the installation of a solar photovoltaic technology at the Settimo Torinese, Nules, Pune and Alsausa plants allowing the production of renewable energy.

These are taxonomy eligible expenditures related to category C ‘Purchase of output from other companies’, however they are not Taxonomy aligned.

The amount of related Capex and Opex connected to those two investments is minor, **representing in 2023 1.16% of Group Capex and 0.01% of Group Opex** eligible for the objective of mitigation to climate change.

All such analyses have been based on SOGEFI Group management interpretation and understanding of the requirements of the applicable Taxonomy regulation (i.e., EU Regulation 852/2020 and related Delegated regulation), including the Q&As officially published by the European Commission.

The evaluation of the activities and investments in line with the taxonomy regulation has been made with the support of an external advisor experts on sustainability aspects.

In the Annex “EU Taxonomy” are reported the three tables detailing KPIs for the eligibility and alignment.

6. Governance

In compliance with the requirements of the Italian *"Codice di Corporate Governance delle Società Quotate,"* which the company has complied with and is supported by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime, and Confindustria, SOGEFI manages its operations in accordance with the principles of responsible Corporate Governance, focused on creating a sustainable value and achieving its own strategic objectives.

At the end of the 2023 reporting period, the Sogefi S.p.A. Board of Directors is made up of seven members over 50 and two members between the ages of 30 and 50; women make up 44% of the Board.

Please consult the Report on Corporate Governance and Ownership Structure 2023 for more information.

Business Ethics & Integrity

In the best interests of all of its present and potential stakeholders, the Group is committed to implementing a business strategy that aligns with the principles of sustainable development.

From this point of view, SOGEFI has adopted framework of policies and procedures applicable to all Group's subsidiaries to define and transmit in a clear and transparent way the values that must inspire the organization in carrying out its activities and achieving its objectives.

The **Code of Ethics**, updated as appropriate on a regular basis and approved by the Board of Directors, is the main support pillar of this framework of policies and procedures. Adherence to it is necessary for the proper operation of the complete value chain.

Employees and everyone else who works with the Group's companies for whatever reason are highly encouraged to acknowledge and uphold the values set forth in the Code of Ethics.

Before the start of the employment relationship or commercial cooperation, a hard copy of the Code of Ethics is given to all new workers and business partners. It is also translated into the primary local languages and published on the Company's website and on the Group's intranet page.

The main Group Policies and Procedures can be found on the SOGEFI intranet page and, to some extent, on the business website.

The core values outlined in the Code of Ethics are:

- ✓ fairness in business operations, which includes avoiding conflicts of interest and unethical behaviours;
- ✓ safeguarding human resources;
- ✓ preserving the environment;
- ✓ managing relationships with other parties, including suppliers, consumers, the government, etc;
- ✓ corporate governance.

The primary Sogefi Policies regarding the material aspects of corporate sustainability are listed below:

§ Model of Organization, Management and Control in accordance with the Italian Legislative Decree 231/2001 (the “Organizational Model”): it has been initially adopted by the Board of Directors of Sogefi S.p.A. in 2004, with the aim of describing the management tools and possible sanctions related to the violation of the protection measures adopted in relation to the applicable crime risks. The Organizational Model is periodically checked and updated – last version approved in October 2022 -, to ensure its compliance with any regulatory change and organizational structure.

In addition, to ensure compliance with the Legislative Decree 231/2001, the Board of Directors designated a **Supervisory Body** responsible for supervising and controlling the compliance and effective implementation of the Organizational Model by the recipients, reporting any deficiency, and therefore proceeding to update it. It has also the obligation to inform the Board of Directors, to organize information and training on the Organizational Model itself.

§ Policy on Human Rights: in accordance with international standards such as the United Nations Declaration on Human Rights and the International Labor Organization (ILO) Declaration on Human Rights about principles and fundamental rights of workers, it establishes the respect, throughout the value chain, for working principles and conditions which safeguard human dignity, not tolerating offensive behaviors or conducts to moral or personal beliefs.

Policy, approved by Group CEO, covers aspects such as the commitment not to use any form of forced, compulsory or child labor, the rejection of any form of discrimination or harassment, respect for employment and occupation, freedom of association.

§ Policy on Occupational Health and Safety:

it highlights basic principles to be followed that are about to identify, assess and as best as possible, eliminate hazards and prevent accidents, injuries and work-related illness linked to the working conditions of all employees and external workers in the Group’s plants. In accordance with local regulations, SOGEFI is committed to provide, maintain, and improve the Health and Safety through management system approach, also through the spread of a culture of accident prevention and awareness-raising. This policy has been approved by Group CEO.

§ Environmental Policy: it defines the commitment of the Group to reduce its environmental impact by:

- **targeting** compliance with all **applicable** local and international regulations,
- **aiming to both increase** prevention actions and **preparedness of consequences** of any pollution,
- **setting up** continuous improvement schemes.

The aim is to implement an adequate **and efficient** environmental management system with defined roles and responsibilities for meeting specific targets aiming to reduce environmental impacts and improve environmental performances. The Policy, approved by Group CEO, has extended fields along with actions for emissions reduction within logistic inbound and outbound flows, but also decarbonization by increasing a green energy mix ratio.

§ Code of Business Conduct: it applies to all business partners (i.e., suppliers, service providers, commercial partners, commercial agents, subcontractors and distributors) and defines the requirements that they must comply with during business activities. In particular, the Code, approved by the Group CEO, defines principles and requirements that must be complied within the following areas:

- ✓ **business ethics**, including anti-corruption practices, fair competition, conflicts of interest;
- ✓ **responsible sourcing** and prevention of conflict minerals;
- ✓ **respect of human rights and working conditions**, with particular reference to health and safety, office hours, benefits and respect for personal data, to the fight against forced labor, child labor and all forms of discriminations, as well as freedom of association and collective bargaining;
- ✓ **environmental responsibility**, with particular reference to the management of materials and waste, energy consumption and greenhouse gas emissions, water consumption and discharge.

§ Whistleblowing Procedure which, translated into the main local languages for an easier comprehension, defines the operating procedures so that any person (SOGEFI Group employee or external people) can report a breach or suspected breach to code of conduct and ethics principles.

In 2023, following the entry into force of Legislative Decree No. 24 of 2023, in implementation of European Directive 1937/2019, an updated version of the Company's Whistleblowing Procedure was approved by the Board of Directors. The updated Whistleblowing Procedure is published on the Company's website and on the Group's intranet page.

The Sustainability Risk & Control Committee and the Board of Directors are updated on a regular basis by the Internal Audit Function about any critical concerns (if any) related to whistleblowing reports received during the year.

§ Purchasing Sustainability Policy: through this policy Sogefi commits to conduct business responsibly by incorporating sustainability into all of its decisions and operational procedures.

All Sogefi Group's business partners must abide by all applicable laws and regulations as well as the guidelines and instructions outlined in this Policy approved by Purchasing Director. The Group also exhorts its partners to share its commitment throughout their supply chain.

As part of its commitment to achieving the 10 Sustainable Development Goals, Sogefi expects its business partners to uphold the standards and spread the values indicated in this Policy, which is built on the following three pillars:

- ✓ **Business innovation;**
- ✓ **Eco efficiency;**
- ✓ **People.**

§ General Policy for Information Security Systems: its objective is to preserve the confidentiality, integrity and availability of the information assets held by the organization in relation to customers, partners, and internal staff. This policy, approved by Group CEO, also defines the set of requirements that must be met to ensure the protection of information from possible risks of cyber-attacks.

More specifically the IT Charter defines the responsibilities of users, system administrators and the Group itself in terms of security of information and sets rules on the usage of IT aimed at protecting sensitive and personal data.

In addition, based on a specific risk assessment periodically updated by the Group CIO, the mitigation actions are defined.

§ Anti-corruption: back in 2019, the Group launched a project dedicated to the fight against corruption and the strengthening of the internal control system aimed at preventing possible cases of corruption. The project was then regularly updated with the aim of defining a suitable governance model, developing a global communication and training plan including, where needed, the revision and update of the policies and procedures of the Group. The project is ongoing, and it is expected to be further developed in 2024.

In 2023, no incidents of corruption have been reported, nor has the Company been involved in litigation in regards of corruption. Furthermore, there has not been any investigation by competent public authorities that identified exposures to the Group.

The main Group's Policies have been regularly revised as needed to guarantee compliance with the most modern ethics and integrity standards.

With the aim of expanding the distribution of the primary Group policies, the Human Resources & Sustainability Departments launched a thorough training program in all languages in 2023 to improve the organization's comprehension of ethical and integrity values. Additional information can be found in the "Training" section.

Sustainability audits are periodically carried out by Internal Audit Function based on the annual Audit Plan, verifying sustainability topics reported in the Group's Non-Financial Statement, to assess the effective implementation of the policies and procedures, as well as the adopted high-level controls. The activity is carried out using an Entity-level Checklist, prepared in agreement with the Strategy & Sustainability Director taking into account the adequacy of existing local practices and their compliance with Group standards.

Approach to taxation

The SOGEFI Group has developed a fiscal strategy aimed at ensuring that all companies are fully compliant with existing tax obligations - i.e., declaratory and fiscal fulfilments - in all the jurisdictions in which the Group operates.

Through this strategy the Group commits to:

- ✓ **comply with all primary and secondary laws**, with monitoring obligations and tax disclosure in the countries in which it operates, as well as all international regulations and OECD Guidelines;
- ✓ **adopt tax policies** exclusively related to commercial and/or business transactions carried out by the Group itself;
- ✓ **apply professional diligence** in the management of tax-related issues, ensuring an appropriate governance procedure.

The Group periodically monitors regulatory and jurisprudential evolutions of tax systems.

The governance process and the fiscal strategy, which serve as a support for the management of tax-related risks, are defined and monitored by the Group CFO, under the coordination and supervision of the Board of Directors. The operational management of fiscal issues, as well as the compliance with tax regulations, is instead entrusted to the local CFOs, under the coordination and supervision of the Group CFO.

The fiscal strategy is developed according to the Group's business strategy, therefore the corporate structure adopted, and the type of transactions carried out are the result of corporate and business decisions and are not taken for fiscal purposes. In commercial transactions, SOGEFI benefits from tax incentives and exemptions, in line with the rationale of the tax legislation applicable from time to time. SOGEFI does not undertake tax planning strategies that are not correlated to its commercial transactions.

Within the SOGEFI Group there are also transactions of goods and services between entities belonging to different fiscal regimes, which are regulated by transfer price mechanisms drawn up and validated by the Group CFO, but which:

- ✓ in case of chargebacks of staff and services (management fees), they are limited and based on cost and a minimum mark-up;

- ✓ in case of sale of goods (especially for Aftermarket activities), which derive from the requests of final customers to engage with local counterparties to which the Group's production companies transfer goods, the transaction takes place on the basis of the increased cost of a mark-up and by no means is aimed at transferring profits to more cost-effective tax regimes.

With regard to the management of tax-related risks to which the Group is potentially exposed, given the size of the business and the correspondent size of tax obligations, **SOGEFI adopts a proactive process of identification, evaluation, treatment and monitoring of any critical issue**, in order to minimize the effects. This approach is in line with the Group policy to prevent any level of risk.

In this regard, the defined rules provide that, where the tax legislation is not clear or subject to interpretation, the Group shall adopt the interpretation considered most probable in light of the ratio of the legislation in force. In cases of significant uncertainty or complexity in relation to a tax issue, the Group may decide to avail itself of external advisors. SOGEFI's goal is to have professional and constructive relations and to maintain information transparency with tax authorities, acknowledging that early risk resolution is in the best interest of both the Group and tax authorities, in a spirit of cooperative compliance.

Any situation of obvious anomaly or critical issue resulting from audits and assessment of taxation and duties - evaluated according to the professional diligence required in such cases - which may represent a risk of wrongdoing, is promptly reported avoiding any delay, by the Group CFO to the Legal Manager and the Board of Directors in order to obtain adequate assistance.

Any interested stakeholder may also report critical issues, unethical or illegal behavior, or any activity that could compromise the integrity of the organization in relation to taxes, using the Group's whistleblowing channel - for any details please refer to the "Business Ethics and Integrity" section of this document.

Finally, it should be noted that for tax disclosure there is no assurance process, and the Group is not part of representative associations or

committees performing advocacy activities related to tax matters.

In the Annex it is reported the details of the taxes paid within those jurisdictions in which the Group operates.

Product Quality & Customer satisfaction

Product reliability and customer satisfaction are part of SOGEFI DNA.

On a daily basis, our ambition is to offer our customers reliable, safe products that comply with the highest standards in the automotive industry.

In order to guarantee the production of excellent products, the SOGEFI group applies the main national and international technical reference standards to offer our customers production processes aligned with best industry practices.

The satisfaction of our customers is essential: we ensure compliance with their specifications in terms of performance, durability and carbon footprint.

SOGEFI quality management system

SOGEFI has adopted **Quality-Safety-Health-Environmental Policies** since years that define the guiding principles and objectives that each Business Line must pursue, ensuring high operational standards including:

- ✓ the assessment of potential risks and the related adequate control systems;
- ✓ continuous improvement of performance in terms of quality, environment, health and safety at work, by analyzing area of improvement to achieve operational excellence;
- ✓ the Compliance with current regulations.

As part of the quality risk analysis, SOGEFI conducts a **risk assessment** according to the Failure Mode Effects Analysis (FMEA) industry standard, which identifies and evaluates the potential risks related to design and process; as

well an assessment of the product and production, and the impacts that the project itself could determine on quality, environment and health and safety is conducted. The analysis covers the production life.

Through a set of specific KPIs, it analyzes and monitors the Group's overall quality performances and customer satisfaction, activating an escalation process where necessary.

The objectives for the different plants are defined for each KPI every year.

The KPIs are collected and reviewed on a monthly basis and the main results are discussed during monthly meetings between the plants and the top management where the key function participates (e.g., Operations, Human Resources, Sales, Quality, Research and Development, Purchasing, etc.).

The two main quality indicators monitored by the business lines are:

Customer Claim Rate (CCR)	Claims received from customers OEM/OES
Scrap of Total Product Sales	Discarded products, parts or components, classified by type of non-compliance at every stage of the production process

Excluding specific events, the consolidation of non-conformities and Quick Response Quality Control (QRQC) make possible to determine the Group quality performance and provide tools to:

- ✓ increase responsiveness for customer complaints management;
- ✓ identify and implement preventive and corrective actions;
- ✓ share best practices and lessons learned;
- ✓ properly inform the top management.

The process analysis of the quality issues and the subsequent definition of preventive and corrective actions is starting from a quality internal audit.

The effectiveness of the actions plans is assessed over the year to minimize the risk of the same event occurring again.

Concerning customer satisfaction, in accordance with automotive practices, specific follow-up activities take place via customer portals - mainly OEM.

The evaluation of the performance of the service and products level delivered by each factory is managed using a satisfaction graph.

The dashboard monitors plant performance (i.e., quality, purchasing, logistics and responsiveness) and additional elements such as product development and plant certifications.

These results are escalate internally to the Business Lines Quality Directors as part of the monthly quality report.

Any red alert raised by the customers is managed via a shared corrective action plan.

Some customers conduct regular meetings with Business Lines Management during which a satisfaction feedback is provided.

The IATF 16949:2016 (and ISO 9001:2015 for IAM) certifications confirm the validity and effectiveness of the Group's quality management system.

IATF certification is an international standard for automotive industry oriented to continuous improvement, prevention of risks and non-conformities, reduction of waste and variations in the different phases of design, development, and production.

In 2023, 100% of Group's plants have an IATF 16949:2016 certified quality management system with the recovery of Prichard certification.

In addition, to ensure compliance with local regulations in countries where the product is developed and marketed, in line with the main requirements of European Directive 2000/53/EC, REACH Regulation 1907/2006/EC Annex XIV, Art. 33, regulation on conflict minerals (CFSI) and customer-specific requirements, SOGEFI is providing relevant information to the customers.

Product Safety

All the Business Lines have arranged testing processes at the end of the production lines for guaranteeing product quality.

In 2023, **no cases of non-compliance regarding health and safety of products were recorded.**

Cybersecurity & Data Protection

Since 2021 SOGEFI implemented an Information Security Management System (ISMS) to set the appropriate human and technical resources and to ensure the hardware and software security of the information and communication system. The IT department is responsible for implementing and monitoring the proper functioning of the IT system, while the user is responsible for the resources entrusted to him within the framework of the exercise of his functions. To implement the ISMS a General Information Security Policy, an IT Charter and the related training programs have been organized to spread to all employees all the best practices related to the Information Security.

SOGEFI introduced in 2023 some important innovations in the IT field. These include:

- ✓ the introduction of augmented reality headsets that allow to virtually visit the Group sites, to support safety with remote inspections and real-time supports;
- ✓ the deployment of a self-learning cyber AI for protect against cyberattack (Dartrace);
- ✓ the replacement of the global network with a new SDWAN network technology.

It should be noted that in 2023 there were **no substantiated complaints concerning breaches of customer privacy and losses of customer data and no cyber security incidents.**

No complaints about breaches of privacy have been registered during the last 5 years.



At the end of 2023, **94% of industrial sites and 2 commercial sites are TISAX certified.** TISAX (Trusted Information Security Assessment eXchange) is an information security assessment approach based on a maturity model and geared explicitly to the needs of the automotive industry.

The goal of the standard is to define a common level of security for the automotive sector (the model is based on VDA-ISA), ensure comparability and quality of assessments and to share best practices and lessons learned.

Responsible procurement practices

In order to achieve its sustainability goals, the Group is collaborating with suppliers who respect high quality standards, comply with current environmental and safety regulations and ensure compliance with ethical, social and governance principles.

In 2022, a Group Purchasing Sustainable Development Policy was developed and a roadmap of actions aimed at reorganizing the Procurement function was put in place.

In accordance with the Group's Purchasing Procedures, formalized in the Suppliers Manual adopted by each business line, the supplier selection process and the subsequent definition of purchasing conditions are based on an objective evaluation of individual characteristics: quality, price, financial performance, contractual and sustainability aspects.

Specifically, SOGEFI has implemented in 2022 a digitalized supplier evaluation process.

The supplier evaluation phases are structured as follows:

- ✓ as a first step, the Purchasing Function establishes the General Supplier Information Survey, a questionnaire in which the general data of the supplier's company is requested;
- ✓ then, thanks to the development of an Initial Supplier Assessment Checklist, more technical and detailed information are requested such as:
 - ISO 14001 environmental certification (mandatory by 2025 for all main suppliers);
 - ISO 45001 Health and Safety certification (strongly recommended by 2025);
 - ISO 50001 Energy Management certification (strongly recommended by 2030);
 - Carbon neutrality roadmap (with a target of -6% YoY and a carbon neutrality by 2040);
- ✓ before being accredited, the supplier must validate the Group's Code of Business Conduct and SOGEFI's General Terms and Conditions of Purchase, which respectively define the principles of ethics and good conduct to be respected by each supplier during the cooperation, as well as the contractual conditions applicable to the relationship.

In 2023, a new step was taken by introducing additional sustainability criteria to create a "green and sustainable" supplier base that will evolve according to market trends, regulatory requirements and the type of finished product.

In particular, the supplier evaluation process now incorporates new sustainability requirements, based on the following key points:

- ✓ use of recycled materials (recycling resin, regrinding materials, recycling scraps, use of 100% recycled packaging, etc.);
- ✓ reduction of carbon impact (use of renewable energy, suppliers closer to Sogefi plants, optimized filling of trucks, etc.);
- ✓ reduction of environmental impact (water consumption reduction initiatives, possession of ISO14001 certification, Life Cycle Assessment tools, etc.).

Supply chain management, already complex by nature, is subject to increased vigilance during extraordinary events such as the geopolitical tensions of recent years, which may lead us to adapt our supplier system.

Indeed, SOGEFI may face difficulties in the supply of certain materials or components and/or longer delivery times.

