

coesia

Sustainability Report

2023





Letter to the Stakeholders

Bologna, September 2024

Against an increasingly complex socio-economic background, rendered even more unstable by the geo-political situation, our Group shoulders heightened responsibility for ensuring broad spectrum sustainability centered, as ever, on our employees, customers and local communities.

The Coesia Sustainability Report 2023 has a new **Environment, Social, Governance** (ESG) format that describes more clearly the commitment to sustainability made by the Group. Among the actions taken to support our medium/long-term ESG objectives, participation by Coesia in the UN Global Compact demonstrates the sharing of such principles as respect for human rights, attention to the quality of work, protection of the environment, and the fight against corruption.

Environment. Coesia addresses environmental sustainability on multiple fronts, both with commitments to the market and via the eco-sustainable transition of our productive activities. Accordingly, we continue to invest in photovoltaic plants and decarbonization projects, seeking to improve our energy efficiency and reduce the ecological footprint of our technological solutions, as well as those embedded in the products of our customers. Our efforts also include sustainable innovation and circularity projects, as indeed recognized by EcoVadis.

Social. In addition to the work of Group Companies in support of their local communities, Coesia also carries out welfare projects that, in 2023, included establishing the Coesia Medical Center. Applying a holistic approach, the CMC makes a network of expert professionals available to local employees and travelers, not only in the area of occupational health and safety, but also with regard to prevention and personal healthcare.

Governance. The ethical management of the Group was updated in 2024, with renewal of the Code of Ethics, an updated Suppliers' Code of Conduct, and a Global Whistleblowing Procedure accompanied by related local procedures, when required by national legislation.

My grateful thanks go to the entire Coesia community - employees, customers, suppliers and partners alike - who, with passion and enthusiasm, constantly create economic, social and environmental value.

The President

Isabella Seràgnoli

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2023 IN BRIEF

GROUP PROFILE



2,084

million euros in revenue



86

production facilities



36

countries



20

companies

INNOVATION



10.8%

of revenue invested in
Engineering and R&D



22

new products
launched



1,717

patent families
in the portfolio



5%

patent applications
related to sustainable
solutions

ENVIRONMENT



-5%

energy intensity
compared to 2022



-9%

hazardous waste
compared to 2022



25

ISO 14001 certified plants
(**47.2%** of the
workforce covered)



-2%

water withdrawals
compared to 2022



72%

waste sent for recycling
(materials or energy)

SUSTAINABILITY RATING



Climate Change **B**

Water Security **C**

Supplier Engagement **A-**



PEOPLE



8,357
employees



79
nationalities



+833
new hires
of whom **34%** under 30



17.6%
women working in
the Group



12%
12% women in
management roles



1,755
people employed in
Engineering and R&D



99%
of employees with
permanent work contract



100%
of the workforce involved
in a self-assessment survey
on human rights



34
ISO 45001 certified plants
(**58.3%** of the workforce)



47%
of the workforce covered by
supplementary services from
the Coesia Medical Center

LEARNING AND DEVELOPMENT



88%
of employees involved in the
People Performance Dialog
(**78%** in 2022)



~152,000
total hours of learning



18.2
hours of learning and
development per
employee

SUPPLY CHAIN



92%
direct spending
with local suppliers



12,000+
direct and indirect
suppliers

The path towards sustainability

Our Sustainability Report, published every year since 2015, informs all Coesia stakeholders about the latest business- and sustainability-related initiatives and activities of the Group. From the current reporting year, this document has been prepared with reference to the format envisaged in the new European Sustainability Reporting Standards (ESRS), which require discussion to address the three sustainability dimensions: Environment, Social and Governance (ESG).

The information and data collected and consolidated in this document reflect the continuous process of improvement and coordination followed by our internal functions to ensure their consistency and transparency.

Coesia is continuing along the path of progressive alignment with the requirements of the new Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD), which will apply to our Group from FY 2025.

In addition to a retrospective look at the reporting period, this Sustainability Report also includes prospective qualitative and quantitative information that addresses the short-, medium- and long-term impacts of our Group, consistent with the forward-looking approach envisaged in the CSRD Directive.

Our actions confirm the efforts made in 2023 to embed Environmental, Social and Governance (ESG) topics within our corporate strategies, promoting an integrated approach to the business model adopted.