The Group has thus strengthened the supplier selection and monitoring process in order to identify, where possible, alternative suppliers for the most critical raw materials/components to reduce the possible risk of dependency on only a few suppliers.

In addition, particular attention is paid to assessing the financial strength and compliance with adequate quality standards of our supplier panel in order to avoid failures of our strategic suppliers.

MONITORING OF HAZARDOUS SUBSTANCES

The Group monitors the use of hazardous substances along the whole supply chain through three activities:

- ✓ Recording the material data of all components used by the Group into the *International Material Data System* (IMDS), developed by the major car manufacturers to help keeping track of the chemical composition of the products and to support the automotive industry to monitor the material used in the supply chain and prevent the use of hazardous and banned materials. This tool was adopted after entry into force of the EU Directive End of Life Vehicle (ELV);
- ✓ Tracking of substances used in product manufacturing and those required for the functioning of facilities and ensuring the safety of its operations, in compliance with the REACH European Regulation (Registration, Evaluation, Authorisation and restriction of Chemicals), aimed at increasing knowledge on the properties of chemical substances manufactured or marketed in the Europe, in order to contain the related risks and, when necessary, restrict or ban their use;
- ✓ Tracking of components used for automotive products through the *China Automotive Material Data System* (CAMDS), developed in the same country. This platform was introduced to meet product recycling and reuse requirements in China.

During 2023, SOGEFI began new partnerships with 21 suppliers.

As part of the new supplier accreditation process, 21 new accredited suppliers received and 20 signed the SOGEFI's Code of Business Conduct. 71% of them are ISO 14001:2015 certified.

On a global portfolio of 1,342 suppliers for direct purchases 68% signed the SOGEFI's Code of Business Conduct and 55% are ISO 14001:2015 certified.

Moreover, in order to fight the extraction of minerals from conflict zones, suppliers that use Conflict Minerals (tin, tungsten, tantalum and gold) are required to draw up and sign the *Declaration on Conflict Minerals* and to complete the *Conflict Minerals Reporting Template* (CMRT), taking into account the related list of raw materials, components and assemblies used. These documents are then shared with the respective carmakers.

Since 2023, SOGEFI has been carrying out a new EMRT (Extended Minerals Reporting Template) to declare the use of cobalt and mica in the list of raw materials used.

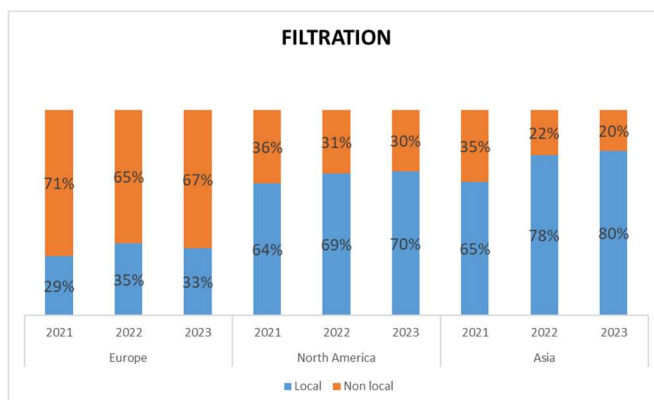
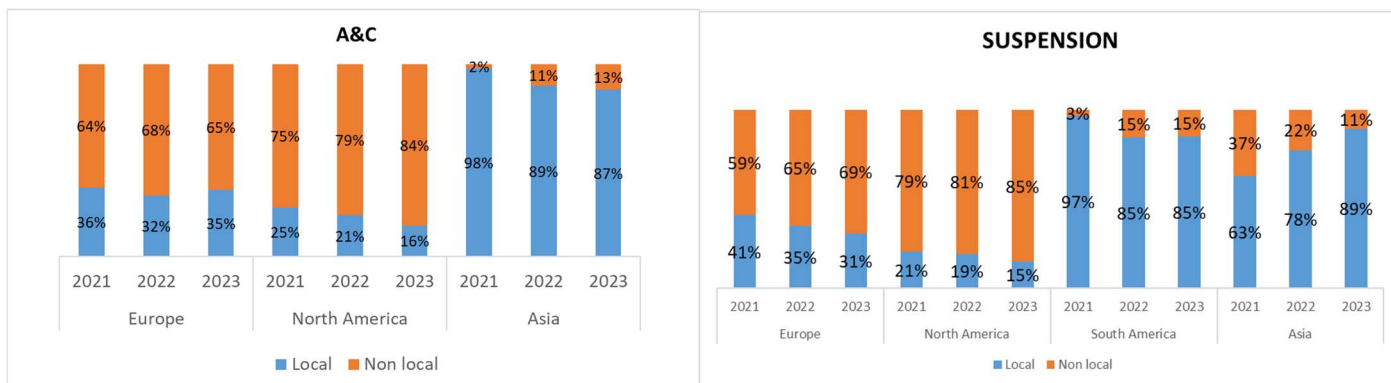
Another element impacting the suppliers' selection is their geographical location. SOGEFI is committed, when feasible and in accordance with customers' requirements, to give priority to local suppliers⁹.

The following graphs report the average of regional purchases among local suppliers, meaning suppliers operating in the same Country in which the Group subsidiary operates. More virtuous examples are:

Asia in all business lines and South America (Suspension) have a purchased locally percentage above 80%. Europe A&C improved by 3 p.p..

⁹ Local suppliers: suppliers of materials and goods based in the same country of Sogefi's controlled legal entity activities.

Percentages of materials and goods purchased locally¹⁰



¹⁰ Filtration South America out of the scope from 2021

7. People and Community

Sogefi is an international company with plants and business in 17 Countries and employs approximately 5,300 people worldwide.

The total workforce, including supervised workers, increased slightly by around 1.6% compared to 2022, mainly in the supervised workers category linked to the higher volumes (+6% in 2023 vs 2022 excluding forex and price impacts).

Supervised workers (1,715 end 2023) are mainly blue collars (96%) recruited by temporary agencies and working in Sogefi worldwide premises to enable a quick reaction and absorb fluctuations of customers' demand.

In 2023, no Sogefi employee had an employment contract with non-guaranteed hours.

SOGEFI is aware that each region where it operates has its own business codes. For this reason, the Group made sure to integrate their different cultures, experiences, habits and languages. Today, it is a strong intrinsic value for the group's organization which guides its way of working with all of its employees around the world.

Sogefi's workforce is mainly concentrated in Europe: 62% of the total employees with a presence in 9 different countries.

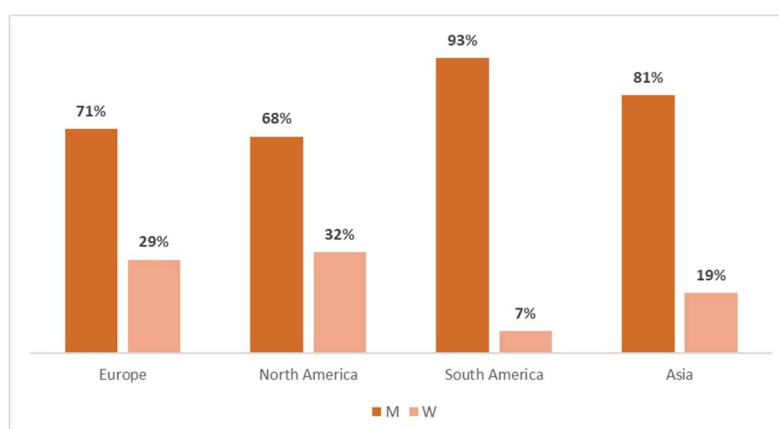
Asia accounts for 16% (China and India), North America for 15% (USA, Mexico and Canada) and South America for 7% (Brazil and Argentina)

Sogefi promotes stable employment and long-term relationships: almost all employees have permanent employment contracts (97%) and remunerations above the legal minimum in each country where it operates.

Approximately 76% of SOGEFI employees are covered either by national collective bargain agreements (in accordance with labor regulations in force in the countries where the Group is present) or specific company bargain agreements. This percentage obviously can varies depending on the geographical area linked to country historical evolutions and union presence.

In accordance with national collective work agreements and local agreements in force, SOGEFI guarantees a notice period to the employee which varies depending on the geographical area and the professional category to which they belong.

Group employees by region and gender in 2023

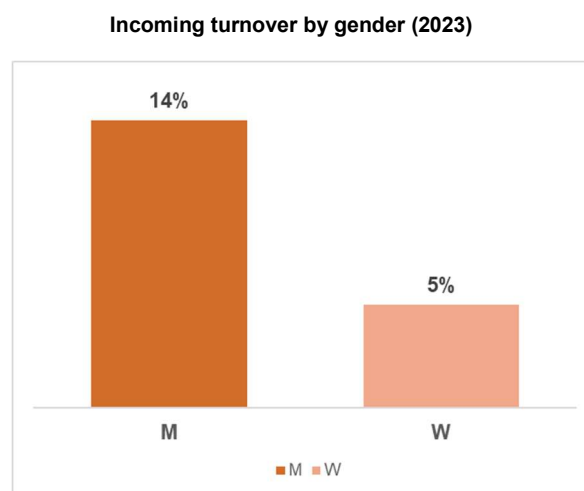
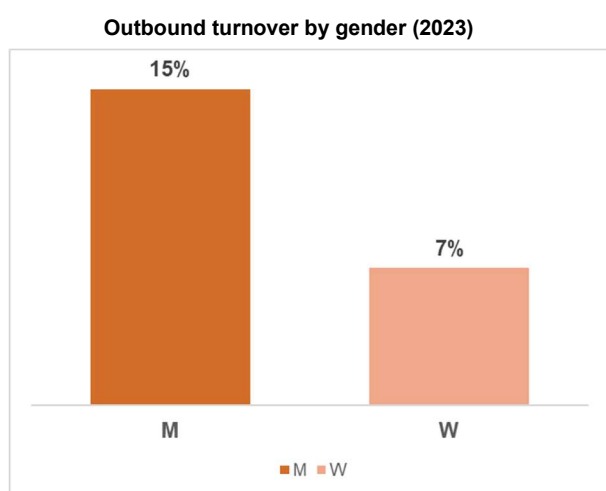


Attraction & retention, professional development

SOGEFI is promoting the retention of key resources and developing the attractiveness of the Group within a difficult context of strong competitiveness in the automotive market.

In 2023, SOGEFI's overall departure rate is decreasing at 21.7% compared to 23.5% in 2022. In 2023 13% of departures were linked to voluntary resignation (employees leaving the organization at their own discretion), while the remaining departures were mainly related to UK factory closure, Mexico Suspension plant sale and retirement.

The company had an incoming turnover rate of 19.2% as detailed here below:



Training

The Human Resources Department centrally oversees and keeps track of the key skills of its employees via the information system "Icare-myHR" in which employees are invited to update their profiles regularly.

SOGEFI employees' skills development needs are collected during two key periods of the management cycle: the APDR (Annual Performance and Development Review) Campaign, and the Talent review process.

An employee can also take part in their training plan by presenting his managers with a skills development plan for the upcoming year during the APDR.

The Group gives training and development guidelines to the various regions, which then plan training and development actions, incorporating their specific needs.

The group also plans recurring sessions across all sites to ensure that all employees receive the same training and information.

SOGEFI has updated our training program to reflect changing consumer demands and market trends.

A **varied range** of training courses, including technical courses on the job, fire safety, language proficiency, management & management skills, training linked to customer demands (based on CSR evolution), and updates caused by IATF changes are provided to **all** categories of employees.

The following are some of the most important group-level training initiatives.

The company has created a training program for all employees on the main policies of the SOGEFI group. Through this, an e-learning module was rolled out to all French and English sites in 2023.

To enhance awareness of SOGEFI's values and sustainable business practices, the aforementioned e-learning module will be made available in all other countries in 2024.

In 2023, SOGEFI made sure that employees were informed about **IT security** measures by offering four e-learning sessions that covered the following key topics: Wi-Fi security, E mail security, secure internet usage, physical security course.

Sogefi also participated in industry forums and summits such as the E-Mobility forum, the Battery Show, and the Thermal Management Exposition. The company also attended job training fairs, in partnership with the IMT Ecole des Mines, INSA, and UTBM Students.

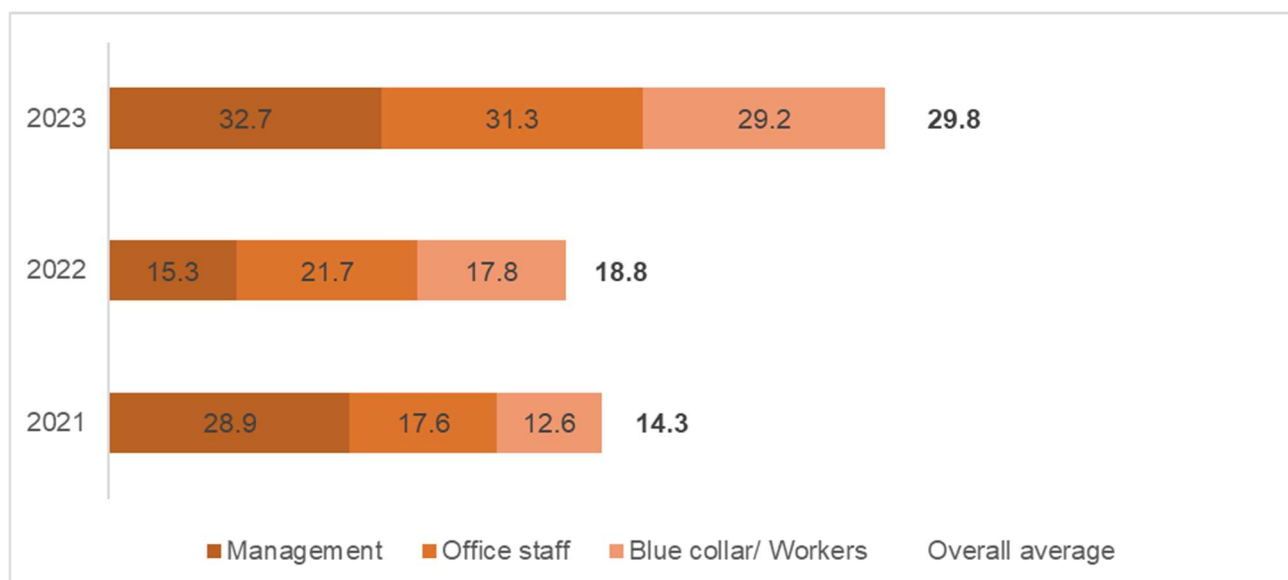
In addition, SOGEFI initiated a program in which managers participated in training

sessions, with the goal of improving their ability to adapt in a changing and demanding environment, and with the aim of reinforcing the company's values and culture. Nearly 100 managers took part in this program this year.

As part of our aim to play a significant role in e-mobility, Sogefi has also developed specialized training courses on innovative methods and tools for clean mobility.

Training techniques increasingly combine in-person and remote teaching, thanks to increased use of e-learning. Thanks to this, in early 2024, an e-learning platform will be rolled out Group-wide, with the aim of ensuring uniform training on a large scale and promoting accessibility to more training courses for all employees.

Average of training hours by employee category in 2023¹¹



¹¹ Training hours include also training on the job.

Performance Review

Evaluating the performance of each employees helps to identifies their strengths and areas for improvement. This process contributes to their personal development, to the recognition of their personal skills and thus to talent management.

Performance review is a key moment of exchange between the employee and their manager which allows constructive feedback to be provided in order to support the development of skills, in particular through training and thus paves the way for progression within the company.

In this regard, a structured Group performance review system (Annual Performance and Development Review- APDR) has been implemented for Management, Office staff and Indirect Workers, through the *Icare - myHR* web-based information system and, locally on paper, for Blue collars, ensuring uniformity in all countries.

The evaluation process includes: (i) a self-assessment by the employee; (ii) a dedicated one-to-one meeting between employee and its direct manager to discuss yearly performance and next year expectations; (iii) manager would complete the overall employee assessment before sending it to the employee for acknowledgement and then to the Human Resources Department.

To underline the importance of corporate culture, from 2023 the performance appraisal will take into account each manager's alignment with the Group's three core values: integrity, results-orientation and teamwork.

Each year, before the APDR process, managers are trained about: (i) how to conduct the interview, (ii) key skills to be evaluated, (iii) the active listening posture to ensure a fair and objective evaluation.

The APDR cycle takes place between December and February and it's aimed at gathering overall feedback about the employee's performance as well as information about work-life balance, willingness to geographical and functional mobility within the Group.

Employee and Manager are then defining together the objectives for the next year, trainings and a skills development plan, if any.

In 2023, 100% of Management, Office staff and Indirect Workers took part to the APDR process.

For blue collars (working on production lines with direct contact with the product), each plant manages the performance review in accordance with legal requirements and country-specific indications. In 2023, 42% of blue collars worldwide took part to the APDR process.

Diversity & Equal Opportunity

As formally outlined in the Group's Code of Ethics, SOGEFI is steadfastly committed to establishing and maintaining working relationships with its employees based on respect for fundamental rights.

The Group fosters a workplace that is favourable, fair, and open to diversity, allowing everyone to express their full potential.

SOGEFI ethical approach begins during the hiring process, ensuring that all individuals, regardless of factors such as age, sex, sexual orientation, gender identity, disability, state of health, or social origin, have the opportunity to apply without discrimination.

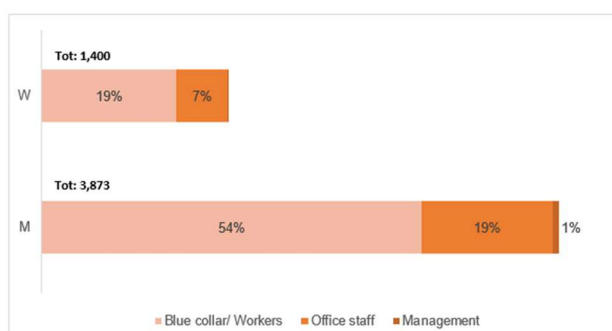
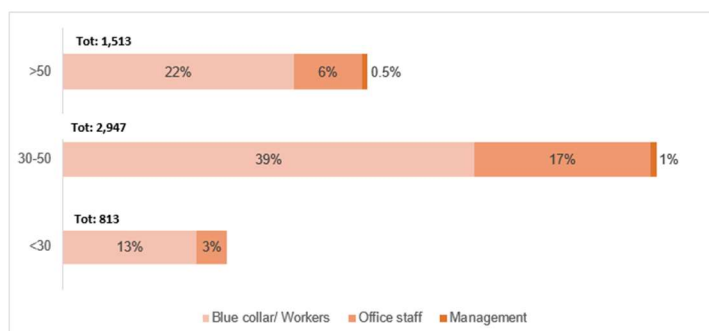
Among its approximately 5,300 employees, 56% fall within the age range of 30 to 50 years. Young people under 30 constitute 15% of the workforce, primarily as blue-collar (12%) and office staff (3%).

As of December 31st, 2023, men represent 73% and women 27% of the total workforce.

Female management and office staff positions are equal to 14% and 28% respectively of the overall corresponding categories.

This gender distribution remains quite stable over the years and reflects the typical characteristics of the automotive and manufacturing industry.

Employees composition 2023 (%)



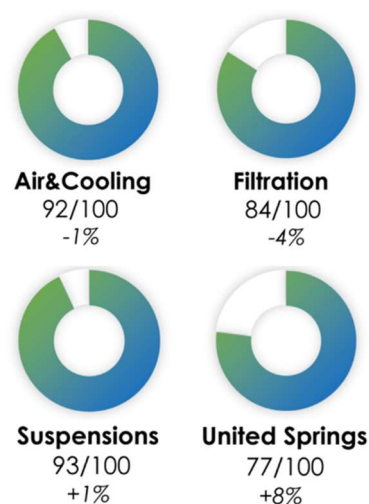
SOGEFI assesses its efforts to ensure gender equality by utilizing the Gender Equality Index, established by the French government. While mandatory only in France, SOGEFI has voluntarily adopted this index since 2022 to evaluate all its sites. The goal is to create an action plan that enhances professional equality between women and men at the local level.

This index comprises five criteria that gauge the level of professional equality within companies:

- ✓ **The average pays between women and men** (account for 40 points)
- ✓ **The individual annual salary increases between women and men** (account for 20 points)
- ✓ **The internal promotions between women and men** (account for 15 points)
- ✓ **The women's pay rises after maternity leave** (account for 15 points)
- ✓ **The number of women among the ten highest salaries of the plant** (account for 10 points)

Group Worldwide Gender Equality Index improved by 3.5 points in 2023 increasing from 64/100 in 2022 to 67.5/100 in 2023.

SOGEFI GENDER EQUALITY INDEX IN FRANCE



Outside France perimeter, the results showed other virtuous plants such as: Prichard, USA with the highest index (93 points), followed by Tangier, Morocco (89 points) and Montreal, Canada (88 points).

In order to monitoring and to continue promoting gender equality levels all around the world, **the Gender Equality Index will be re-assessed each year.**

In 2023, the ratio between Group CEO annual total compensation and the median annual compensation of all SOGEFI employees resulted in a rate¹² of 30 (vs a rate of 25 in 2022).

¹² CEO and Employees compensations were calculated including: the basic salary, the theoretical MBO and stock options with vesting date in 2023. Other indemnities are not material neither for the CEO neither for the Employees. Regarding Employees compensations, full-time equivalent (FTE) pay rates were used to calculate each part-time employee remuneration.

The median percentage compensation increase (2023 vs 2022) for all SOGEFI employees is equal to +2% vs a +24% for Group CEO because of stock grants plans.

Employees well-being, engagement & satisfaction

The Group ensures the satisfaction of its employees annually through opinion surveys. The participation rate in the 2023 survey at group level was 75% with on average 69% of votes from SOGEFI Group employees being “agree” or “completely agree” with the subjects addressed: agility/innovation, trust, employee experience, commitment, immediate effectiveness of managers, performance improvement, security, sustainability, effectiveness of senior managers, strategic orientation and values.

During the first opinion survey in 2022, the analysis of the survey results made possible to define priority actions based on employee expectations.

The 2023 survey showed that the implementation of the action plan was effective as each subject improved its rating versus the previous year.

Below the strongest improvement 2023 vs 2022:

- ✓ Clarify the company's strategic vision: +9 p.p.
- ✓ Improve the sense of consideration of the plant manager and/or the BU towards his employees: +8 p.p.
- ✓ Improve the recommendation of the company as a “good place” to work by our employees: +7 p.p.
- ✓ Strengthening tools and material resources: +4 p.p.

The additional benefits, adapted to the local needs, are supporting the promotion of a positive working place where SOGEFI employees can release their full potential and thus contribute to the growth of the company.

Below some examples of additional benefits offered by SOGEFI to the employees:

- ✓ Local pre-retirement programs and gradual reduction of weekly working hours;
- ✓ Local life insurance programs, health care programs, extra statutory provisions parental leave.

Occupational health and safety

At SOGEFI, our priority is to ensure the health and safety of our employees by raising their awareness of occupational risks and establishing the adoption of responsible behaviour.







SOGEFI monitors the frequency and severity of workplace accidents and conducts post-accident reviews to develop action plans aiming to be lesson learned for risk mitigation, and ensuring no reoccurrence. The group is also committed to facilitating employee access to health services at the local level, such as family care, extra insurance coverage and access to additional occupational health services.

Health and Safety Committees

Most of the plants have established a health and safety committee to evaluate workers' safety behavior and conduct regular audits. These committees meet regularly to discuss health and safety issues within the plant. They are typically made up of production personnel, maintenance and/or safety officers, worker representatives, union delegates, or a combination of all.

In order to involve all employees in the process of improving practices related to health and safety, these committees are integrated into the Health and Safety management system, thus helping to promote a positive culture of these themes.

2023 Occupational Health Services main initiatives

			<p>The Guyancourt site, in partnership with occupational medicine, offered a workshop on stress management, sleep quality and awareness about the best posture to adopt during PC usage in office or home office.</p>
			<p>On top to the legal health coverage provided to all employees, the Titesti plant offers an annual medical check-up. This year this initiative was extended by offering eyes check-up and reduced prices for glasses purchase.</p>

Health and Safety Management System

The Group has approved a **policy dedicated to Health and Safety rules**, which defines the principles that all Group key functions must adopt to define their local Health and Safety management system. Through this Policy, SOGEFI is committed to disseminate the culture of accident prevention and awareness of potential risks linked to the company's activities at each level.

At local level, depending on the size of the plant, the processes and technologies available as well as local regulatory requirements, the majority of our plants have a **dedicated HSE (Health, Safety and Environmental) officer** who, under the responsibility of the plant director, are responsible to explain and disseminate the Group health and safety rules.

In order to minimize risks at an early stage, the Group assesses the potential exposure of each plant and activity, defining the priorities to be addressed.

Using this system, local management analyses work premises and the adequacy of existing security controls to **assess possible process improvements** to be shared within the Group.

In addition, workshops for disseminating standards and specific training clearly explaining how to carry out each operation are distributed within the Group with the same aim of minimizing risks at each stage of the production process.

Finally, monthly reporting of the number of workplace accidents is carried out by the group's Human Resources department, based on KPIs collected locally.

In 2023, 4 plants were congratulated for their good health and safety results: Sant'Antonino (1,000 days without accident), Wujiang and Orbey (2 years without accident), Douai (1 year without accident).

The ISO 45001 (Occupational Health and Safety Management System) certification attests the management, control and improvement of performance in terms of health and safety at work. As of December 2023, **8 Group's plants have a certification ISO 45001** and a specific roadmap has been defined to increase the number of Group plant certified each year (at last one more each year).

ISO 45001 requirements are anyhow **applied to all plants to standardize SOGEFI health and safety model**.

Local management maintains complete autonomy to be proactive to face the specific needs of its plant preparing the action plan to Business line HSE and CEO.

In each area of the plant, a dedicated team is in place to carry out preventive and corrective audit and action plans in case of accidents.

This data is then presented and analysed monthly by the executive committee in order to quickly activate countermeasures.

The plants also communicate regularly on the number of days without a workplace accident and a Group communication is distributed throughout the organization to congratulate local teams and encourage good practices.

Training

A safety guide, which identifies and **promotes 10 safety basics** to follow to avoid health and safety accidents within factories, is given to each visitor in all SOGEFI plants.

All plants set up a formal HSE induction program for all visitors, employees and external workers on health practices and security that are mostly based on Dojo requirements.

The training goes beyond legislative requirements, as the Group strives to support local plants by providing regular and frequent training to each employee.

There are three types of H&S trainings:

- ✓ integration for all new hiring;
- ✓ job-dedicated (such as forklift operators, crane operators, ...);
- ✓ H&S management culture.

Health and Safety Indicators

SOGEFI monitors the health and safety performances by **calculating the overall injury rate** that considers total injuries and total hours worked of both employees and supervised workers, with a multiplier of 1,000,000. Over the last three years, the **rate is significantly improved** (divided almost by 3), confirming the continuous Group effort and commitment to managing health and safety at work.

Injury rate monitored by SOGEFI ¹³			
	2021	2022	2023
Rate of work-related injuries	3.5	2.0	1.2

Following the requirements of GRI standards and for the purpose of this Report, the same injury rate it has been calculated and presented separately, for employees and for supervised workers. Figures confirm the decreasing trend:

Injury indicators for employees			
	2021	2022	2023
Rate of work-related injuries	3.9	2.6	1.3
Rate of fatalities	-	-	-
Rate of high-consequence injuries	0.1	0.1	0.2

Injury indicators for supervised workers			
	2021	2022	2023
Rate of work-related injuries	2.7	0.8	1.1
Rate of fatalities	-	-	-
Rate of high-consequence injuries	-	0.2	-

In 2023, 19 injuries occurred in the workplace, with an overall decrease of 37% compared to 2022.

The higher number of accidents is related to the Suspensions Business Line, representing, 68% of total Group injuries, both in employees and supervised workers but this business line recorded a 58% drop in accidents among Sogefi employees and a 41% drop in the total including supervised workers.

¹³ The KPI considers both employees and supervised workers, on 12 months rolling.

2023 accidents are mainly concentrated at finger level due to manual processes still in place and maintenance on tools. Hand and pinch point protection would be further improved to minimize risks.

The enhanced oversight implemented by the Business lines HSE on all sites explains the drop in accidents (from 50 in 2021 to 19 in 2023):

- ✓ Weekly HSE meetings between Business Lines and local HSE officers;
- ✓ Local visits and audits conducted by Business Lines HSE directors;
- ✓ Renewed communication about safety basics and compliance analysis performed by the sites;
- ✓ Safety-related investments (CAPEX);
- ✓ Strong Business Lines follow up to complete action plans promptly following any HSE accident.

Regarding work-related illnesses, in 2023 their number remained stable between 2022 and 2023 after a drop of almost 50% between 2021 and 2022.

Occupational health indicators for employees			
	2021	2022	2023
Recordable work-related ill health	15	8	9
<i>n. of fatalities as a result of work-related ill health</i>	-	-	-

Occupational health indicators for supervised workers			
	2021	2022	2023
Recordable work-related ill health	2	-	-
<i>n. of fatalities as a result of work-related ill health</i>	-	-	-

For further details of health and safety indicators per geographical area, please refer to the annex of this document.

Distributed Value and Impact on local communities

In 2023, SOGEFI reevaluated the primary objectives to focus on ad hoc projects that would benefit more to local communities and enhance their efficacy.

The projects that were carried out throughout the year fell into three major categories:

- ✓ Education
- ✓ Health
- ✓ Waste Gathering

Projects were chosen based on the benefits that they would provide for the local community, while also respecting local traditions. As of 2023, the initiatives were extended to include commercial offices, since in 2022 only industrial plants were involved in carrying out projects. For 2023, a total of 92 projects were carried out, with around 2 projects per site.

2023 most relevant worldwide initiatives for local communities**Education**

For a number of years, SOGEFI India has made a commitment to assist and support local government schools, as well as the underprivileged community. This year, students at a deprived school were reported to be struggling to get access to clean, well-kept drinking water. The Pune team put in a water purification and drinking water system to provide the school's roughly 700 students and staff members with clean drinking water.

**Waste gathering**

On a volunteering basis, seven SOGEFI teams worldwide decided to participate in a rubbish collection effort.

Not only did our colleagues become aware of the sheer volume of rubbish that ends up in our parks, streets, and ocean, but they also had the opportunity to take an active role in environmental preservation.

**Health**

Nineteen activities were carried out this year to support medical research (to combat cancer, uncommon diseases, etc.) or provide assistance to the sick and afflicted.

**Education**

The SOGEFI Prichard team gave a nearby farmer access to 7 acres of land behind the facility so he could grow pumpkins for the neighborhood market.

This program offers the chance to assist a local farmer who encourages restaurants and educational institutions to use sustainably sourced food. Children may learn about responsible agriculture on his farm, which doubles as an educational facility.

Economic value generated and distributed¹⁴

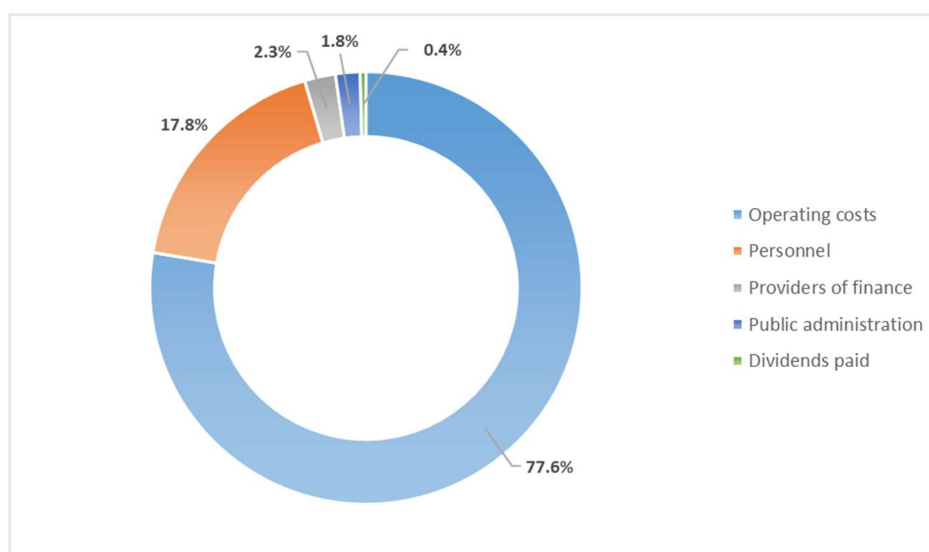
The Statement of Economic Value is a reclassification of the Consolidated Income Statement and represents the wealth generated and redistributed by the SOGEFI Group to all its Stakeholders. In particular, this statement presents the financial performance of operations, the wealth distributed to parties deemed to be Stakeholders for the Group or the ability of the organization to create value for its Stakeholders.

In 2023, Economic Value Generated amounted to €1,632 million, showing a 5.5% increase compared to 2022.

The distribution of the Economic value, net of the part retained by the Group, is allocated as follows:

- ✓ the **Operating Costs** amount to around €1,139 million (+4.8% compared to 2022), and include manufacturing and R&D overheads, distribution and sales fixed expenses and administrative and general expenses, as well as the cost of goods sold. Operating costs represent **78%** of Distributed Economic Value;
- ✓ Group's **Personnel Costs** amount to around €261 million, including mainly personnel costs at payroll in terms of wages, salaries and contributions, pension costs (defined benefit plans and defined contribution plans) and restructuring costs. Personnel costs represent **18%** of Distributed Economic Value;
- ✓ **Providers of Finance**, mostly refer to interests on obligations and debts towards banks paid by the Group in 2023 and minority shareholders. The amount was approximately €34 million (about +37.8% compared to 2022), representing around **2%** of Distributed Economic Value;
- ✓ the economic value distributed to **Public Administration** mainly in terms of income and indirect taxes, amounts to around €27 million representing **2%** of Distributed Economic Value;
- ✓ Furthermore, in 2023, around €6.3 million were distributed as dividends.

Economic Value distributed to stakeholders in 2023 (%)



¹⁴ 2022 figures have been: (i) restated as per Consolidated Financial Statement as of 31/12/2023 following IFRS5 adoption for Mexico sale in 2023; (ii) reclassified to allow comparability with the presentation adopted for the 2023 data.

8. Environment

The Group is managing its activities in an environmental sustainable way, always mindful of the rights of future generations.

The Group's subsidiaries adopt environmental best practices and adhere to all environmental regulations of each country.

SOGEFI commitment to environmental protection is reinforced via:

- (i) the "Environmental Policy";
- (ii) the "Environmental Management System" (EMS) aligned with the international standard ISO 14001. As of December 31st, 2023, all Group plants are certified;
- (iii) the "Energy management system" aligned with the international standard ISO 50001. As of December 31st, 2023, 4 plants of the Group are certified (2 plants in China and 2 plants in Germany).

The Environmental standards emphasizes **three fundamental elements**:

- ✓ Pollution prevention assessment, action plan and target commitments;
- ✓ Compliance with relevant regulations (concerning for example emissions, water pollution, waste treatment and noise emission);
- ✓ Continuous improvement.

SOGEFI is working on: energy efficiency actions, green energy utilization, waste valorisation. For further details, please refer to Section 4 of the Group's strategy and SOGEFI's performance on the 13 ESG Group's KPIs.

Climate Strategy

Below is reported the impact of energy consumption and GHG emissions within the Group's operations and along its value chain.

Industrial carbon footprint

Regarding the industrial carbon footprint, SOGEFI' manufacturing plants primarily rely on natural gas (direct energy) and electricity (indirect energy) as their main energy sources. These two sources account for the majority of the group's total energy consumption. Notably, Sogefi's internal energy consumption data consider only electricity and natural gas, while other energy sources (such as refrigerant gases and company fleet consumption) are not considered significant compared to overall electricity and gas consumption.

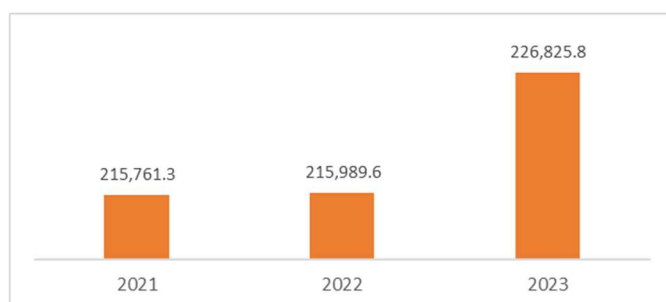
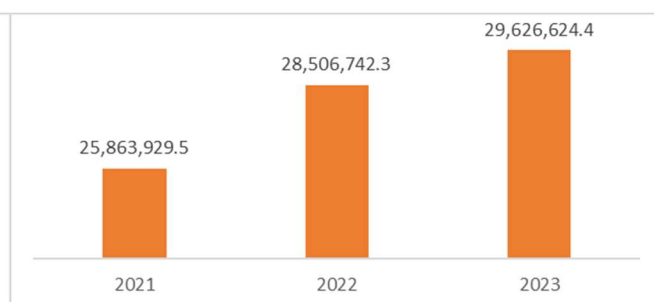
In 2023 SOGEFI increased the percentage of green energy on total up to 11% (8% in 2022) thanks to:

- ✓ Consumption of 100% green electricity in Montreal thanks to Hydroelectricity production in Canada.
- ✓ On-site production of solar electricity implemented in Pune (India), Nules and Alsasua (Spain) and Settimo Torinese (Italy).
- ✓ I-REC in China, India, Brazil and Argentina (electricity generated from renewable sources).

Green energy consumption (GJ)		
	2023	%
Total Energy consumption	1,988,690.3	100%
Of which Green energy consumption (GJ)	213,936.9	10.8%

In 2023, the Group consumed approximately 227,000 MWh of electricity and around 29.6 million cubic meters of natural gas with an increase of a. 6% in line with the increase of production volumes (6% as well).

Group electricity consumption (MWh)

Group natural gas consumption (m³)

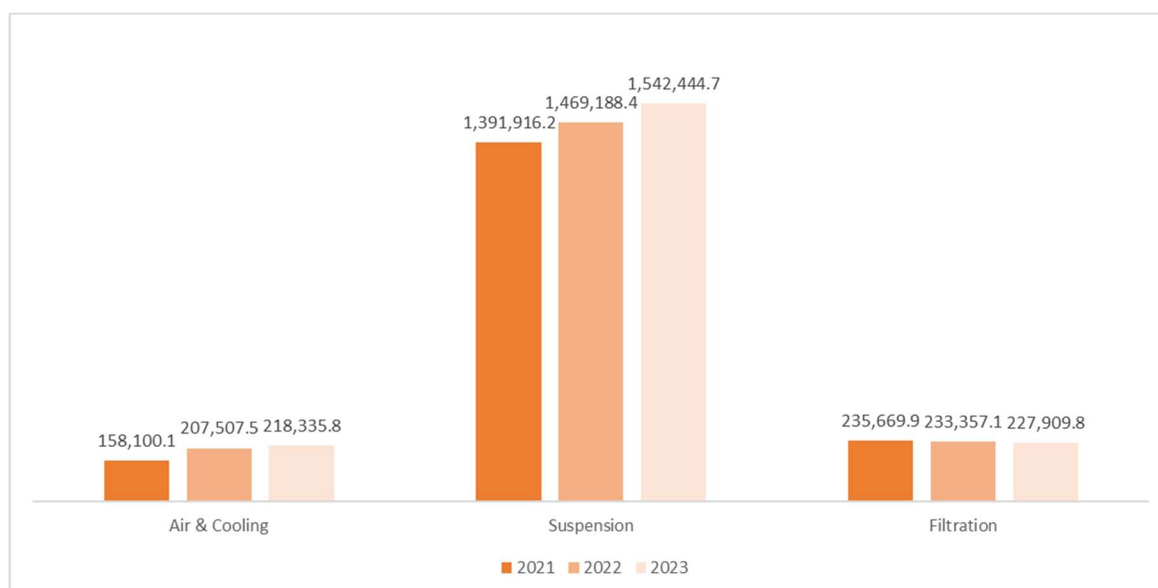
Within the Group, the Suspensions business line stands out as the highest energy consumer.