To demonstrate our involvement, in early 2024 Coesia committed to pursuit of the sustainable development goals by participating in both the UN Global Compact and the Science-Based Target initiative (SBTi) to combat climate change.

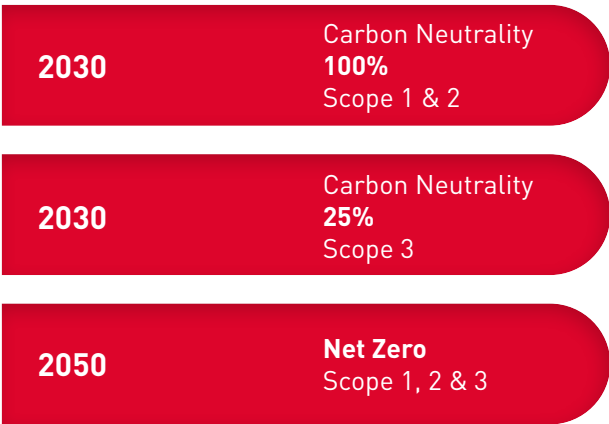
Strategically, we are diversifying our business activities in recognition of the risks and opportunities present in the current global context. This involves entry into new sectors that promote the energy transition and long-term sustainability.

The sustainability strategies of the Group also extend to our value chain. In fact, a long-term project was launched in 2023 to involve the supply chain and revise the Suppliers' Code of Conduct and related selection criteria from an ESG standpoint.

Over the past year, Coesia further refined the calculation of Group greenhouse gas (GHG) emissions, monitoring all direct (Scope 1) and indirect (Scope 2 and Scope 3) emissions, including those deriving from the value chain, both upstream and downstream. In particular, the analysis focused on obtaining a better understanding of our carbon footprint and confirming the reduction strategy to be submitted to SBTi for validation in 2024.

Product innovation work saw the Coesia Engineering Center (CEC) introduce Life Cycle Assessment (LCA) techniques to analyze the environmental impacts of our machines. The CEC objective is to identify improvements and design opportunities in this area. At the same time, the Environmental Sustainability Center of Expertise and the R&D centers at Group Companies worked on the development of sustainable solutions for the market and to support various initiatives promoted by customers.

Numerous internal initiatives were launched in 2023 with a view to achieving our medium-term (2030) and long-term (2050) climate neutrality objectives. More details about the initiatives activated in support of our strategy can be found in section 3.3 "Emission reduction targets".



As ever, Coesia employees are a fundamental resource for the Group. We therefore promote both their psycho-physical well-being, by offering services, prevention programs and initiatives in favor of their work-life balance, and their professional growth, via such initiatives as the People Performance Dialog (PPD),

which seeks to align the individual, team and corporate goals to be achieved.

Great efforts are made to protect our people: in addition to the OHS measures and initiatives expressed in the HSE policy, the Coesia Medical Center (CMC) was established in 2023 to provide additional services that support and promote the health of all employees.

Several projects focused on the protection and enhancement of diversity, equity and inclusion were also launched in 2023. These will be implemented in full during 2024.

As in previous years, we have continued to demonstrate our close interest in the community by activating collaborations and partnerships with local authorities, institutions and associations. In particular, following the floods that inundated multiple provinces in the region, Coesia participated in the "Un aiuto per l'Emilia-Romagna" fund-raising initiative by contributing € 800,000 to the Emilia-Romagna Territorial Security and Civil Protection Agency. We also continued to collaborate with universities and institutions by helping to establish

technical and specific training courses, thereby fostering the development of innovation both within and outside the business environment. Other initiatives launched in 2023, such as the Young Professional Program (YPP), seek to encourage young talents by promoting their skills and professional development.

The process of revising the Coesia Code of Ethics for publication in 2024 was completed during the year. The new document is aligned with global trends and reflects more closely the changes made at Group level in recent years. The Global Whistleblowing Procedure and related Local Procedures, where required by national legislation, will also be released in 2024.

ENVIRONMENT

- Definition of clear decarbonization targets and a corresponding specific action plan;
- Joint study and development with customers of more sustainable products (e.g., paper-based packaging);
- Conduct of Life Cycle Assessments (LCA);
- Action to improve energy efficiency and reduce the carbon footprint of our machines.