This business line employs a production process based on steel forming and shot peening. It accounts for approximately 78% of the Group's total energy consumption. Specifically, Suspensions represent around 57% of Group electricity consumption and 92% of natural gas consumption.

The Filtration business line reduced its energy consumption by a. -2% in 2023, despite 5% increase in production volumes.

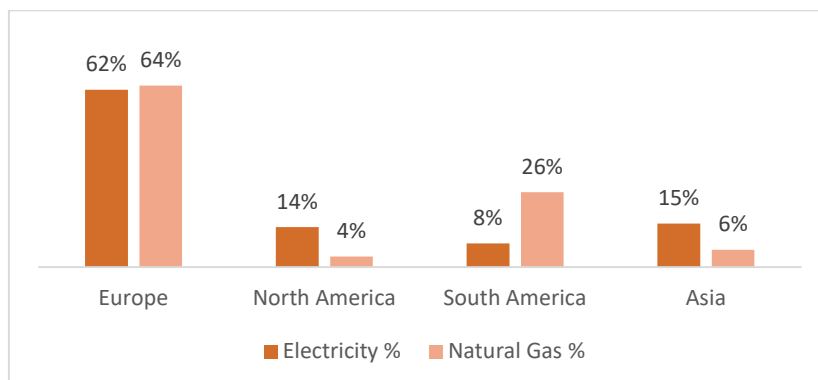
The A&C business line increased energy consumption by +5% with an increase in production volumes by 8%.

Breakdown of energy consumption per business line in the last three years (GJ)



In line with the Group's global footprint, electricity and natural gas consumption are highest in Europe, where the majority of production sites are situated. Specifically, European consumption accounts for 62% of electricity and 64% of natural gas. South America follows with 8% of electricity and 26% of natural gas, while Asia contributes 15% of electricity and 6% of natural gas. Lastly, North America's share is 14% of electricity and 4% of natural gas.

2023 Energy consumption by Region (GJ - electricity and natural gas)



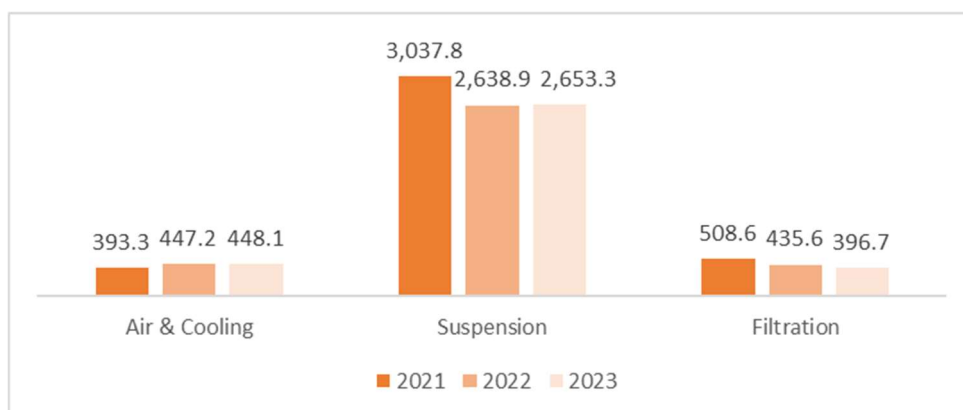
Regarding energy intensity, which measures the GJ energy consumed by the organization per unit of activity, output, or other specific metrics, this indicator is calculated by dividing the absolute energy consumption in GJ (including both electricity and natural gas) by a specific quantity — in SOGEFI's case, the turnover. In 2023 the ratio is showing a reduction of -1% vs 2022 and -19% vs 2019.

Starting from 2022, due to the inflationary context, SOGEFI also reports energy intensity at the Group level by dividing sales minus the cumulative price effect since 2019. In 2023 the strong devaluations (55M€ ARP, USD, INR, CNY against €) would require a further normalization adjustment.

These adjustments would ensure a more accurate assessment of the underlying activity.

Including all the above adjustments, the Group still shows positive trends over the years: -12% reduction in the ratio compared to the baseline year of 2019 and -2% in 2023 vs 2022 as per the overall Group witnessed of a 2% reduction year over year in energy used per unit of sales revenues thanks to the monthly monitoring of energy efficiency actions deployed by the Business.

Energy intensity by business line (GJ/m€)



Monitoring energy consumption is crucial for managing Greenhouse Gas (GHG) emissions, which directly impact climate change. This topic is increasingly central to customer and subject to stricter laws and regulations

and growing customer's requirements. GHG emissions fall under the governance of the United Nations Framework Convention on Climate Change and the Paris Agreement (COP 23). The primary goal of these agreements is to establish national objectives for reducing emissions.

SOGEFI actively participates in the CDP Climate Change Report annually. The CDP is a globally recognized NGO that assesses companies' transparency in disclosing climate change information. Their questionnaire evaluates a company's progress in environmental stewardship and climate change governance. In 2023, SOGEFI received a C score, indicating awareness of climate impacts. This score aligns with the average for the Metal products manufacturing sector and the global average.

GHG emissions are categorized into three broad missions:

1. Direct (Scope 1) GHG

emissions originate from sources (such as physical units or processes) owned or controlled by the organization. These emissions include, but are not limited to, CO₂ emissions from fuel consumption.

2. Energy Indirect (Scope 2) GHG

emissions arise from purchased or acquired electricity, heating, cooling, and steam consumed by the organization. They are reported using two different approaches:

- **Location-based:** This approach considers the energy conversion factor based on the country where it was purchased. It uses the national average emission factor related to the specific energy mix for electricity production.
- **Market-based:** This approach relies on emission factors defined through contractual agreements with electricity suppliers. In 2023, SOGEFI purchased I-REC for China, India, Brazil and Argentina, covering around 90 % of the energy consumption in those countries. For all other cases, the emission factor related to the national residual mix was used.

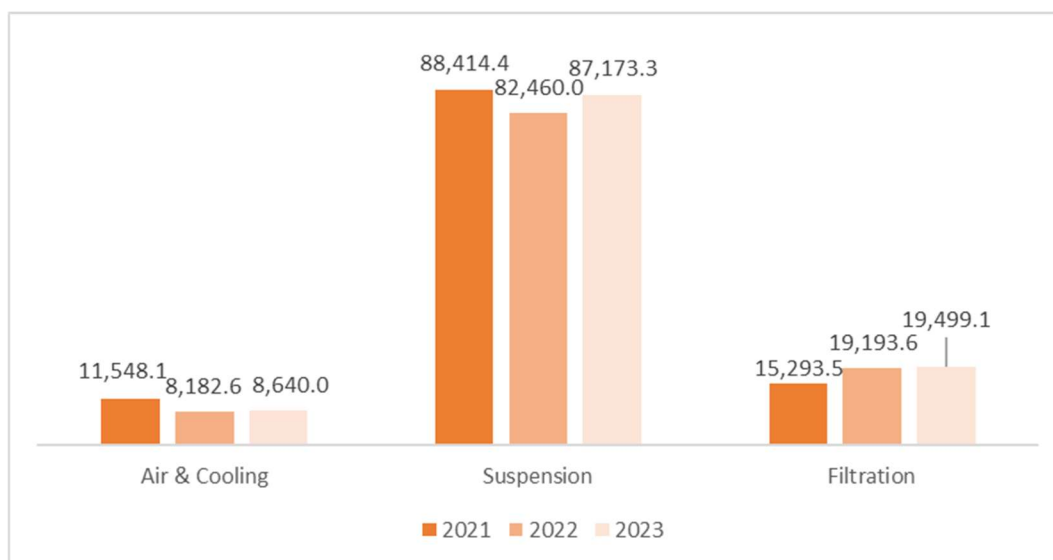
- 3. Other Indirect (Scope 3) emissions** are a consequence of an organization's activities, but occur from sources not owned or controlled by the organization. Other indirect (Scope 3) GHG emissions include both upstream and downstream emissions. Some examples of Scope 3 activities include the end use of products and services and upstream transportation and distribution. Other indirect emissions can also come from the decomposing of the organization's waste.

Scope 3 emissions were calculated by SOGEFI employing methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard, for more details please refer to *Scope 3 Indirect emissions* section.

GHG emissions are calculated based on energy consumption: Scope 1 is calculated considering only the natural gas consumption component, while Scope 2 is calculated considering the electricity consumption.

In 2023, the Group's greenhouse gas (GHG) emissions totalled approximately 122 million tons of CO₂ using the location-based approach, and about 115 million tons of CO₂ using the market approach. Notably, Scope 1 emissions, which directly originate from the Group's activities, constitute half (50%) of the total emissions, following the location-based approach.

Specifically, Scope 1 emissions increased by 5% compared to 2022, Scope 2 emissions increased by 5% compared to 2022 under the market-based approach, while they increased by 7% for the location-based approach. Overall emissions increased in coherence with Group turnover (+6%).

Group GHG emissions (Scope 1 + Scope 2 Market-based) (tCO₂)

In alignment with the Group's presence and energy consumption, the European region and the Suspensions Business Line stand out as the primary contributors to CO₂ emissions.

Similarly, following the same criteria used for energy intensity, the intensity of greenhouse gas (GHG) emissions represents the GHG emissions of the organization per unit of activity, output, or other organization-specific metrics. Specifically, emission intensity is calculated by dividing the absolute emissions (the numerator) by a specific quantity — in SOGEFI's case, the turnover.

In 2023, compared to 2022, the GHG emissions intensity ratio of the Group is quite stable for both: the location-based approach and the market-based approach.

Starting from 2022, due to the inflationary context, SOGEFI also reports energy intensity at the Group level by dividing sales minus the cumulative price effect since 2019. In 2023 the strong devaluations (55M€ ARP, USD, INR, CNY against €) would require a further normalization adjustment.

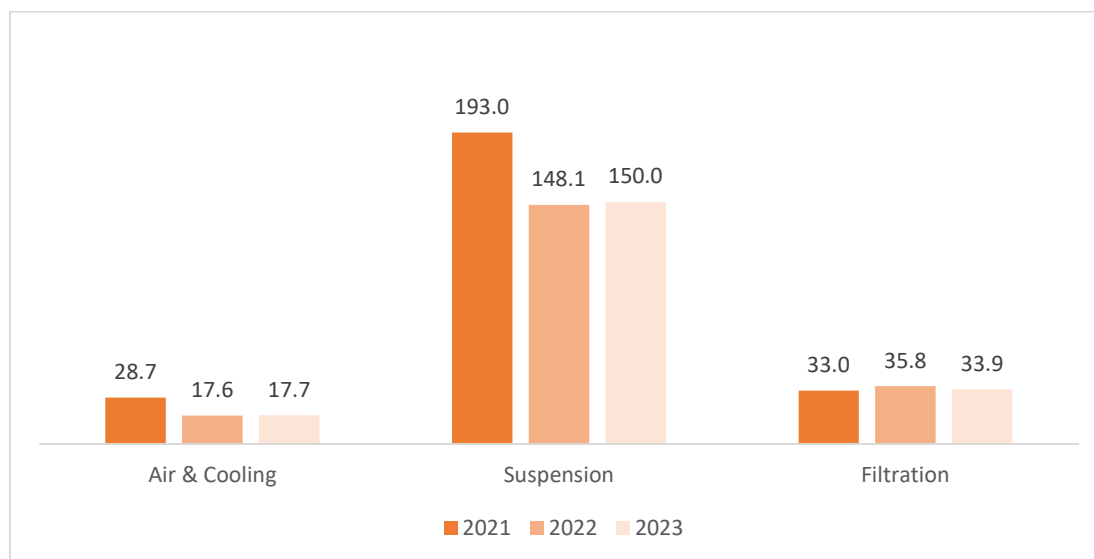
These adjustments would ensure a more accurate assessment of the underlying activity.

After the normalizations above, the ratio is showing:

-1% in 2023 versus 2022 for the location-based approach and for the market-based approach.

-26% in 2023 versus the baseline year of 2020 confirming Group's effort on CO₂ emissions reduction of -30% in 5 years at iso volumes and mix.

Emission intensity by business line (Scope 1 + Scope 2 Market-based) (tCO₂/m€)



Initiatives towards the reduction of industrial carbon footprint

As part of its commitment to reduce energy consumption and protect the environment, SOGEFI focuses on raising awareness within the organization about adopting energy-saving practices. These practices include daily quick win measures such as: factory switch to full LED, turn down the heating each time is feasible, optimization of heating setting, set up of night lighting in outdoor parking with a detection system.

The organization's main energy projects are strategically defined, coordinated, and monitored centrally, with local teams implementing them. Specifically, in the Suspensions Business Line, which involves a production process with high energy intensity, external advisors collaborate to identify initiatives aimed at enhancing energy efficiency in major EU plants. These efforts aim to reduce the environmental impact of manufacturing processes and overall energy consumption.

Key actions within these projects are:

- ✓ Low temperature phosphating (change from 50°C to 40°C in phosphate basins) in certain Suspensions plants;
- ✓ Strategic evolution of heating methods to have electric ovens instead of gas-powered ovens;
- ✓ Upgrading old heating systems.

Additionally, specific actions have been identified in the A&C and Filtration business line, such as:

- ✓ Injection Screw Isolation (resulting in a saving of approximately -50 % of energy);
- ✓ Molding machines (below 400 tons) are chosen based on energy consumption savings with a preference to hybrid or electric systems;
- ✓ Reducing compressor leaks (by a. 6%);
- ✓ Stoppage of machines and conveyors between shifts.

SOGEFI evaluates energy efficiency initiatives based on technical requirements, economic payback and energy savings. Before any deployment in new plants, the effectiveness of each action is carefully assessed.

SOGEFI is actively developing a more defined strategy to reduce energy consumption from non-renewable sources. Their approach includes self-producing green electricity through the installation of solar panels. Notably, the cities of Nules and Alsasua in Spain, Pune in India, and Settimo Torinese in Italy have already benefited from solar panel installations, enabling them to partially meet their electricity requirements.

These initiatives are part of SOGEFI's concerted efforts to minimize its impact on climate change.

Scope 3 Indirect emissions

In 2023, SOGEFI took a significant step forward in its sustainability efforts by calculating its overall Scope 3 emissions, signifying a pivotal shift in its GHG emissions accountability. This move expanded its emission calculation boundary. Previously, SOGEFI's calculations were limited, focusing solely on indirect emissions from outbound logistics related to finished products. The new quantification now encompasses the entire value chain, enhancing transparency and accountability. This proactive initiative reflects SOGEFI's dedication to comprehensive sustainability measures and responsible business practices within the automotive industry, marking a crucial moment in its sustainability journey.

Moreover, this initiative aligns with growing stakeholder expectations for transparency and responsible corporate behaviour. By openly disclosing its Scope 3 emissions and embracing full accountability, SOGEFI demonstrates its commitment to meeting the evolving demands of customers, investors, and society at large.

The Scope 3 assessment adhered to the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard, encompassing all the fifteen emission categories recognized by the international framework.




Upon examining and mapping upstream and downstream processes of SOGEFI, the following emission categories were deemed not applicable for the current year: category 13) Downstream leased assets; category 14) Franchises; category 15) Investments. Additionally, category 11) Use of sold products was calculated as zero.

Category 6) Business travel was considered beyond the reporting boundary. Lastly, according to the significant criteria of GHG Protocol, category 10) Processing of sold products is not relevant for SOGEFI.

The following table shows the quantified emissions for the year 2023.

Scope 3 emissions		
Categories	tCO ₂ eq emissions	% impact on total emissions Location based
Category 1: Purchased Goods and Services	2,071,691	83.4%
Category 2: Capital goods	55,787	2.2%
Category 3: Fuel and energy related activities	23,217	0.9%
Category 4: Upstream transportation and distribution	83,482	3.4%
Category 5: Waste generated in operations	485	0.02%
Category 7: Employee commuting	9,075	0.4%
Category 8: Upstream leased assets	261	0.01%
Category 9: Downstream transportation and distribution	100,518	4.0%
Category 12: End of life treatment of sold products	18,237	0.7%
Total	2,362,753	95.1%

The primary ESG Scores that SOGEFI obtained from external independent organizations are listed below:

Organization	ESG Score
	Climate Change: C
	Water Security: C
	Silver: 64/100
	Score: 90/100

Optimization of material cycles in industrial processes

Managing material cycles within the Group's production processes takes into account two essential elements: the materials used, and the waste generated. SOGEFI's approach aims to promote recycling, reuse and, wherever possible, the use of renewable sources.

Materials used and reusability

The SOGEFI Group uses different kind of materials in the industrial process, such as steel, plastic, paper, rubber and aluminum.

SOGEFI is committed to increase the use and reuse of materials for both: serial life products and new products under R&D development, in two main ways:

- ✓ Efficiency actions: reduce consumption of raw materials for the same output;
- ✓ Promote the use of recyclable and recycled materials: for example, concerning aluminum, SOGEFI uses up to 32% of recycled aluminum.

To achieve these goals, we have implemented several measures, including a regrinding initiative to reuse plastics in multiple production runs where possible or requested by customers, as well as the replacement of single use plastic packaging with recycled paper packaging (up to 37%).

Details of materials used in 2023 are reported in the table below:

SOGEFI Group results - Material used in 2023					
Material	Unit of Measure	Suspension	Filtration	A&C	TOTAL
Steel	T	134,058	12,100	0	146,158
Aluminium	Pcs	0	5,394,360	4,156,177	9,550,537
Plastic Resins	T	945	11,133	19,704	31,781
Metallic components	Pcs	59,246,864	258,027,485	293,596,931	610,871,280
Paper and Cardboard	Pcs	13,477,962	141,550,049	17,723,744	172,751,756
Rubber Parts	Pcs	35,045,690	216,000,657	98,189,063	349,235,410
Plastic Parts	Pcs	5,908,137	157,443,769	71,040,386	234,392,293
Foam	Pcs	0	34,171,955	1,581,269	35,753,224
	M ³	0	5,968	0	5,968
Media	T	0	4,897	123	5,020
	M ²	0	5,181,967	21,680	5,203,647
Mechatronics	Pcs	0	17,707,533	18,943,208	36,650,741

Suspensions

The Suspensions business line is using a variety of materials. The most important are **steel**, as well as **metallic components and rubber bushings**. These mainly serve as accessories for coil springs and bars.

In 2023, SOGEFI purchased 134,058 tons of steel, sourced from iron ore, coke, scrap or a combination of the two. In Europe, steel is mainly made from recyclable waste from the production, consumption, and recycling of steel products.

SOGEFI did not set yet CO₂ emissions targets for steel suppliers except for ad hoc projects requested by OE carmakers. Starting from 2024, SOGEFI would request to steel suppliers to share their action plans about CO₂ emissions path.

Regarding packaging, SOGEFI favors cardboard boxes and wood pallets.

In 2023, SOGEFI used more than 13.5 million pieces of packaging for the transport, storage and protection of the products.

Filtration

The Filtration business line uses different types of materials depending on the type of filter we produce: steel, media, plastic resin, metallic components and rubber.

Here below the main materials used:

Media: this category is the most relevant for the efficacy of the filters. SOGEFI 2023 demand was a. 5 million M² of media coming from sources such as cellulose, fine fibers and advanced composites, depending on the final filter application.