SOCIAL

- Corporate welfare program to promote psycho-physical well-being of employees;
- Adoption of the People Performance Dialog, designed to guide the professional growth of our personnel;
- Implementation of HSE programs to protect our people;
- Coesia Medical Center for the protection and promotion of health;
- Participation in the "un aiuto per l' Emilia-Romagna" regional fund-raising initiative, as well as donations for social and cultural projects;
- Collaboration with Universities and Institutions.

GOVERNANCE

- Diversification into new sectors focused on sustainability and electrification;
- Adoption by the Italian Group Companies in 2010 of a Code of Ethics that was extended to all Coesia Companies in 2014;
- The Coesia Anti-Corruption Guidelines guide the daily activities of all Group Companies.

SUSTAINABILITY RATINGS

Our commitment to sustainability topics and our performance are reflected in our sustainability ratings.

ESG analysts continuously monitor the sustainability performance and maturity of the Group on environmental, social and governance topics.

ESG ratings are an essential way to provide independent evidence to stakeholders about our policies and related strategies, the programs implemented and the results obtained by Coesia in the conduct of an increasingly sustainable business, attentive to global trends.

We improved our sustainability profile in 2023.

In particular, EcoVadis has awarded Coesia a silver medal, ranking the Group among the top 15% globally, while CDP assigned the Group a B¹ rating in the climate change section, an A- rating in the supply chain involvement section and a C rating in the water resources section.

¹ Rating on a descending maturity scale from A to D-.

Methodological note

The goal of our Sustainability Report 2023 (also referred to as the "Report") is to communicate the values, strategy and performance of the Coesia Group (also referred to as "Coesia" or "the Group") in the field of sustainable development, providing a complete and transparent overview of our activities, and describing aspects of a corporate culture that melds financial results with social and environmental considerations. This Sustainability Report is published on a voluntary basis and has not been subjected to limited assurance work by an independent third party.

CONTENT OF THE REPORT

This Report, published annually and relating to FY 2023 (from January 1 to December 31), has been prepared "in accordance with" the *Global Reporting Initiative Sustainability Reporting Standards* (hereinafter, the "GRI Standards"), as indicated below in the "GRI Content Index" table, which shows the coverage of the GRI indicators associated with each sustainability topic reported in this document.

To allow the comparison of data over time and the assessment of trends, Group data for FY 2022 and FY 2021 is provided on a consistent basis, where available. All restatements of previously published comparative data are clearly indicated as such in the text. Furthermore, the use of estimates has been minimized to ensure data reliability and, where used, they are flagged appropriately in the document.

As required by the Standard, this Report only describes those topics identified as significant in the materiality analysis. For further details about the process followed, see section 2.3 "[Materiality analysis](#)".

The final text of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive - CSRD) was approved on November 10, 2022, following agreement by the European Parliament, Council and Commission. The New Directive

requires the Management Report to include sustainability disclosures in accordance with the requirements of the CSRD and the new European Sustainability Reporting Standards - ESRS, prepared by EFRAG and adopted by the European Commission in a Delegated Act on July 31, 2023. The New Directive will apply to the Coesia Group from the financial year beginning on January 1, 2025. Accordingly, from 2024, the Group has commenced a gradual process of alignment with the new regulatory requirements. In particular, gap analysis work has commenced to identify the detailed information that the Group will need to collect during FY 2025, for disclosure in accordance with the new ESRS reporting standards.

This document has been prepared with reference to the format envisaged in the new European Sustainability Reporting Standards (ESRS), which require discussion to address the three sustainability dimensions: Environment, Social and Governance (ESG).

REPORTING BOUNDARY

The reporting boundary for the economic and financial data and information presented corresponds to that of the Annual Financial Report of the Coesia Group at December 31, 2023. The reporting boundary for qualitative information and the quantitative data related to environmental aspects

and human resources, including occupational health and safety, comprises the companies consolidated on a line-by-line basis in the Annual Financial Report.

MAIN CALCULATION CRITERIA AND METHODOLOGIES

The criteria and sources used to calculate certain performance indicators included in this Report are presented below.

HIRING AND TERMINATION RATES

The number and rate of new hires and terminations by gender and geographical area have been calculated considering the ratio of new hires and terminations, by gender and region, to the total number of employees in each geographical area, multiplied by 100.

The number and rate of new hires and terminations by gender and age group correspond, respectively, to the ratio

of the number of new hires and terminations, by gender and age group, to the total number of Group employees. The percentages are calculated on the overall total numbers of women and men, without reference to the number of women and men in the age group concerned.