Steel: SOGEFI used a. 12,100 tons in 2023. Standard steel (hot and cold rolled) is mainly used for spin-on filters (oil filters). Meanwhile, specialized steels such as aluminized, galvanized and zinc coated types are mainly used for fuel filters.

Packaging: to minimize SOGEFI environmental impact, 45% of packaging in 2023 comes from recycled paper and cardboard.

Additionally, the use of recycled aluminum is indirect, as SOGEFI's suppliers incorporate up to 40% recycled aluminum into their manufacturing process.

Air & Cooling

The A&C *business* line uses two main materials for the production:

- ✓ **Technical plastic resins:** some of SOGEFI products are manufacturing using a process called "injection molding" by modeling plastic resins.
In 2023, SOGEFI purchased a. 20,000 tons.
- ✓ **Aluminum:** recycling is indirect as for Filtration business line SOGEFI suppliers use up to 40% recycled aluminum into their manufacturing process.

In 2023, SOGEFI used approximately 4.2 million parts of aluminum.

Additionally, mechatronics remained stable, with a. 19 million parts linked to product development for electric mobility (E-Mobility) and more complex modules for internal combustion engine (ICE) applications.

Sustainable Water & Waste Management

Waste management

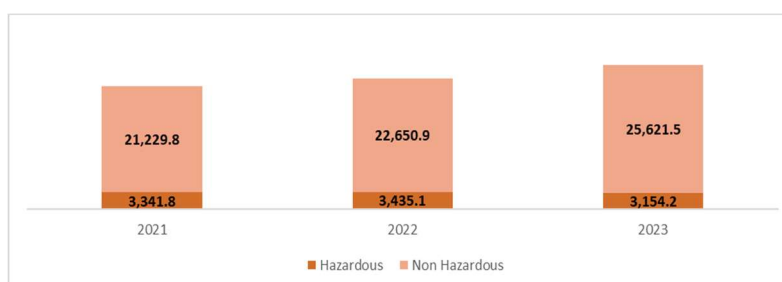
In SOGEFI, waste management is organized to maximize recycling and reuse. Incineration and landfilling are limited as much as possible.

SOGEFI's commitment to waste management aims to preserve the environment while maintaining efficient and responsible production.

Each SOGEFI's manufacturing plant closely monitors individual waste flows and classifies them into hazardous or non-hazardous categories, in accordance with each country's specific regulations. In most plants, bins are clearly separated, whether by color coding or other methods.

In 2023, the group SOGEFI generated and disposed approximately 29,000 tons of waste, showing an increase of 10% compared to 2022, with 6% attributable to major volumes and remaining 4% to extra heavy maintenance in some plants. The majority of SOGEFI waste are classified as non-hazardous (89% of total 2023 waste).

Group waste by type (tons)



In line with the Group's production specifications, the Suspensions Business Line generated the largest volume of waste in 2023 (representing 58% of the Group's total).

In 2023, several initiatives have been put in place to improve waste management:

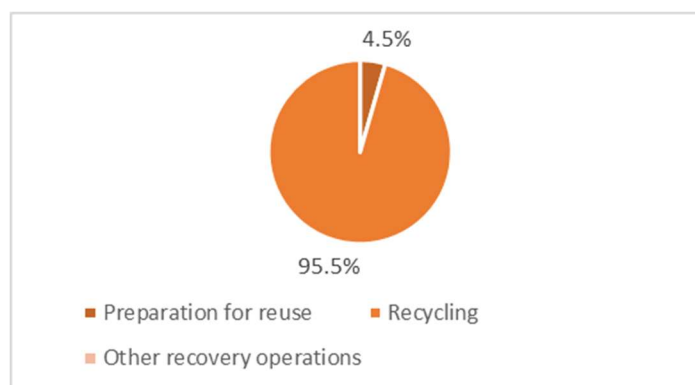
- ✓ Cover all waste storage areas
- ✓ Waste weighing before leaving the site
- ✓ Work closely with the waste service providers so that they can offer best recovery options
- ✓ Monitor the application of Group rules relating to waste sorting.

As a result, the waste valorization rate (which is focusing on landfilling and incineration reduction promoting recycling and reusing) reached 90% in 2023.

Waste valorisation (t)		
	2023	%
Total waste	28,775.7	100%
Of which valorized waste (t)	25,930.1	90%

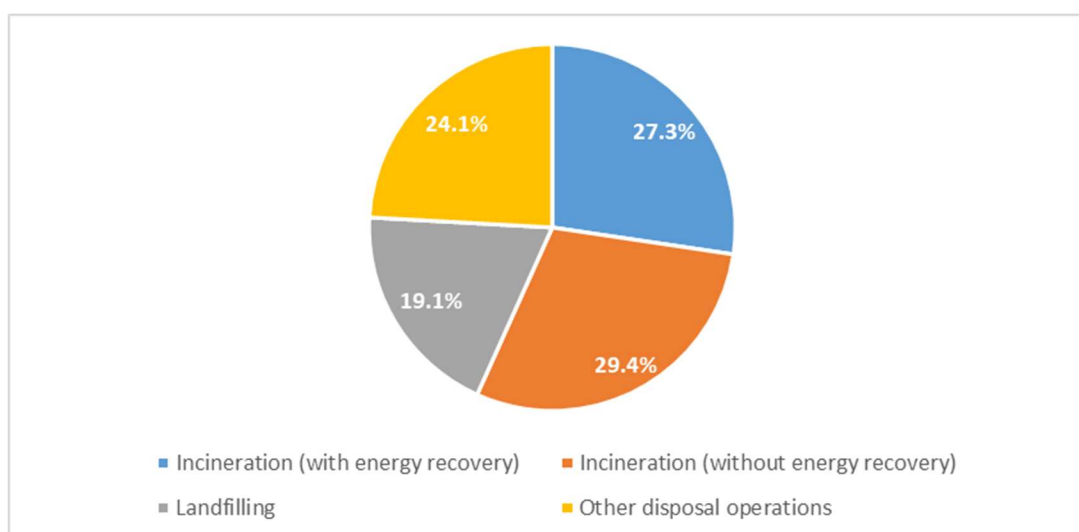
Regarding treatment methods, more than two thirds of the waste generated by the Group was **recycled and reused** (representing 77%). The graphic below details the different waste treatment methods:

Waste diverted from disposal in 2023 (%)



The 23% of waste was disposed and the graph here below is showing the disposal methods:

Waste directed to disposal in 2023 (%)

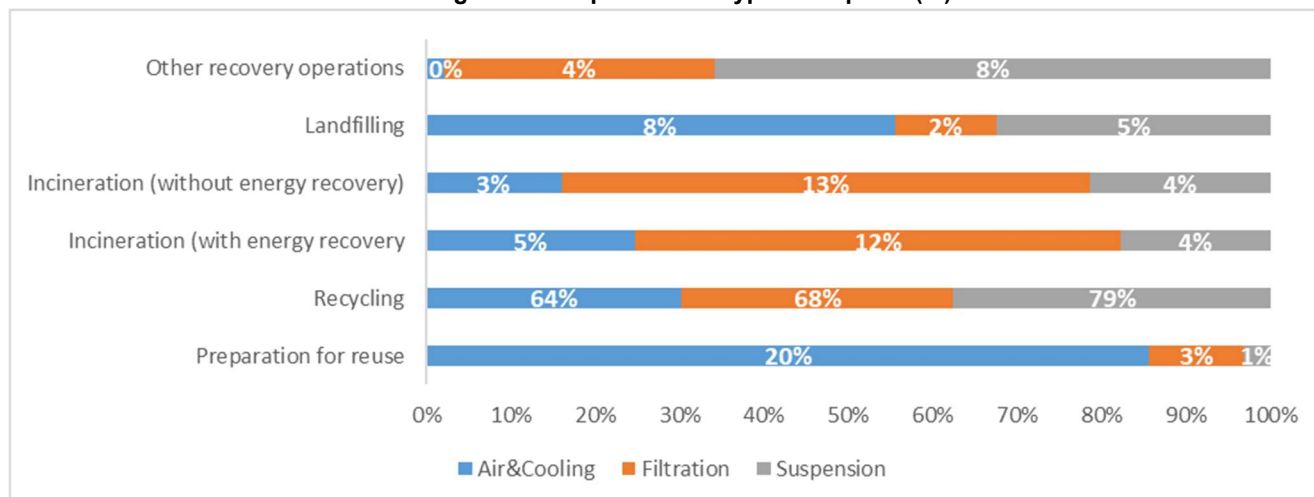


The **Suspensions business line** recycles **79%** of its waste and reuses 1% of it, 20% is disposed in different methods, such as incineration (with or without energy recovery) and landfill.

For the **A&C business line**, **64 % of waste is recycled**, 20% is reused, 8% is disposed by incineration (3% without energy recovery and 5% with), and only 8% goes to landfill.

In the **Filtration business line**, **68% of waste is recycled**, 3% is reused, 12% is incinerated with energy recovery and the remaining goes to incineration (without energy recovery 13%), landfill (2%) or to other recovery operations (4%).

Percentage of waste per BU and type of disposal (%)



Sustainable water management

SOGEFI, aware of the global issues linked to drinking water and sanitation.

Attention is paid to the quantities of water collected, consumed and the quality of discharges.

Although SOGEFI's production processes are not particularly water-intensive, the Group is pursuing a constant approach to reducing overall water consumption. In 2023, all sites worldwide obtained ISO 14001:2015 certification. This standard guides the implementation of an environmental management system (EMS), including sustainable water management, taking into account the organizational context, needs and expectations of the Group.

More specifically, certified plants use FMEA (Failure Modes and Effects Analysis) environmental analysis to identify environmental risks and prevent pollution. This methodology makes it possible to detect risks in daily plant activities, including during cleaning and

maintenance operations and in the event of an emergency. The Group also monitors water discharges from plants, respecting local limits defined by law and operating authorizations.

SOGEFI actively participates in the **CDP Water report**, an annual assessment of the company's performance in terms of water consumption management and reporting transparency. On a scale from A to D, SOGEFI obtained a grade C in 2023. This grade is in the Awareness category, reflecting the company's knowledge of water-related issues. SOGEFI is aligned with the average for metallurgical sector (rated C) as well as the average overall performance. This rating therefore demonstrates SOGEFI's alignment to responsible water management.

Water withdrawal

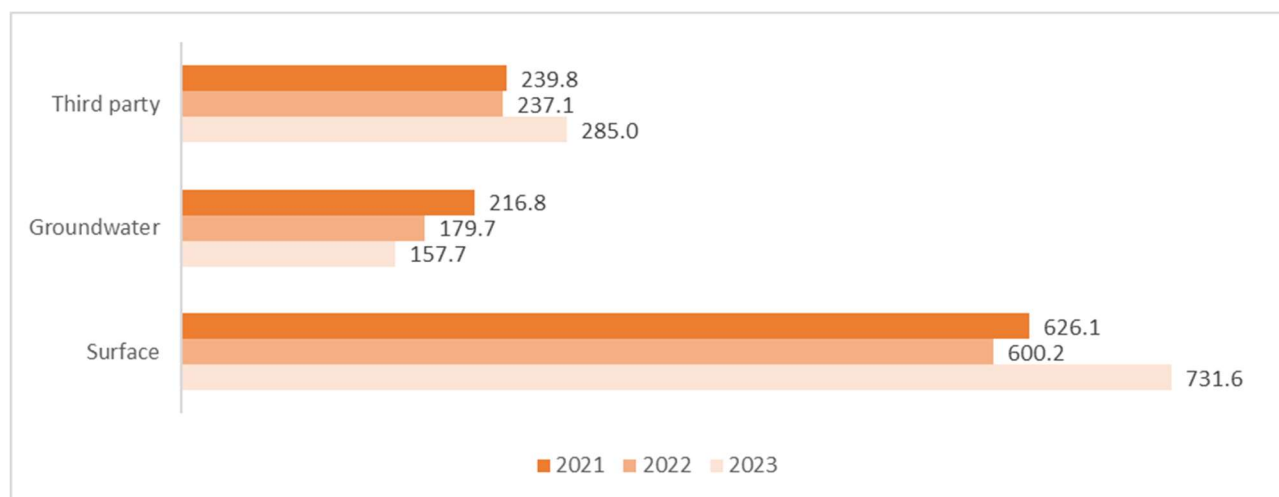
Regarding water withdrawal, the majority of SOGEFI plants use fresh water, defined as water with a total dissolved solids concentration equal to or less than 1,000 mg/L. SOGEFI's plants are present in 17 countries, and some of them operate in areas of water stress.

In order to know which plants are located in areas subject to water stress, the **Aqueduct tool**, developed by the **World Resources Institute**, was used in accordance with previous years. This tool identifies information on sites located in extremely water-scarce areas by comparing the best available data on water, sanitation, population, and biodiversity, on a country and watershed basis. Sites are then classified into five risk

categories: extremely high, high, medium-high, low-medium and low. In 2023, 10¹⁵ SOGEFI plants were considered at risk of extreme shortage or risk of shortage.

For more details, please consult the Annexes to this report.

Group water withdrawal (Megaliters)



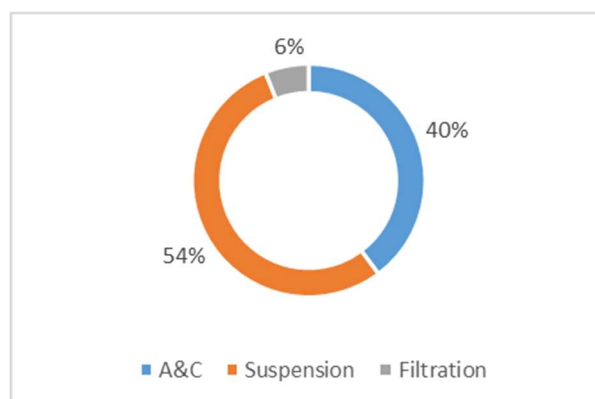
The declared amount of water withdrawn is an estimate based on the water counter reading. In 2023, the Group's overall water withdrawals amounted to approximately 1,174 Megaliters, an increase of approximately 15% compared to 2022.

This increase is associated with both: the growing volumes by 6% and the heightened cooling requirements especially in A&C production facilities.

The main sources from which water is drawn in the organization are: Surface water (62%), Third-party water (24%) and Groundwater (14%).

Suspensions Business Line consumes the majority of the Group's water consumption (around 54%), while Filtration accounts for 6% and Air and Cooling contributes 40% of total water consumption.

¹⁵ The plants considered in 2023 as being at a risk of water stress (identified by the tool as high ed extremely high risk) are: Monterrey, Titesti, Bangalore, Pune (Suspension and Filtration), Tanger, Gurgaon, Wujiang (Suspension and A&C), Douai.

Water withdrawal by business line 2023 (%)

Concerning the impact of activity at the regional level, Europe represents the majority of the Group's water withdrawals (around 88%), due to the presence of the majority of production plants in Europe. Asia contributes around 6% of total withdrawals, followed by South America and North America (around 3% each).

Water discharge

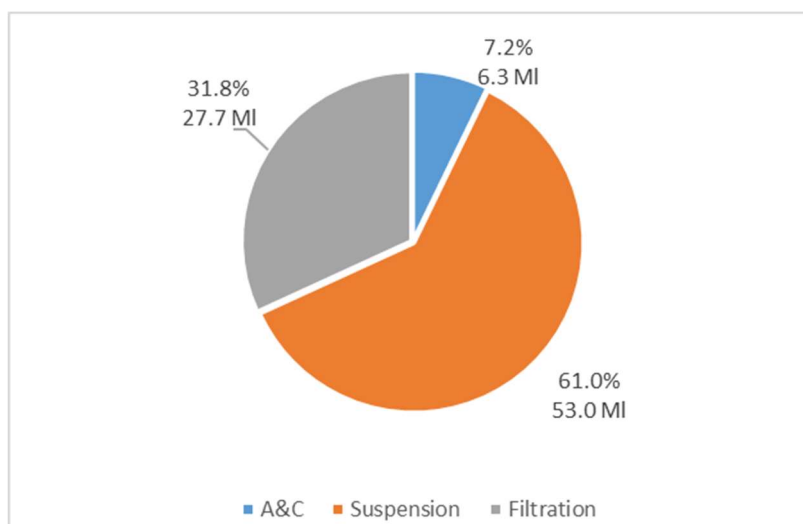
Regarding water discharges, the activities of the SOGEFI Group do not generate very polluting effluents. However, when necessary and required by local regulations, manufacturing plants install wastewater treatment systems before discharging them into the natural environment or into the public network. Water disposal methods thus vary depending on local regulations, the type of activities and the consumption and evacuation requirements defined by the municipality where plants are located.

In 2023, the total volume of water released by SOGEFI production sites is 1,087 megaliters (+43% vs 2022 including a better monitoring in the plants about the outflows). Water may be released into surface waters, public sewer systems, or other destinations.

As part of their environmental management system, the Group's manufacturing **plants are equipped with a system to prevent accidental spills into the environment.**

Water consumption

Water consumption is calculated as water withdrawal minus the amount of water discharge. Sogefi does not currently have a material water storage system within its plants, therefore the amount of water collected and consumed is not taken into account for the moment. *For more details on the water consumption data, please refer to the annex.*

Water consumption per business line in 2023 (%)*Initiatives to reduce water withdrawal and discharge*

Given that water is a shared resource and access to fresh water is essential to **life and human well-being**, SOGEFI is **committed to taking into account local contexts and paying close attention to its social and environmental impacts**. Here are some examples of activities carried out in 2023 to reduce water consumption:

- ✓ Water Treatment Plant are used for toilet flush exclusively and for gardening
- ✓ Rainwater recovery is used for process and fire extinguishing
- ✓ Water closed loop : favor chillers versus cooling towers

Particular attention is paid to sites located in areas of water stress. This is because factories in these areas are at higher risk of creating a negative impact on their local communities and also risk not having access to the necessary amount of water or seeing prices increase.

9. Methodology

This document represents the Consolidated Non-Financial Statement (hereinafter also "NFS" or "Sustainability Report") issued by Sogefi S.p.A. and the companies consolidated on a line-by-line basis (hereinafter also "Sogefi" or the "Sogefi Group" or the "Group") to fulfill the obligations set out in articles 3 and 4 of Legislative Decree 254/2016 (hereinafter also the "Decree ") and has the objective of describing in a transparent manner the initiatives and the main results achieved in terms of sustainability performance during the financial year 2023 (from January, 1st to December, 31st), in line with financial reporting.

The NFS covers - to the extent necessary to ensure the understanding of the business activity, its trends, performance and related impacts - the environmental, social, personnel-related issues, respect for human rights and the fight against active and passive corruption that are relevant considering the Group's activities and characteristics, as illustrated in the materiality matrix included in this document.

The NFS has been prepared in accordance with the Italian Legislative Decree 254/2016 and the "Global Reporting Standards" defined by the *Global Reporting Initiative* (GRI). This report has been prepared in accordance with the GRI Standards.

The assessment of the impact materiality was carried out in accordance with the provisions of the GRI, and a voluntary exercise was also carried out to assess the financial materiality, in advance of the application from 2024 of the "Double Materiality" provided for by the CSRD (i.e. Corporate Sustainability Reporting Directive) illustrated in the paragraph "Sustainability Material aspects".

With reference to the materiality analysis process, it should be noted that in 2023 the process involved the main internal and external stakeholders in the materiality assessment phase, as described in the appropriate paragraph of this document.

Please refer to the "GRI Content Index" in appendix to this document for details of the contents reported in accordance with the GRI.

The SOGEFI Group has the legal requirement to include in NFS, starting from the publication after 1st of January 2023, the notice related to the so called "EU Taxonomy" in relation to the eco-sustainable activities conducted by the Group, as regards to which the reader can refer to the paragraph "EU Taxonomy". In accordance with Art.10 of the EU 2021/2178 Delegated Regulation dated 6th of July 2021, such notice for 2023 fiscal year is related to value and percentage of Turnover, Capex and Opex "eligible" and "aligned" to the objectives of mitigation and adaptation to Climate Change, to the Capex and Opex for energy efficiency or the installation of renewable energy sources (if not yet reported in relation to the abovementioned two climate objectives) and the value and percentage of Turnover, Capex and Opex "eligible" for the four remaining environmental objectives (sustainable use and protection of water and marine resources, transition to the circular economy, pollution prevention and control and protection of biodiversity and the health of eco-systems) as intended in the annex data of the EU 2021/2139 Delegated Regulation dated 4th of June 2021, as well as some qualitative information. In this regard, the assurance activity performed by the Independent Auditors KPMG S.p.A. does not cover information related to Taxonomy.

The process of collecting the data and information necessary for the NFS drafting involved various functions and the management of business lines and the Group, each for its own area of competence, ensuring compliance with the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability expressed by the GRI guidelines.

On 23 February 2024, Sogefi, as part of a process to enhance the value of its Filtration division, signed a put option agreement with the US investment fund Pacific Avenue, pursuant to which Carta Acquisition France S.A.S ("Carta France") and Carta Acquisition U.S., Inc. ("Carta US"), corporate vehicles that refer to the fund, have entered into unilateral, unconditional and irrevocable commitments to purchase, respectively, -in the event of the exercise of the put option by Sogefi-, the entire share capital of Sogefi Filtration S.A. and Sogefi USA Inc.

Under the terms of the put option agreement, Sogefi has granted Carta US and Carta France an exclusivity period of six months.

As of December 31, 2023, the Filtration business line did not meet the requirements to be classified as discontinued operations, thus remaining consolidated on a line-by-line basis.

The social and economic-financial data and information of the NFS refer to all the companies belonging to the SOGEFI Group at December 31st, 2023, consolidated on a line-by-line basis (including Filtration Business Line and excluding Mexico Suspension following its disposal in 2023). Environmental data and information, and the economic-financial data to calculate the energy intensity of the NFS refer to all the companies belonging to the SOGEFI Group at December 31st, 2023, consolidated on a line-by-line basis including Mexico Suspension until the date of its disposal (October 2023).

Environmental data and information related to Scope 1, Scope 2, waste, water and materials only take into consideration SOGEFI's production sites since commercial sites are not considered material. Leased commercial sites are included in the calculation of Scope 3 emissions.

In 2023 there were no significant changes relating to the Group's supply chain.

In order to allow the comparability of data and information over time and the assessment of the performance of the Group's business over a period of time, where possible, comparison with the 2021 and 2022 reporting period is proposed. In 2023 the emission calculation boundary of Scope 3 has been extended, encompassing the entire value chain and enhancing transparency and accountability by adhering to the methodologies outlined in the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard. Therefore 2023 Scope 3 data are not comparable with those of 2022. For more details regarding 2022 Scope 3 data please refer to NFS22 chapter "Climate strategy".

In each chapter, any quantitative data for which estimates have been made, are clearly identified. Estimates are based on the best information available or on sample surveys. Furthermore, it should be noted that for reasons of rounding in some tables and graphs, the totals of the percentages may differ from 100%.

The Board of Directors of Sogefi S.p.A. approves the current NFS on February 23rd, 2024.

KPMG S.p.A. issues an external assurance ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised principle) on this document. The audit was carried out according to the procedures indicated in the "Independent Auditor's Report", included in this document and does not extend to information relating to financial materiality as set out above.

The Consolidated Non-Financial Statement is published annually. The previous version of the NFS has been published on March 29th, 2023.

The NFS is also available on the SOGEFI website (www.sogefigroup.com) in the "Sustainability" section.

For further information about the social responsibility policies of the Sogefi Group and the information contained in the Consolidated Non-Financial Statement, you can write to the following address: sustainability@sogefigroup.com.

10. Annexes

EU Taxonomy

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Economic activities (1)	Financial year 2023			Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources(7)	Circular economy(8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources(13)	Circular economy(14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
Text		EUR	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
Manufacturing of automotive and mobility components	CCM 3.18	0.98	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.98	0.1%	100%						Y	Y	Y	Y	Y	Y	Y	N/A			
Of which enabling		0.98	0.1%	100%						Y	Y	Y	Y	Y	Y	Y	N/A	E		
Of which transitional		0	0.0%														N/A	T		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Manufacturing of automotive and mobility components	CCM 3.18	1.20	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.20	0.1%	100%													N/A			
A. Turnover of Taxonomy- eligible activities (A.1+A.2)		2.18	0.1%	100%													N/A			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy- non-eligible activities		1,625.72	99.9%																	
TOTAL		1,627.90	100%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Economic activities (1)	Financial year 2023			Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
Text		EUR	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
Manufacturing of automotive and mobility components	CCM 3.18	2.36	2.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A	E		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0,0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2.36	2.3%	100%						Y	Y	Y	Y	Y	Y	Y	0%			
Of which enabling		2.36	2.3%	100%						Y	Y	Y	Y	Y	Y	Y	0%	E		
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Manufacturing of automotive and mobility components	CCM 3.18	0.00	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.21	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.86%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.21	1.2%	100%													0.86%			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		3.58	3.4%	100%													0.86%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		100.76	96.6%																	
TOTAL¹⁶		104.34	100%																	

¹⁶ Capex have been calculated considering all expenditure for intangible and tangible assets including IFRS15 and 16.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Economic activities (1)	Financial year 2023			Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code(s) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources(7)	Circular economy(8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources(13)	Circular economy(14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
Text		EUR	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
Manufacturing of automotive and mobility components	CCM 3.18	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	N/A	E		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	100%						Y	Y	Y	Y	Y	Y	Y	0.0%			
Of which enabling		0	0.0%	100%						Y	Y	Y	Y	Y	Y	Y	0.0%	E		
Of which transitional		0	0.0%							Y	Y	Y	Y	Y	Y	Y	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Manufacturing of automotive and mobility components	CCM 3.18	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.005	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.11%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.005	0.01%	100%													0.11%			
B. OpEx of Taxonomy-eligible activities (A.1+A.2)		0.005	0.01%	100%													0.11%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		44,935	100,0%																	
TOTAL¹⁷		44,940	100%																	

¹⁷ Opex have been calculated considering uncapped direct costs that referred to research and development, maintenance, rental.

Taxes¹⁸

207-4 Country by Country Report

Names of the resident entities	Tax reporting 2023							
	FTE	Business activity	Revenues from third-party sales	Revenues from intra-group transactions ¹⁹	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
France								
Sogefi Air&Cooling S.A.S.	386	Manufacturing	131,169,812	604,350	21,502,037	45,567,150	(607,984)	(403,010)
Sogefi Filtration S.A.	625	Manufacturing	203,466,649	46,484,720	38,726,409	31,375,810	(617,597)	(497,440)
Sogefi Suspensions S.A.	479	Manufacturing	117,425,684	3,165,680	7,649,300	27,043,680	(125,635)	(5,266,750)
United Springs S.a.S.	84	Manufacturing	10,751,314	3,847,753	2,328,616	3,623,945	(365,000)	-
Branch Sogefi SpA	-	Holding shares	-	1,612,858	-	23,160	(26,635)	46,169
S. Ara Composite S.a.s.	-	Administrative, Management or Support Services	-	-	(1,650)	(10)	-	-
Sogefi Gestion S.A.S.	42	Administrative, Management or Support Services	-	15,451,520	771,008	333,600	-	(5,230)
Atn Molds and Parts	17	Manufacturing	1,295,960	2,673,630	556,437	852,830	-	(167,800)
Italy								
Sogefi SpA	17	Holding Shares	-	9,202,377	(7,271,122)	2,410,861	607,155	3,012,170
Sogefi Filtration Italy SpA	105	Manufacturing	31,074,530	3,791,080	1,807,419	6,997,700	(105,193)	(426,636)
Sogefi Suspensions Pass Car Italy SpA	142	Manufacturing	35,900,247	582,790	1,302,495	10,814,590	(200,228)	(407,446)
Sogefi Suspensions Heavy Duty Italy SpA	97	Manufacturing	33,265,640	824,950	3,264,767	7,113,284	(385,471)	(691,854)
Romania								
S.C. Sogefi Air & Cooling S.r.l.	170	Manufacturing	39,680,923	563,475	3,431,571	13,714,056	(569,667)	(531,857)
Filtration Romania		Administrative, Management or Support Services						
Sogefi Suspensions Eastern Europe S.R.L.	195	Manufacturing	31,460,100	3,846,700	(13,328,350)	50,527,990	-	-
Netherlands (the)								
Sogefi Filtration BV P.E.	1	Sales, Marketing	-	-	(1,051,720)	-	(59,181)	(14,150)
United Springs BV	28	Manufacturing	4,953,903	231,150	109,793	1,889,800	(72,046)	(37,810)
Sweden								
Sogefi Filtration Filial P.E.	1	Sales, Marketing	-	-	911,960	-	(38,843)	(16,490)
Slovenia								
Sogefi Filtration d.o.o.	362	Manufacturing	42,932,051	23,455,261	6,777,987	14,404,320	(129,088)	(459,500)
Branch Sogefi Gestion S.A.S		Administrative, Management or Support Services						
Spain								
Sogefi Aftermarket Spain S.A.U. IAM	11	Sales, Marketing	25,543,431	56,086	3,938,407	77,806	(942,137)	(908,416)
Ibérica de Suspensiones S.L.	224	Manufacturing	73,048,550	211,010	7,372,506	15,038,325	(836,687)	(1,978,770)

¹⁸ The tax values reported in this report relate to the year 2023 and therefore, in line with the tax deadlines, not yet submitted to the Italian Agenzia delle Entrate.

¹⁹ The values report all intercompany revenues, not only the ones with other tax jurisdictions.

Names of the resident entities	Tax reporting 2023							
	FTE	Business activity	Revenues from third-party sales	Revenues from intra-group transactions ¹⁹	Profit/loss before tax	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
Germany								
Sogefi Filtration Deutschland P.E.	5	Sales, Marketing	-	-	48,410	-	(39,000)	(14,330)
Sogefi HD Suspensions Germany GmbH	342	Manufacturing	108,635,050	474,467	(6,052,664)	22,289,660	(260,952)	(10)
United Kingdom								
Sogefi Filtration Ltd	152	Manufacturing	41,063,673	5,014,360	5,219,464	10,929,604	(55,178)	(430,424)
Allevard Springs Ltd	36	Manufacturing	8,171,990	477,569	(5,866,889)	-	-	435,909
United Springs Limited	44	Manufacturing	7,563,165	27,509	79,675	2,837,400	(113,222)	(24,244)
Morocco								
Filter Systems Maroc Sarl	242	Manufacturing	28,798,825	13,047,424	1,760,603	12,762,391	(128,337)	(168,831)
Russian federation (the)								
Sogefi Filtration Russia LLC	-	Sales, Marketing	-	-	(102,024)	-	-	(93,120)
China								
Shanghai Allevard Springs Co.,Ltd.		Dormant						
Sogefi (Suzhou) Auto Parts Co., Ltd	557	Manufacturing	106,555,107	818,111	6,684,324	55,827,542	(29,017)	-
Shanghai Sogefi Auto Parts Co., Ltd	4	Sales, Marketing	106,993	-	4,435	-	-	-
India								
Allevard IAI Suspensions Private Ltd	252	Manufacturing	15,213,451	2,453,142	1,438,997	3,932,888	-	-
SOGEFI-MNR Engine Systems India Private Limited	1.625	Manufacturing	94,009,800	2,143,441	13,280,491	21,535,701	(2,948,857)	(3,238,232)
Canada								
Sogefi Air & Cooling Canada Corp.	318	Manufacturing	147,642,318	93,767	14,265,888	21,493,537	(4,034,007)	(3,224,194)
United States of America (the)								
Sogefi Air & Cooling USA Inc.	35	Research and Development	-	-	331,657	1,517,591	(631,474)	(210,046)
Sogefi USA Inc.	429	Manufacturing	127,839,051	607,109	9,133,936	21,746,544	(481,696)	(2,651,268)
Argentina								
Sogefi Suspension Argentina	280	Manufacturing	40,866,797	-	3,048,005	4,440,538	(395,437)	(692,811)
Brazil								
Sogefi Suspension Brasil LTDA	163	Manufacturing	43,589,555	746,042	4,733,722	10,125,656	(1,294,246)	(1,344,146)
Mexico								
Sogefi Engine Systems Mexico S de R.L. de C.V.	209	Manufacturing	83,532,942	799,661	(9,205,382)	18,783,601	(1,353,953)	3,846,484

For the overall reconciliation between the theoretical tax rate (the one of the Parent Company Sogefi S.p.A.) and the effective tax rate of the Group, see the Group Financial Report, Note 35 "Income tax".

With regard to the reasons for the difference between the theoretical and the effective tax rates, it should be pointed out that:

Italy: the main differences are due to:

- to the net charge from the sale of tax surpluses to the CIR Group of the Italian subsidiaries;
- tax benefits relating mainly to energy tax credits.

France: the main differences are due to:

- tax benefits for research and development activities;
- tax losses for which no advance taxes were entered because of the lack of retrievability requirements.

Romania: the main differences are due to:

- non-deductible costs;
- tax losses for which no advance taxes were entered because of the lack of retrievability requirements.

Slovenia: the main differences are due to:

- non-deductible costs;
- tax benefits mainly for research and development activities.

United Kingdom: the main differences are due to:

- tax losses for which no advance taxes were entered because of the lack of retrievability requirements;
- for extraordinary contribution to pension fund.

Spain: the main differences are due to:

- fiscal amortization of goodwill not included in the consolidated financial statement;
- other permanent differences.

China: the main differences are due to:

- fiscal benefits for research and development activities;
- fiscal losses for which no advance taxes were entered because of the lack of retrievability requirements.

India: the main differences are due to:

- non-deductible expenses;
- fiscal losses for which no advance taxes were entered because of the lack of retrievability requirements.

USA: the main differences are due to:

- tax benefits for research and development activities;
- other permanent differences.

Mexico: the main differences are due to non-deductible costs and other permanent differences.

Argentina: the main differences are due to permanent differences arising from the application of IAS29 "Accounting Reporting in Hyperinflationary Economies".

Brazil: the main differences are due to other permanent differences.

There are no significant differences between theoretical and effective tax rates in the following countries: Germany, Canada, and the Netherlands.

People

2-7 – Employees, 2-8 – Workers who are not employees

Total workforce									
N. of persons	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Employees	4,067	1,395	5,462	3,969	1,415	5,384	3,873	1,400	5,273
Supervised workers	936	443	1,379	1,373	120	1,493	1,528	187	1,715
Total	5,003	1,838	6,841	5,342	1,535	6,877	5,401	1,587	6,988

Employees by type of employment, by gender and region in 2023											
N. of persons	Europe		North America		South America		Asia		Total		
	M	W	M	W	M	W	M	W	M	W	TOT
Fixed term contract	114	62	6	0	0	0	0	0	120	62	182
Permanent contract	2,181	896	544	258	355	27	673	157	3,753	1,338	5,091
Total	2,295	958	550	258	355	27	673	157	3,873	1,400	5,273

Employees by type of employment, by gender									
N. of persons	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Full time	3,942	1,317	5,259	3,846	1,334	5,180	3,828	1,343	5,171
Part time	125	78	203	123	81	204	45	57	102
Total	4,067	1,395	5,462	3,969	1,415	5,384	3,873	1,400	5,273

Employees by type of employment, by gender and region in 2023											
N. of persons	Europe		North America		South America		Asia		Total		
	M	W	M	W	M	W	M	W	M	W	Total
Full time	2,262	902	539	257	355	27	672	157	3,828	1,343	5,171
Part time	33	56	11	1	0	0	1	0	45	57	102
Total	2,295	958	550	258	355	27	673	157	3,873	1,400	5,273

2-30 Collective bargaining agreements

Collective Bargaining Agreements										
N. of persons	31.12.2022					31.12.2023				
	Europe	North America	South America	Asia	TOTAL	Europe	North America	South America	Asia	TOTAL
Employees covered by collective bargaining agreements	3,016	308	378	301	4,003	2,958	372	382	306	4,018
Total employees	3,293	894	378	819	5,384	3,253	808	382	830	5,273
% Employees covered by collective bargaining agreement	92%	35%	100%	37%	74%	91%	46%	100%	37%	76%

405-1 Diversity of governance bodies and employees

Percentage of employees per employee category and gender									
%	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Management	1%	0%	1%	1%	0%	1%	1%	0%	1%
Office staff	20%	8%	28%	19%	7%	26%	19%	7%	26%
Blue collar	53%	17%	71%	54%	19%	73%	54%	19%	73%
Total	74%	26%	100%	74%	26%	100%	73%	27%	100%

Percentage of employees per region and gender									
%	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Europe	46%	19%	64%	43%	18%	61%	44%	18%	62%
North America	10%	4%	14%	12%	5%	17%	10%	5%	15%
South America	7%	0%	7%	7%	0%	7%	7%	1%	7%
Asia	12%	3%	14%	12%	3%	15%	13%	3%	16%
Total	74%	26%	100%	74%	26%	100%	73%	27%	100%

Percentage of employees per business line and gender									
%	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
A&C	15%	8%	23%	15%	9%	24%	15%	9%	24%
Suspension	36%	4%	40%	35%	4%	39%	34%	4%	39%
Filtration	23%	13%	36%	23%	13%	36%	24%	13%	37%
Other ²⁰	1%	0%	1%	1%	0%	1%	1%	0%	1%
Total	74%	26%	100%	74%	26%	100%	73%	27%	100%

Breakdown of employees according to gender and age group									
2021									
%	<30		30-50		>50		Total		
	M	W	M	W	M	W	M	W	Total
Management	0%	0%	1%	0%	0%	0%	1%	0%	1%
Office staff	2%	1%	11%	5%	6%	2%	20%	8%	28%
Blue collar	9%	3%	29%	9%	15%	6%	53%	18%	71%
Total	11%	4%	41%	14%	22%	8%	74%	26%	100%

Breakdown of employees according to gender and age group									
2022									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
Management	0%	0%	0%	0%	0%	0%	1%	0%	1%
Office staff	2%	1%	12%	5%	5%	2%	19%	7%	26%
Blue collar	10%	3%	29%	10%	15%	6%	54%	19%	73%
Total	12%	4%	41%	15%	20%	7%	74%	26%	100%

Breakdown of employees according to gender and age group									
2023									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
Management	0%	0%	0%	0%	0%	0%	1%	0%	1%
Office staff	2%	1%	12%	5%	5%	2%	19%	7%	26%
Blue collar	9%	3%	29%	10%	16%	6%	54%	19%	73%
Total	11%	4%	41%	15%	21%	8%	73%	27%	100%

²⁰ 'Other' category refers to the holdings Sogefi S.p.A. (Italy) and Sogefi Gestion S.A.S. (France).