ENERGY CONSUMPTION IN 2021 AND 2022

Coesia's energy consumption (electricity, district heating, natural gas, diesel, gasoline, LPG, fuel oil) was reported in Giga Joule [GJ] using the following sources for the conversion factors:

- **electricity and district heating:** "UK Government GHG Conversion Factors for Company Reporting" issued by the UK Department for Environment, Food & Rural Affairs (DEFRA);

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2 AND 3) EMISSIONS

Emissions have been calculated in terms of CO₂ equivalent using the emission factors indicated below.

For the calculation of direct (Scope 1) emissions in 2021 and 2022:

- **fuels** (natural gas, diesel and fuel oil): "Tabella parametri standard nazionali" (Table of national standard parameters) published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA), containing the values proposed by the UNFCCC National Inventory;
- **fuels** (diesel, gasoline): "Tabella parametri standard nazionali" (Table of national standard parameters) published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA), containing the values proposed by the UNFCCC National Inventory;
- **refrigerant gases:** "UK Government GHG Conversion Factors for Company Reporting" published in 2019 by the UK Department for Environment, Food & Rural Affairs (DEFRA) and "European Regulation_F GAS 517".

The following sources for emission factors were used to calculate the indirect (Scope 2) emissions in 2021 and 2022:

- **'location-based' calculation method:** the factors proposed in "International Comparisons" published by Terna in 2020 (2019 data) were used;
- **'market-based' calculation method:** the factors of the "European Residual Mix" published by the Association of Issuing Bodies (AIB) in 2020 and the "Green-e Energy Residual Mix Emission Rate" published by the Center for Resource Solutions (2019 data) were used for 2021; the factors of the "European Residual Mix" published by the Association of Issuing Bodies (AIB) in 2021 and the "Green-e Energy Residual Mix Emission Rate" published by the Center for Resource Solutions (2020 data) were used for 2022.

For the calculation of direct (Scope 1) emissions in 2023:

- **fuels** (natural gas, diesel and fuel oil): "MASE (2023)", "co2emissiefactoren.nl (2023)", "USEPA (2023)", "Defra (2023)";
- **fuels** (diesel, gasoline): "co2emissiefactoren.nl (2023)", "USEPA (2023)", "Defra (2023)";
- **refrigerant gases:** "Defra (2023)" and "European Regulation_F GAS 517".

- **natural gas, diesel, gasoline, LPG and fuel oil:** "Tabella parametri standard nazionali" (Table of national standard parameters) published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA).

The following sources for emission factors have been used to calculate the indirect (Scope 2) emissions in 2023:

- **'location-based' calculation method:** the factors proposed by "IEA (2023)", "USEPA (2023)", "Defra (2023)", "Environment Canada (2023)", "co2emissiefactoren.nl (2023)" and <https://www.energiforetagen.se/statistik/fjarrvarmestatistik/miljovardering-av-fjarrvarme/> were used;
- **'market-based' calculation method:** the factors proposed by "AIB (2023)", "Green-e (2023)", "IEA (2023)", "Environment Canada (2023)", "co2emissiefactoren.nl (2023)", "AIB (2022)", "Defra (2023)" and <https://www.energiforetagen.se/statistik/fjarrvarmestatistik/miljovardering-av-fjarrvarme/> were used.

For countries where, at the time of preparing this document, Residual Mix factors are not publicly available from accredited sources, the same emission factors as those applied for the location-based approach have been used.

The indirect (Scope 3) emissions have been calculated using primary data for:

- Purchased goods and services
- Capital goods
- Fuel and energy-related activities
- Upstream and downstream transportation and distribution
- Waste generated in operations
- Domestic and international business travel by employees
- Employee commuting
- Use of sold products
- EOL of sold products

Emissions were then calculated using a proprietary database of data and emission factors correlated with the primary data collected for the various categories mentioned above.

The calculation method used was consistent with the GHG Protocol and ISO 14067.

For air transportation on domestic and international routes, and for journeys in vehicles not owned by employees, the emission factors used were those contained in the "UK Government GHG Conversion Factors for Company Reporting" published by the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2021, 2022 and 2023.



GROUP PROFILE AND SUSTAINABILITY





COESIA: Creating value for sustainable growth

Coesia projects organizational strength. Over 8,000 employees and 20 companies operate in 36 countries, with 86 production facilities serving 133 operating units



1.1

Our Mission and Values

“Create long-term sustainable economic, social and environmental value for customers and workers, our stockholder and the communities in which we operate”.