Breakdown of employees according to gender and age group by business line									
2021									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
A&C	2%	1%	8%	4%	5%	3%	15%	8%	23%
Suspension	3%	0%	22%	3%	11%	1%	36%	4%	40%
Filtration	6%	2%	11%	7%	6%	4%	23%	13%	36%
Other	0%	0%	0%	0%	0%	0%	1%	0%	1%
Total	11%	4%	41%	14%	22%	8%	74%	26%	100%

Breakdown of employees according to gender and age group by business line									
2022									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
A&C	2%	1%	9%	5%	4%	2%	15%	9%	24%
Suspension	3%	1%	21%	3%	11%	1%	35%	4%	39%
Filtration	7%	2%	11%	6%	5%	4%	23%	13%	36%
Other	0%	0%	0%	0%	0%	0%	1%	0%	1%
Total	12%	4%	41%	15%	20%	7%	74%	26%	100%

Breakdown of employees according to gender and age group by business line									
2023									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
A&C	2%	1%	9%	5%	4%	2%	15%	9%	24%
Suspension	3%	1%	20%	3%	11%	1%	34%	4%	39%
Filtration	6%	2%	11%	7%	6%	4%	24%	13%	37%
Other	0%	0%	0%	0%	0%	0%	1%	0%	1%
Total	11%	4%	41%	15%	21%	8%	73%	27%	100%

Breakdown of employees according to gender and age group by Region									
2021									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
Europe	5%	2%	22%	10%	18%	7%	46%	19%	64%
North America	3%	1%	5%	2%	2%	1%	10%	4%	14%
South America	1%	0%	5%	0%	1%	0%	7%	0%	7%
Asia	3%	0%	8%	2%	0%	0%	12%	3%	14%
Total	11%	4%	41%	14%	22%	8%	74%	26%	100%

Breakdown of employees according to gender and age group by Region									
2022									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
Europe	5%	2%	22%	9%	16%	6%	43%	18%	61%
North America	3%	1%	6%	2%	3%	1%	12%	5%	17%
South America	1%	0%	5%	0%	1%	0%	7%	0%	7%
Asia	3%	0%	9%	3%	0%	0%	12%	3%	15%
Total	12%	4%	41%	15%	20%	7%	74%	26%	100%

Breakdown of employees according to gender and age group by Region									
2023									
%	<30		30-50		>50		Total		Total
	M	W	M	W	M	W	M	W	
Europe	6%	2%	21%	10%	17%	6%	44%	18%	62%
North America	3%	1%	5%	3%	3%	1%	10%	5%	15%
South America	0%	0%	5%	0%	1%	0%	7%	1%	7%
Asia	2%	0%	10%	3%	0%	0%	13%	3%	16%
Total	11%	4%	41%	15%	21%	8%	73%	27%	100%

Breakdown of employees according to type of contract and gender									
N. of persons	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Fixed term contract	280	65	345	361	86	447	120	62	182
Permanent contract	3,787	1,330	5,117	3,608	1,329	4,937	3,753	1,338	5,091
Total	4,067	1,395	5,462	3,969	1,415	5,384	3,873	1,400	5,273

405-2 – Ratio of basic salary and remuneration of women to men

	Average basic salary of women to men by employee category and region			Average remuneration of women to men by employee category and region		
	2021	2022	2023	2021	2022	2023
Europe						
Management ²¹	1.00	0.78	0.84	0.94	0.79	0.83
Office staff	0.84	0.81	0.82	0.70	0.79	0.80
Blue collar	0.78	0.82	0.81	0.75	0.83	0.81
North America						
Management	0.58	n/a	n/a	0.84	n/a	n/a
Office staff	0.80	0.75	0.76	0.83	0.71	0.75
Blue collar	0.85	0.94	0.92	0.84	0.90	0.92
South America						
Management	n/a	n/a	n/a	n/a	n/a	n/a
Office staff	0.69	0.68	0.67	0.69	0.69	0.66
Blue collar	0.80	0.80	0.95	0.80	0.80	0.91
Asia						
Management	n/a	n/a	n/a	n/a	n/a	n/a
Office staff	0.69	0.77	0.78	0.69	0.77	0.78
Blue collar	0.96	1.00	1.01	1.00	1.00	1.01

401-1 – New employee hires and employee turnover

New hires by age group, gender and region in 2023										
N. of persons	<30		30-50		>50		Total		Turnover ²² % (hires / total gender by region)	
	M	W	M	W	M	W	M	W	M	W
Europe	180	66	168	73	47	16	395	155	17%	16%
North America	91	33	72	50	22	4	185	87	34%	34%
South America	11	3	11	1	0	0	22	4	6%	15%
Asia	42	3	98	18	2	0	142	21	21%	13%
Total and average turnover	324	105	349	142	71	20	744	267	19%	19%

Terminations by age, gender and region in 2023										
N. of persons	<30		30-50		>50		Total		Turnover % (terminations / total gender by region)	
	M	W	M	W	M	W	M	W	M	W
Europe	118	47	215	88	108	35	441	170	19%	18%
North America	97	52	96	70	27	16	220	138	40%	53%
South America	7	2	12	0	1	0	20	2	6%	7%
Asia	26	6	85	30	5	0	116	36	17%	23%
Total and average turnover	248	107	408	188	141	51	797	346	21%	25%

²¹ The salary and remuneration of CEO are not included in the calculation.

²² Turnover % represents the number of new hires or the number of terminations of men/women to the total number of male/women employees.

New hires by gender and age group										
N. of persons	2022					2023				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover % (hires / total gender)
Male	397	353	83	833	21%	324	349	71	744	19%
Female	151	179	24	354	25%	105	142	20	267	19%
Total and average turnover	548	532	107	1,187		429	491	91	1,011	

Terminations by gender and age group										
N. of persons	2022					2023				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover % (terminations / total gender)
Male	300	458	169	927	23%	248	408	141	797	21%
Female	103	167	68	338	24%	107	188	51	346	25%
Total and average turnover	403	625	237	1,265		355	596	192	1,143	

404-1 – Average hours of training per year per employee

Training hours per category by gender									
N. of hours	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Management	2,049	321	2,371	510	394	904	1,501	330	1,831
Office staff	19,291	7,472	26,763	21,809	8,756	30,565	30,610	12,125	42,736
Blue collar	41,000	7,811	48,810	56,236	13,622	69,858	83,904	28,624	112,528
Total	62,339	15,604	77,944	78,555	22,772	101,327	116,015	41,080	157,095

Average hours of training per employee by gender									
N. of hours	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Management	30.1	22.9	28.9	10.2	43.8	15.3	31.3	41.3	32.7
Office staff	17.8	17.1	17.6	21.7	21.8	21.7	31.2	31.7	31.3
Blue collar	14.1	8.3	12.6	19.3	13.6	17.8	29.5	28.3	29.2
Total	11.0	15.0	12.0	19.8	16.1	18.8	30.0	29.3	29.8

GRI 403-9 Work-related injuries

Work-related injuries by region – employees			
number	2021	2022	2023
Europe			
Work-related injury	33	21	12
of which fatalities	-	-	-
of which high consequence work-related injuries (excluding fatalities)	1	1	2
North America			
Work-related injury	2	2	1
of which fatalities	-	-	-
of which high consequence work-related injuries (excluding fatalities)	-	-	-
South America			
Work-related injury	2	3	-
of which fatalities	-	-	-
of which high consequence work-related injuries (excluding fatalities)	-	-	-
Asia			
Work-related injury	1	-	-
of which fatalities	-	-	-
of which high consequence work-related injuries (excluding fatalities)	-	-	-

Work-related injuries by region – employees			
<i>number</i>	2021	2022	2023
Group			
Work-related injury	38	26	13
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	1	1	2

Work-related injuries by region– supervised workers			
<i>number</i>	2021	2022	2023
Europe			
Work-related injury	10	2	6
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	-	-	-
North America			
Work-related injury	1	-	-
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	-	-	-
South America			
Work-related injury	1	-	-
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	-	-	-
Asia			
Work-related injury	-	2	-
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	-	1	-
Group			
Work-related injury	12	4	6
<i>of which fatalities</i>	-	-	-
<i>of which high consequence work-related injuries (excluding fatalities)</i>	-	1	-

Temporal data – hours worked employees			
	2021	2022	2023
Europe	4,661,001.3	5,175,261.4	5,166,596.4
North America	1,714,985.7	1,734,423.5	1,785,371.0
South America	764,309.5	651,900.0	642,776.0
Asia	2,710,426.7	2,174,170.5	2,238,536.0
Group	9,850,723.1	9,735,755.4	9,833,279.4

Temporal data – hours worked supervised workers			
	2021	2022	2023
Europe	804,770.8	805,638.9	981,501.0
North America	138,294.0	193,459.0	151,164.0
South America	162,038.0	66,732.0	148,832.0
Asia	3,372,610.0	4,060,640.5	4,119,649.0
Group	4,447,712.8	5,126,470.4	5,401,146.0

GRI 403-10 - Work-related ill health

Work-related ill health by region – employees			
<i>number</i>	2021	2022	2023
Europe			
Work-related ill health	11	8	8
<i>n. of fatalities</i>	-	-	-
North America			
Work-related ill health	1	-	1
<i>n. of fatalities</i>	-	-	-
South America			
Work-related ill health	3	-	-
<i>n. of fatalities</i>	-	-	-
Asia			
Work-related ill health	-	-	-
<i>n. of fatalities</i>	-	-	-
Group			
Work-related ill health	15	8	9
<i>n. of fatalities</i>	-	-	-

Work-related ill health by region – supervised workers			
<i>number</i>	2021	2022	2023
Europe			
Work-related ill health	2	0	0
<i>n. of fatalities</i>	-	-	-
North America			
Work-related ill health	-	-	-
<i>n. of fatalities</i>	-	-	-
South America			
Work-related ill health	-	-	-
<i>n. of fatalities</i>	-	-	-
Asia			
Work-related ill health	-	-	-
<i>n. of fatalities</i>	-	-	-
Group			
Work-related ill health	2	0	0
<i>n. of fatalities</i>	-	-	-

201-1 Direct economic value generated and distributed²³

Statement of Economic value of SOGEFI Group		
€m	2022	2023
Sales Revenues	1,543.4	1,627.9
Interest Income	4.2	10.7
Other gains	1.1	-
Gain and (loss) from discounted operations	(1.4)	(6.7)
Economic Value Generated	1,547.3	1,631.9
Operating costs	1,086.7	1,139.1
Personnel	255.2	261.1
Providers of finance	24.6	33.9
Public Administration	26.6	26.9
Dividends paid	2.1	6.3
Economic Value Distributed to Stakeholders	1,395.2	1,467.3
Group net result	29.6	57.8
Deferred Taxes	-	(3.1)
Subtotal	29,6	54,7
Depreciation and amortization	124.6	116.2
Economic Value Retained by the Group	154.2	170.9

²³ 2022 figures have been: (i) restated as per Consolidated Financial Statement as of 31/12/2023 following IFRS5 adoption for Mexico sale in 2023; (ii) reclassified to allow comparability with the presentation adopted for the 2023 data.

Environment²⁴

GRI 302-1 Energy consumption within the organization

Environmental data (energy and greenhouse gas emissions, waste and water discharges) consider the total number of production facilities of the SOGEFI Group. The figures do not include the minor administrative offices that are not relevant for energy consumption. To convert to GJ, consider electricity: 1 kWh = 0.0036 GJ; for natural gas: 1 m³ = 0.03956 GJ.

Electricity and natural gas consumption by business line						
	Electricity [MWh]			Natural Gas [m ³]		
	2021	2022	2023	2021	2022	2023
A&C	35,158.8	45,716.6	48,134.1	808,241.7	1,085,074.5	1,138,796.1
Suspensions	130,930.2	121,026.1	129,747.6	23,598,335.2	26,026,120.6	27,180,737.4
Filtration	49,672.2	49,246.9	48,944.0	1,457,352.5	1,395,547.2	1,307,091.0
Group	215,761.3	215,989.6	226,825.8	25,863,929.5	28,506,742.3	29,626,624.5

Electricity and natural gas consumption by business line						
	Electricity [GJ]			Natural Gas [GJ]		
	2021	2022	2023	2021	2022	2023
A&C	126,570.6	164,578.5	173,281.4	31,529.5	42,929.0	45,054.4
Suspensions	471,345.1	439,511.8	467,087.8	920,571.1	1,029,676.6	1,075,356.9
Filtration	178,818.6	178,144.8	176,197.1	56,851.3	55,212.3	51,712.7
Group	776,734.3	782,235.0	816,566.3	1,008,951.9	1,127,817.9	1,172,124.1

Electricity and natural gas consumption by region						
	Electricity [MWh]			Natural Gas [m ³]		
	2021	2022	2023	2021	2022	2023
Europe	140,168.4	142,389.5	141,435.4	18,026,856.8	19,262,256.6	18,915,851.7
North America	28,071.9	22,994.6	31,816.1	106,512.3	1,008,947.6	1,095,017.3
South America	18,156.8	18,716.0	18,841.9	7,082,968.1	7,544,175.8	7,807,394.0
Asia	29,364.2	31,889.5	34,732.4	647,592.4	691,362.4	1,808,361.4
Group	215,761.3	215,989.6	226,825.8	25,863,929.5	28,506,742.3	29,626,624.5

Electricity and natural gas consumption by region						
	Electricity [GJ]			Natural Gas [GJ]		
	2021	2022	2023	2021	2022	2023
Europe	504,602.1	516,419.6	509,163.3	703,227.7	762,076.5	748,371.6
North America	101,058.1	82,779.8	114,537.0	4,155.0	39,917.2	43,322.4
South America	65,363.8	67,377.0	67,830.3	276,306.6	298,471.7	308,885.5
Asia	105,710.3	115,658.6	125,035.7	25,262.6	27,352.5	71,544.6
Group	776,734.3	782,235.0	816,566.3	1,008,951.9	1,127,817.9	1,172,124.1

²⁴ Data for 2020 energy consumption were estimated for few plants. The estimation was based on previous years consumption.

GRI 302-3 Energy intensity

GJ/m€	Energy intensity by business line				Var 23/22	Var 23/20
	2020	2021	2022	2023		
A&C	452.7	393.3	447.2	448.1	0.2%	-1.0%
Suspension	4,191.6	3,037.8	2,638.9	2,653.3	0.5%	-36.7%
Filtration	608.0	508.6	435.6	396.7	-8.9%	-34.8%
GROUP	1,751.3	1,352.1	1,230.6	1,215.9	-1.2%	-30.6%
GROUP w/o price effect²⁵	1,751.3	1,370.4	1,345.1	1,314.8	-2.3%	-24.9%

GJ/m€	Energy intensity by region		
	2021	2022	2023
Europe	1,484.8	1,435.1	1,283.1
North America	401.0	360.6	439.5
South America	4,390.2	3,387.5	4,454.5
Asia	740.6	649.8	896.3
GROUP	1,352.1	1,230.6	1,215.9

GRI 305-1 Direct (Scope 1) GHG emissions**GRI 305-2 Energy indirect (Scope 2) GHG emissions**

In order to calculate the CO₂ emissions, the factors used are: “Terna – *Confronti Internazionali*” for Scope 2 “location-based” emission; “AIB Residual Mixes” Scope 2 “market-based” emission (Scope 2) for European countries. For countries extra EU, there are no Residual Mix factors available, therefore “location-based” emission factors (i.e. Terna – *Confronti Internazionali*) are used instead of “market-based” (i.e. Residual Mix).

The source of the emission factors for natural gas are the *UK Government GHG Conversion Factors for Company Reporting* – DEFRA emission factors. Scope 1 is calculated considering only the natural gas consumption component. Scope 2 is calculated considering only the electricity consumption component. To calculate Scope 1 emissions, the coefficients of the UK Government GHG Conversion Factors for Company Reporting – DEFRA were used.

Each year factors are updated accordingly to the latest updated issued by the different organizations.

Group GHG emissions				
ton CO ₂	2021	2022	2023	Var. 22-23
Scope 1	52,280.2	57,462.2	60,390.6	5.1%
Scope 2 – Location based	55,150.1	57,748.8	61,541.1	6.6%
Scope 2 – Market based	62,976.0	52,374.1	54,921.9	4.9%
TOTAL (with Location based)	107,430.1	115,211.0	121,931.8	5.8%
TOTAL (with Market based)	115,256.1	109,836.3	115,312.5	5.0%

²⁵ Starting from 2022 due to the inflationary scenario SOGEFI is reporting the energy intensity at Group level dividing for the sales minus the cumulative price effects in order to correctly assess the underlying activity versus 2020. In 2023, the negative forex impact on sales vs 2022 was higher than the positive price effect (-55M€ and +46M€ respectively). In order to capture the real environmental performance 2023 vs 2022, 2023 index has been retreated by both forex and prices that do not correspond to a real volumes variation.

Greenhouse gas (GHG) emissions Scope 1 + Scope 2 Location-based by business line			
ton CO ₂	2021	2022	2023
A&C	12,234.2	14,393.7	15,381.4
Suspensions	81,069.4	83,689.6	89,545.5
Filtration	14,126.5	17,127.7	17,004.8
Total	107,430.1	115,211.0	121,931.8

Greenhouse gas (GHG) emissions Scope 1 + Scope 2 Location-based by Region			
ton CO ₂	2021	2022	2023
Europe	61,982.1	67,540.3	65,517.9
North America	7,691.1	7,309.6	10,885.3
South America	17,754.2	18,641.9	19,734.0
Asia	20,002.8	21,718.9	25,794.5
Total	107,430.1	115,210.7	121,931.8

Greenhouse gas (GHG) emissions Scope 1 + Scope 2 Market-based by business line			
ton CO ₂	2021	2022	2023
A&C	11,548.1	8,182.6	8,640.0
Suspensions	88,414.4	82,460.0	87,173.3
Filtration	15,293.5	19,193.6	19,499.1
Total	115,256.1	109,836.3	115,312.5

Greenhouse gas (GHG) emissions Scope 1 + Scope 2 Market-based by Region			
ton CO ₂	2021	2022	2023
Europe	69,808.0	75,563.2	79,546.2
North America	7,691.1	5,896.0	9,300.2
South America	17,754.2	17,080.4	16,196.6
Asia	20,002.8	11,296.6	10,269.5
Total	115,256.1	109,836.3	115,312.5

GRI 305-4 GHG emissions intensity

GHG EMISSIONS INTENSITY Scope 1+ 2 Location-based by business line				
ton CO ₂ /m€	2021	2022	2023	Var. 22-23
A&C	30.4	31.0	31.6	1.8%
Suspensions	176.9	150.3	154.0	2.5%
Filtration	30.5	32.0	29.6	-7.4%
GROUP	81.3	74.2	74.5	0.4%
GROUP w/o price effect²⁶	82.4	81.1	80.6	-0.6%

GHG EMISSIONS INTENSITY Scope 1+ 2 Market-Based by business line				
ton CO ₂ /m€	2021	2022	2023	Var. 22-23
A&C	28.7	17.6	17.7	0.6%
Suspension	193.0	148.1	150.0	1.3%
Filtration	33.0	35.8	33.9	-5.2%
GROUP	87.3	70.8	70.5	-0.4%
GROUP w/o price effect	88.5	77.3	76.2	-1.4%

²⁶ Starting from 2022 due to the inflationary scenario SOGEFI is reporting the GHG emissions intensity at Group level dividing for the sales minus the cumulative price effects in order to correctly assess the underlying activity versus 2020. In 2023, the negative forex impact on sales vs 2022 was higher than the positive price effect (-55M€ and +46M€ respectively). In order to capture the real environmental performance 2023 vs 2022, 2023 index has been retreated by both forex and prices that do not correspond to a real volumes variation.