Coesia strives constantly to develop a stimulating working environment for our people, and invests in building a common culture focused on the core values of the Group.

OUR VALUES

RESPECT

We respect people, environmental and economic resources, rules and local communities.

Respect implies rigor and integrity

RESPONSIBILITY

We take responsibility for the consequences of our decisions and actions, leading discreetly by example to achieve results, enhance talents and reward merit.

Even collective responsibility starts with individual accountability

KNOWLEDGE

We treasure knowledge steeped in culture, the community, interpersonal relations, experience, research and learning; such knowledge inspires personal and professional growth.

Sapere Aude: dare to know

PASSION

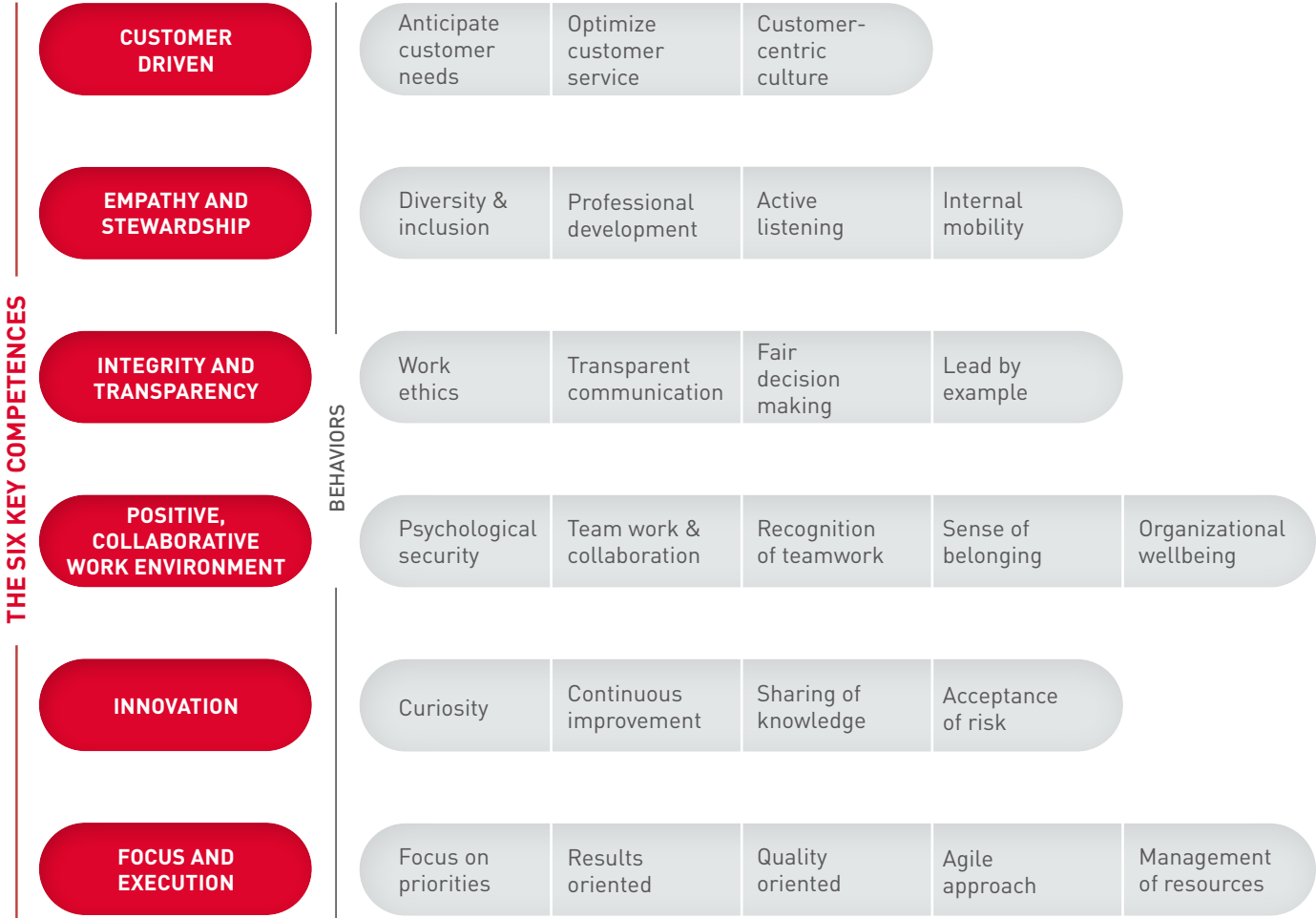
Products, innovation, excellence, beauty, work and performance are our passion.

Passion allows us to predict outcomes before their achievement

Our leadership model

Our leadership model leverages our core values in pursuit of the strategy adopted by the Coesia Group.

During 2023, we developed a new leadership model that supports this strategy in a manner consistent with our values.



Our history

1923 – 1940

G.D, a company founded in 1923 to make motorcycles, was taken over by Enzo Seràgnoli in the late thirties.

1950 – 1960

The G.D brand became established around the world as a sector leader in the production of automated machinery with highly innovative solutions.

1980 – 2000

From the early eighties, the Group began to diversify production with the acquisition of CIMA, ACMA, GDM and VOLPAK.

1940 – 1950

The focus of the Company shifted to packaging for the confectionery and soap sectors. Ariosto Seràgnoli contributed to the launch of the first wrapping machine.

1960 – 1980

G.D entered the tobacco sector with the revolutionary 4350/Pack cellophane wrapping machine, becoming the unrivalled leader in the sector.

2010 – 2015

The expansion of Coesia accelerated thanks to the acquisition of FLEXLINK, SASIB, R.A JONES and IPI. CEC (Coesia Engineering Center) was established in 2012 with a highly specialized team to develop strategic innovation projects. The first Coesia Sustainability Report was published in 2015.

2016 – 2018

EMMECI, GF, MOLINS, CERULEAN, MGS, ATLANTIC ZEISER, TRITRON and COMAS joined the Group.



2000 – 2010

In 2002, Isabella Seràgnoli became the sole stockholder of the Group, which was renamed Coesia in 2005. Further acquisitions strengthened the Group: HAPA, LAETUS, ADMV, CITUS KALIX, NORDEN and SACMO.

2019 – 2023

Coesia acquired SYSTEM S.p.A. in 2021 and contributed the business to SYSTEM CERAMICS, a new company active in the production of plant and machinery for the ceramics sector.

The agreement signed in December 2022 to sell IPI S.r.l. to Oji Holdings Corporation, a leader in the Japanese pulp and paper sector, safeguarded employment levels.

1.2

Group profile

Coesia is a private Group and a world leader in the production of industrial and packaging solutions. Isabella Seràgnoli is the sole stockholder.

Today the Group consists of 20 companies with 86 production facilities located in 36 countries. This global network of relationships is increasingly mature.

The international presence of Coesia has expanded over the years by implementing a growth strategy that includes business acquisitions, in order to enter various sectors ahead of growing market demand.

Coesia meets the needs of customers in the most diverse sectors by offering a wide range of technologies developed and produced by Group companies, which are organized into three Divisions.

CONSUMER MARKETS SOLUTIONS (CMS)

This Division designs and manufactures automated production, packaging and wrapping machinery for the food processing, cosmetics, pharmaceuticals and mass-market perishable goods sectors. This is the most competitive market in which Coesia operates.

The following Group companies are active in this sector: ACMA, CITUS KALIX, MGS, NORDEN, R.A JONES, VOLPAK.

INDUSTRIAL MARKETS SOLUTIONS (IMS)

This Division focuses on the design, implementation, sale and servicing of solutions for production automation and assembly, factory logistics and in-line printing.

A quality-centric approach is taken to the manufacture of machinery for the packaging of premium products, and for the production and packaging of disposable hygiene products, as well as systems for the production of ceramics and the high-performance gear transmissions used in the Aerospace and Automotive sectors, among others. In addition, the Division is currently investing in specific technologies for e-commerce applications.

The following Group companies are active in this sector: ATLANTIC ZEISER, CIMA, EMMECI, FLEXLINK, GDM, HAPA, SYSTEM CERAMICS, TRITRON.

REGULATED MARKETS SOLUTIONS (RMS)

This Division is active in the design and manufacture of packaging and wrapping machines for the tobacco, pharmaceuticals, and coffee sectors, together with the provision of services linked to their sale, distribution and after-sales support. The investment in new tobacco sector technologies mainly focuses on the development of "Next Generation" or "Reduced Risk" products.