GHG EMISSIONS INTENSITY Scope 1+ 2 Location based by REGION				
<i>ton CO₂/m€</i>	2021	2022	2023	Var. 22-23
Europe	76.2	75.8	66.9	-11.8%
North America	29.3	21.5	30.3	41.1%
South America	228.1	172.6	233.3	35.2%
Asia	113.1	98.7	117.6	19.2%
GROUP	81.3	74.2	74.5	0.4%

GHG EMISSIONS INTENSITY Scope 1+ 2 Market based by REGION				
<i>ton CO₂/m€</i>	2021	2022	2023	Var. 22-23
Europe	85.8	84.8	81.2	-4.3%
North America	29.3	17.3	25.9	49.5%
South America	228.1	158.2	191.5	21.1%
Asia	113.1	51.3	46.8	-8.8%
GROUP	87.3	70.8	70.5	-0.4%

Waste management

GRI 306-4 Waste diverted from disposal (2020)

GRI 306-5 Waste directed to disposal (2020)

Waste generation by business line									
<i>ton</i>	2021			2022			2023		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
A&C	110.4	1,305.9	1,416.3	304.9	2,484.5	2,789.4	252.0	3,048.6	3,300.5
Suspensions	2,607.2	13,052.2	15,659.3	2,607.1	13,222.5	15,829.6	2,316.1	14,378.4	16,694.5
Filtration	624.2	6,871.7	7,495.9	523.0	6,943.9	7,466.9	586.1	8,194.5	8,780.6
Total	3,341.8	21,229.8	24,571.6	3,435.1	22,650.9	26,085.9	3,154.2	25,621.5	28,775.7

Waste by type of disposal, in metric tons (t) - 2023			
	Hazardous	Non-hazardous	Total
Preparation for reuse	10.1	980.0	990.1
Recycling	491.9	20,708.5	21,200.4
Composting	0.0	8.6	8.6
Incineration (with energy recovery)	234.2	1,564.4	1,798.6
Incineration (without energy recovery)	628.0	1,304.4	1,932.4
Landfilling	239.2	1,019.9	1,259.1
Other recovery operations: to specify	1,550.8	35.7	1,586.5
Total	3,154.2	25,621.5	28,775.7

Waste diverted from disposal by recovery operation, in metric tons (t)								
Method of waste disposal [t]	2022				2023			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous Waste								
Preparation for reuse	179.1	0.0	179.1	1%	10.1	0.0	10.1	0%
Recycling	0.0	333.3	333.3	2%	0.0	491.9	491.9	2%
Other recovery operations	0.0	0.0	0.0	0%	0.0	0.0	0.0	0%
Non-hazardous Waste								
Preparation for reuse	2,375.9	0.0	2,375.9	12%	980.0	0.0	980.0	4%
Recycling	0.0	17,040.9	17,040.9	85%	0.0	20,708.5	20,708.5	93%
Other recovery operations	0.0	10.2	10.2	0%	0.0	8.6	8.6	0%
Total	2,555.0	17,384.4	19,939.4	100%	990.1	21,209.0	22,199.1	100%

Waste directed to disposal by disposal operation, in metric tons (t)								
Method of waste disposal [t]	2022				2023			
	Onsite	Offsite	Total	%	Onsite	Offsite	Total	%
Hazardous waste								
Incineration (with energy recovery)	0.0	312.1	312.1	5%	0.0	234.2	234.2	4%
Incineration (without energy recovery)	0.0	695.7	695.7	11%	0.0	628.0	628.0	10%
Landfilling	0.0	275.9	275.9	4%	0.0	239.2	239.2	4%
Other	0.0	1,639.0	1,639.0	27%	0.0	1,550.8	1,550.8	24%
Non-hazardous waste								
Incineration (with energy recovery)	0.0	1,077.2	1,077.1	18%	0.0	1,564.4	1,564.4	24%
Incineration (without energy recovery)	0.0	1,287.1	1,287.1	21%	0.0	1,304.4	1,304.4	20%
Landfilling	0.0	743.6	743.6	12%	0.0	1,019.9	1,019.9	16%
Other	0.0	115.9	115.9	2%	0.0	35.7	35.7	1%
Total	0.0	6,146.5	6,146.5	100%	0.0	6,576.6	6,576.6	100%

Waste generation by region						
ton	2022			2023		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Europe	2,500.3	15,363.8	17,864.1	2,397.1	18,250.6	20,647.7
North America	232.0	1,632.6	1,864.6	184.0	2,300.7	2,484.7
South America	316.0	3,161.8	3,477.8	125.9	2,282.4	2,408.3
Asia	386.8	2,492.6	2,879.4	447.1	2,787.8	3,234.9
GROUP	3,435.1	22,650.9	26,085.9	3,154.2	25,621.5	28,775.7

Waste generation by BU - 2023				
ton	Air&Cooling	Filtration	Suspension	Total
Preparation for reuse	645.6	223.2	121.3	990.1
Recycling	2,096.3	5,939.5	13,164.6	21,200.4
Composting	0.0	0.0	8.6	8.6
Incineration (with energy recovery)	166.2	1,028.3	604.1	1,798.6
Incineration (without energy recovery)	106.5	1,107.0	719.0	1,932.4
Landfilling	277.7	161.2	820.2	1,259.1
Other recovery operations	8.2	321.6	1,256.7	1,586.5
Total	3,300.5	8,780.6	16,694.5	28,775.7

Sustainable water management

GRI 303-3 Water withdrawal

Water withdrawal 2021			
Megaliters		Total water withdrawal	Water withdrawal from water stressed areas
Water withdrawal by source	Surface water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	626.1	-
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	0.0	-
	Groundwater		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	214.6	72.5
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	2.2	2.2
	Third-party water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	227.8	95.5
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	12.0	3.1
Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	1,082.8	173.3

Water withdrawal 2022			
Megaliters		Total water withdrawal	Water withdrawal from water stressed areas
Water withdrawal by source	Surface water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	581.5	-
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	18.7	18.7
	Groundwater		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	179.7	38.9
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-
	Third-party water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	233.8	50.1
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	3.3	-
Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	1,017.0	107.7
Water withdrawal 2023			
Megaliters		Total water withdrawal	Water withdrawal from water stressed areas
Water withdrawal by source	Surface water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	710.3	-
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	21.4	21.4
	Groundwater		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	157.7	13.0
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-
	Third-party water		
	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	285.0	80.1
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	-	-
Total water withdrawal	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	1,174.3	114.4

Water withdrawal by region						
	2022			2023		
<i>Megaliters</i>	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total
Europe	840.3	24.5	864.8	1,005.9	25.5	1,031.4
North America	26.4	0.0	26.4	20.1	12.9	33.0
South America	42.6	0.0	42.6	33.8	0.0	33.8
Asia	0.0	83.2	83.2	0.0	76.1	76.1
<u>GROUP</u>	909.3	107.7	1,017.0	1,059.8	114.4	1,174.3

Water withdrawal by Business Line						
	2022			2023		
<i>Megaliters</i>	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total
A&C	338.5	8.3	346.7	444.6	22.6	467.1
Suspensions	530.1	70.1	600.2	576.9	59.1	636.0
Filtration	40.8	29.3	70.1	38.3	32.8	71.1
<u>GROUP</u>	909.3	107.7	1,017.0	1,059.8	114.4	1,174.3

GRI 303-4 Water discharge

Water discharge 2021			
<i>Megaliters</i>		Total water discharge	Water discharge from water stressed areas
Water discharge by destination	Surface water	629.3	-
	Groundwater	68.8	-
	Sea water	-	-
	Third-party water (total)	135.6	46.1
	Third-party water sent for use to other organizations	-	-
Water discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	833.6	46.1
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	12.0	-
Total water discharge		845.2	46.1

Water discharge 2022			
<i>Megaliters</i>		Total water discharge	Water discharge from water stressed areas
Water discharge by destination	Surface water	585.8	0.0
	Groundwater	40.2	5.9
	Sea water	-	-
	Third-party water (total)	134.5	18.3
	Third-party water sent for use to other organizations	-	-
Water discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	757.3	24.2
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	3.3	0.0
Total water discharge		760.5	24.2

Water discharge 2023			
<i>Megaliters</i>		Total water discharge	Water discharge from water stressed areas
Water discharge by destination	Surface water	816.9	3.6
	Groundwater	28.0	11.1
	Sea water	-	-
	Third-party water (total)	242.4	55.0
	Third-party water sent for use to other organizations	-	-
Water discharge by freshwater and other water	Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	1,043.0	66.1
	Other water ($> 1,000$ mg/L Total Dissolved Solids)	44,3	3.6
Total water discharge		1,087.3	69.7

Water discharge by region						
	2022			2023		
<i>Megaliters</i>	Areas with no risk of water stress	Water discharge from water stressed areas	Total	Areas with no risk of water stress	Water discharge from water stressed areas	Total
Europe	716.8	4.3	721.1	973.5	25.2	998.7
North America	13.8	0.0	13.8	20.1	12.9	33.0
South America	5.7	0.0	5.7	24.0	0.0	24.0
Asia	0.0	19.9	19.9	0.0	31.7	31.7
GROUP	736.3	24.2	760.5	1,017.6	69.7	1,087.3

Water discharge by Business Unit						
	2022			2023		
<i>Megaliters</i>	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total	Areas with no risk of water stress	Water withdrawal from water stressed areas	Total
A&C	325.7	5.9	331.6	444.3	16.6	460.9
Suspensions	375.1	8.9	383.9	542.9	40.1	583.0
Filtration	35.6	9.4	44.9	30.4	13.1	43.5
GROUP	736.3	24.2	760.5	1,017.6	69.7	1,087.3

GRI 303-5 Water consumption

Water consumption			
	2021		
<i>Megaliters</i>	Areas with no risk of water stress	Areas with water stress	Total
Europe	74.3	70.9	145.2
North America	12.6	-	12.6
South America	14.0	-	14.0
Asia	-	56.3	56.3
GROUP	101.0	127.2	228.1

Water consumption			
	2022		
<i>Megaliters</i>	Areas with no risk of water stress	Areas with water stress	Total
Europe	123.5	20.2	143.6
North America	12.6	0.0	12.6
South America	36.9	0.0	36.9
Asia	0.0	63.3	63.3
GROUP	173.0	83.5	256.5

Water consumption			
2023			
<i>Megaliters</i>	Areas with no risk of water stress	Areas with no risk of water stress	Total
Europe	32.4	0.3	32.7
North America	0.0	0.0	0.0
South America	9.8	0.0	9.8
Asia	0.0	44.4	44.4
GROUP	42.2	44.7	86.9

Water consumption 2021			
<i>Megaliters</i>		Total water consumption	Water consumption from water stressed areas
Water consumption	Total water consumption	228.1	127.2

Water consumption 2022			
<i>Megaliters</i>		Total water consumption	Water consumption from water stressed areas
Water consumption	Total water consumption	256.5	83.5

Water consumption 2023			
<i>Megaliters</i>		Total water consumption	Water consumption from water stressed areas
Water consumption	Total water consumption	86.9	44.7

11. GRI

11.1 Material topic correlation and boundaries table

Aspects of the Decree 254/16	Material topics (materiality matrix SOGEFI)	Topic of the GRI Standards
Fight against active and passive corruption	Business ethics and integrity	Anticorruption; Socio-economic compliance; Environmental compliance
N.A.	Strategy & Economic performance	Economic performance
	Innovation and low carbon mobility solutions	Materials; Energy
	Cybersecurity & Data Protection	Customer Privacy
Social aspects and aspects related to the respect of human rights	Distributed value and impact on local communities	Local community
	Responsible procurement practices	Procurement practices; Supplier environmental assessment; Supplier social assessment
Environment	Sustainable Water & Waste Management	Water and effluents; Waste
	Optimization of material cycles in industrial processes	Materials
	Climate Strategy	Energy; Emissions
Aspects related to human resources and to the respect of human rights	Occupational health and safety	Occupational health and safety
	Attraction & retention, professional development	Employment; training and education; Labour and management relations
	Diversity, inclusion and equal opportunity	Diversity and equal opportunity; non-discrimination; Market presence
	Employees well-being, engagement & satisfaction	Employment, Occupational Health and Safety, Training and Education
Social aspects	Product Quality & Safety	N/A
	Customer satisfaction	Customer Health and Safety

MATERIAL TOPIC	TOPIC BOUNDARY		NATURE OF THE IMPACT	IMPACT
	INTERNAL	EXTERNAL		
BUSINESS INNOVATION				
Strategy & Economic performance	SOGEFI		Negative/Potential	Lack of Economic growth: Lack of Economic growth of the company and its performances in the long term, resulting in potential employment reduction and negative economic impact on value chain and local communities
	SOGEFI		Positive/Actual	Direct economic value generation and distribution: Direct economic value generation and related distribution to stakeholders, creating a prosperous community
Product Quality & Safety	SOGEFI	Customers & Distributors	Negative/Potential	Cases of non-compliance and warranty issues: Possible cases of non-compliance caused by faulty equipment, resulting in the customer being unable to use the products or the vehicle
Customer satisfaction	SOGEFI	Customers & Distributors	Negative/Potential	Customers' dissatisfaction: Non-satisfaction of customers' expectations on quality standards and delivery times
Innovation and low carbon mobility solutions	SOGEFI	University and research centre. Business partner	Positive/Actual	Driving eco-innovation also towards sustainable mobility: Reducing environmental impacts through strategic partnerships, new technologies and investment in research and development towards low-carbon mobility solutions
GOVERNANCE				
Responsible procurement practices	SOGEFI	Suppliers	Negative/Potential	Financing a non-sustainable supply chain: Negative impact on the environment and society (including human rights violations) due to lack of direct control on the supply chain
Business ethics and integrity	SOGEFI		Negative/Potential	Illegal conduct, possible cases of corruption and violations due to legal and normative non-compliance: Possible unethical/illegal conduct by Top Management and employees, possible cases of corruption and violations due to non-compliance with laws and regulations, as well as internal procedures and codes can lead to the violation of the fundamental rights of workers and the spread of a culture of unethical behavior.
Cybersecurity & Data Protection	SOGEFI	Customers. Suppliers	Negative/Potential	Breaches of IT systems and loss of data: Non-compliance with procedures and regulations on privacy and data security causing breaches of IT systems and loss of data.

ECO-EFFICIENCY				
Climate Strategy	SOGEFI		Negative/Actual	Contribution to climate change through direct/indirect GHG emissions impacting on stakeholders: Contribution to climate change through direct/indirect GHG emissions from manufacturing process and by the supply chain possibly impacting on stakeholders (including their human rights e.g., right to health, life, water etc.)
	SOGEFI		Negative/Actual	Dependence on non-renewable energy resources: Use of energy from non-renewable resources and usage of scarce resources, affecting the surrounding environment, harming the already delicate ecosystem and the availability of resources
Sustainable water & waste management	SOGEFI		Negative/Actual	Generation of hazardous and non-hazardous waste: Generation of hazardous and non-hazardous waste damaging the environment
	SOGEFI		Negative/Potential	Improper waste management and disposal: Impact on the environment due to potentially improper waste management and disposal
	SOGEFI		Negative/Actual	Contribution to the reduction of available water resources: Water withdrawals and consumption over production process contribute to the reduction of available water resources
	SOGEFI		Negative/Potential	Contribution to water pollution: Water discharges causing possible water pollution and subsequent disruption of ecosystems, and contamination of drinking water sources
Optimization of material cycles in industrial processes	SOGEFI		Negative/Actual	Overconsumption scarce natural resources: Inefficient usage of scarce raw materials affects surrounding environment, harming the already delicate ecosystem and the availability of natural resources
PEOPLE				
Distributed value and impact on local communities	SOGEFI	Local communities	Positive/Actual	Improving social conditions of local communities: Improving the employment rate and social conditions of local communities in which the Group operates
Occupational Health and Safety	SOGEFI		Negative/Actual	Work-related accidents and illness: Production processes could result in work-related accidents, long-term work-related illness and violate workers' human right to safe working conditions
Diversity, Inclusion & Equal Opportunity	SOGEFI	Employees and supervised workers	Negative/Potential	Potential episodes of discrimination and harassment: Failure to ensure dignity, equality, and fairness for all people, leading to violation of basic human rights

Attraction & retention, professional development	SOGEFI		Negative/Potential	Lack of improvement of employee development: Not adequate trainings or programs to update people skills with potential consequence of missing career development
Employee engagement & satisfaction	SOGEFI		Positive/Actual	Employee satisfaction and cohesion: Contributing to employee satisfaction and cohesion through engagement initiatives also ensuring respect for human rights (e.g., right to freedom of association and collective bargaining)

11.2 GRI Content Index

GRI 2: GENERAL DISCLOSURES (2021)		
GRI Indicator		Location
Statement of use	Sogefi has reported in accordance with the GRI Standards for the period January. 1st 2023 to December. 31 st 2023	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s)	Not applicable	
The organization and its reporting practices		
GRI 2-1	Organizational details	4
GRI 2-2	Entities included in the organization's sustainability reporting	4; 73-74
GRI 2-3	Reporting period, frequency and contact point	73-74
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GRI 2-10	Nomination and selection of the highest governance body	Please refer to Annual Report on Corporate Governance
GRI 2-11	Chair of the highest governance body	Please refer to Annual Report on Corporate Governance
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	8-9
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GRI 2-15	Conflicts of interest	Please refer to Rules for Related Party Transactions
GRI 2-16	Communication of critical concerns	Please also refer to Annual Report on Corporate Governance
GRI 2-17	Collective knowledge of the highest governance body	8
GRI 2-18	Evaluation of the performance of the highest governance body	Please refer to Annual Report on Corporate Governance
GRI 2-19	Remuneration policies	Please also refer to Report on Remuneration policy and compensation paid
GRI 2-20	Process to determine remuneration	Please also refer to Report on Remuneration policy and compensation paid
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GRI 201-1	Direct economic value generated and distributed	56; 88-89	
GRI 207: Tax (2019)			
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GRI 207-2	Tax governance control and risk management	38-39	
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GRI 207-4	Country-by-country reporting	78-80	
Material Aspect: Responsible procurement practices			
GRI 3: Material topics (2021)			
GRI 3-3	Management of material topics	13; 17-18; 42	
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GRI 204-1	Proportion of spending on local suppliers	43-44	
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GRI 308-1	New suppliers that were screened using environmental criteria	43	
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GRI 414-1	New suppliers that were screened using social criteria	43	
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GRI 3: Material topics (2021)			
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GRI 205-3	Confirmed incidents of corruption and actions taken	37	
Material Aspect: Optimization of material cycles in industrial processes			
GRI 3: Material topics (2021)			
GRI 3-3	Management of material topics	13; 17-18; 64-65	
GRI 301: Materials (2016)			
GRI 301-1	Materials used by weight or volume	65-66	
Material Aspect: Climate Strategy			
GRI 3: Material topics (2021)			
GRI 3-3	Management of material topics	13; 17-18; 57-72	
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GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	60-61; 90-91	

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GRI 303-2	Management of water discharge-related impacts	13; 71	
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GRI 306-2	Management of significant waste-related impacts	13; 67-69	
GRI 306-4	Waste diverted from disposal	68; 92-94	
GRI 306-5	Waste directed to disposal	68; 92-94	
Material Aspect: Attraction & retention professional development			
GRI 3: Material topics (2021)			
GRI 3-3	Management of material topics	14; 17-18; 46-50	
GRI 401: Employment (2016)			
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GRI 404: Training and Education (2016)			
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Material Aspect: Employees well-being engagement & satisfaction			
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GRI 3-3	Management of material topics	14; 17-18; 50	
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GRI 3: Material topics (2021)			
GRI 3-3	Management of material topics	13; 17-18; 29-30	



KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI
Telefono +39 02 6763.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Sogefi S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2023 consolidated non-financial statement of the Sogefi Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 23 February 2024 (the "NFS").

Our procedures did not cover the information set out in section "5. EU Taxonomy" of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Sogefi S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.



Sogefi Group

Independent auditors' report

31 December 2023

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

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5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's and the French subholding subsidiaries' management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent and subsidiaries level:
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the following subsidiaries and sites:
 - Sogefi Filtration Italy S.p.A., Sant'Antonino di Susa site (Italy)
 - Sogefi Suspensions Passenger Car Italy S.p.A., Settimo Torinese site (Italy)
 - Sogefi USA Inc., Prichard site (USA)
 - United Springs B.V., Hengelo site (Netherlands)
 - Sogefi Air & Cooling S.A., Montreal site (Canada)
 - Sogefi Filtration D.o.o., Medvode site (Slovenia)
 - Sogefi Suspension S.A., Douai site (France)

which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 consolidated non-financial statement of the Sogefi Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.



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Our conclusion does not extend to the information set out in section “5. EU Taxonomy” of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 25 March 2024

KPMG S.p.A.

(signed on the original)

Elisabetta C. Forni
Director of Audit