Leveraging our expertise in the automation field, the RMS Division is also investing in innovations for other sectors including, in particular, those involved in the energy transition.

The following Group companies are active in this sector: CERULEAN, COMAS, G.D, GF, MOLINS, SASIB.

ACMA

Manufactures high- and medium-speed packaging machines for candies, chocolates, soap, tea, coffee, and liquid products.

CITUS KALIX

Produces lipstick filling machines, hot filling machines for creams and foundations, filling machines for deodorants and tubes, cartoners and feeding systems.

MGS

Designs and manufactures cutting-edge packaging automation solutions with core competencies in secondary packaging, serialization, and product management. Main focus on pharmaceuticals and the life science, food processing, and cosmetics sectors.

NORDEN

Leading supplier of high-performance automated tube filling systems, covering all speeds and applications in various sectors: cosmetics, pharmaceuticals, food processing, and toothpastes.

R.A JONES

Manufactures packaging machines for the food processing and consumer goods sectors: pouch filling and cartoning, chub packaging, cup filling and sealing, aerosol machinery, bottle filling, and patented solutions for improving shelf life.

VOLPAK

Produces packaging lines for flexible horizontal form-fill-seal (HFFS) pouches for food, beverages, personal and home care products.

ATLANTIC ZEISER

Provides near-line/in-line digital printing solutions for the packaging of consumer goods and card customization systems.

CIMA

For over 80 years, manufacturer of power trains and high-performance gear transmissions for the racing, aerospace, e-mobility, and automated machinery sectors. Supplier to several Formula 1 racing teams.

EMMECI

Leader in the design and manufacture of automated machinery for the packaging of premium and luxury products.

FLEXLINK

Leader in industrial automation and supplier of innovative automated solutions, considered smarter and safer, for the production of goods at a lower operating cost. Principal sectors served: automobile industry, electronics, healthcare, and mass-market consumer goods. Manufacture of conveyors, product handling systems and industrial feeders, delivering turn-key solutions that include controls and standardized robotics.

GDM

Among the global leaders in the field of hygiene disposables, GDM designs and produces innovative converting and packaging solutions for the production of baby diapers and pants, adult incontinence briefs and sanitary pads for women.

HAPA

With a focus on Life Science, HAPA delivers Good Manufacturing Practice (GMP) compliant, on-demand and late-stage customization printing technologies that increase production agility while reducing costs and waste.

SYSTEM CERAMICS

As an international leader in the development of technologies for the ceramics sector, SYSTEM CERAMICS guarantees the highest industrial standards with regard to pressing, decorating, sorting lines and quality control. Advanced packaging, palletizing and handling solutions are also provided.

TRITRON

Development and production of high quality special inks for industrial digital printing, both for the pharmaceuticals industry and for the mass-market consumer goods sector.

CERULEAN

For over 70 years, CERULEAN has been synonymous with the production and supply of process and quality control instrumentation for the tobacco industry, as well as packaging and control machines for the production of tubes.

COMAS

World leader in the production of tobacco processing machinery and lines, with over 50 years of experience. The flexible approach taken means that COMAS has been able to adapt to customer needs in the competitive tobacco market, with the recent development of solutions for "Reduced Risk" products in that sector.

G.D

Leader in the supply of high-tech machinery for the production and packing of cigarettes and next-generation products.

GF

Leader in the supply of quality control systems and automated liquid filling machines for the pharmaceutical sector.

MOLINS

Leader in the tobacco industry for over 100 years, MOLINS specializes in the design, development and production of machinery for cigarettes market.

SASIB

Manufactures production and packaging lines for the tobacco industry.

Solutions and services

Coesia offers over 500 packaging solutions designed to satisfy ever-growing market demand. These solutions comprise products and services at the forefront of technological innovation in each sector.

TECHNOLOGIES		SECTORS	
ASSEMBLY & COMBINING	PROCESSING EQUIPMENT	AEROSPACE	HEMP
AUTOMATED PRODUCTION FLOW	POUCHING & BAGGING	AUTOMOTIVE	HOME CARE
CARTONING & EOL	POWDER TREATMENT	BEVERAGE	INDUSTRIAL GOODS
CUTTING	PRINTING	CARDS	LUXURY GOODS
FILLING	PRODUCT ANALYSIS	CERAMICS	NEXT GENERATION PRODUCTS
GEARS & SPECIAL PARTS	ROBOTICS	CHEMICALS	PERSONAL CARE
GREEN LEAF THRESHING	SOFTWARE & CONTROLS	DAIRY	PET CARE
MAKING & FORMING		E-COMMERCE	PHARMA & HEALTHCARE
MONITORING & INSPECTION		ELECTRONICS	RACING
PACKING & WRAPPING		ENERGY	TEA & COFFEE
PRESSING & DECORATING		FOOD	

Our customer-centric approach has led the Group to serve markets by opening production facilities and sales branches around the world. As shown on the map, Coesia was present in 36 countries during 2023.



Coesia Customer Service

For Coesia, investing to build customer loyalty means investing in the future. Customer service is synonymous with global presence, flexibility, simplicity, and the provision of continuous support. This is why the portfolio of Coesia customer services has been expanded to offer a unique and valuable experience, based on collaboration and mutual trust.



MATERIALS AND PARTS

The Group has managed and updated Coesia Webshop since 2019. This e-commerce platform simplifies the supply by Coesia companies of spare parts and components for every model and generation of machine. Our Webshop offers complete, uninterrupted service to customers around the world. They are able to order spare parts directly at any time, with real-time access to detailed availability data.



MAINTENANCE SERVICES

Coesia's field service technicians are highly specialized and equipped with all the tools needed to inspect and assess the condition of machines, quantify the necessary spare parts and determine the level of service and/or repair required. Working closely with customers, our technicians carry out routine or preventive maintenance that preserves the performance and value of Coesia machines over time. Assisted by high-quality audio/video tools and augmented reality, Coesia can even provide remote customer support on an efficient basis. In fact, Coesia Remote Assistance ensures faster diagnosis and problem resolution, thus reducing machine downtime and costs.



EQUIPMENT MODERNIZATION

The Group offers a vast portfolio of modernization services, designed to enhance the productivity and reliability of machines and product quality, reduce maintenance costs, satisfy new legal requirements, and add new features. Modernization services range from standard technical upgrades to complete machine overhauls following disassembly or damage. They also include the replacement of obsolete components whenever necessary. Regardless of the service requested, the original performance of the machine is restored in full.



TRAINING AND DOCUMENTATION

All Group companies offer customized training courses and specific documentation available in various languages, so that customers can develop the technical skills needed to maintain high levels of performance, quality and productivity. These courses can be delivered on Group premises, at the customer's facility or even remotely upon request.



CONSULTANCY SERVICES

Drawing on our extensive experience with a multiplicity of applications, Coesia is able to help customers implement industry best practices, achieve world-class productivity and add value right from the production phase. The Coesia OEE Consulting Service, launched in 2022, offers advice intended to maximize the profitability of operations. Applying a data-driven approach, the service is scalable from a single line to the entire plant and, regardless of the OEM, customized to satisfy the specific needs of each customer.



PRODUCTION SUPPORT

Coesia is committed to providing customers with customized, rapid and effective technical support at all stages, from installation to commissioning and thereafter. Our technicians are equipped to provide remote support, thus maximizing worldwide coverage.

1.3

Innovative solutions to satisfy customers

Innovation is part of the genetic heritage and culture of Coesia, consisting not only in the development of new technologies, products and solutions, but also in the creation of an environment that actively engages customers, other stakeholders and Group companies.

Innovation statistics for 2023



1,755

people employed in
Engineering and R&D



22

new products
launched



10.8%

of revenue invested in
Engineering and R&D



1,717

patent families
in the portfolio

Working closely with customers to understand their current and future needs is a fundamental driver of the innovation process.

In this light, a series of long-term strategies and plans have been defined that will benefit the environment and society as a whole, while also meeting the needs of customers. This approach specifically addresses the sustainability topics of strategic importance to Coesia, such as innovation, digitalization, the circular economy, and the safety of proposed solutions.

The Group builds on two key pillars in the search for continuous technological, product and process improvements that best meet the requirements of customers and other stakeholders: industrial research and innovation.

The way Coesia innovates has evolved in recent decades, becoming ever more focused on the needs of customers, sustainability and digitalization. These strategic factors enable the Group to remain competitive and create value, while respecting the current environmental and social challenges, and promoting continuous collaboration throughout the entire value chain.

By investing in R&D, we are able to design and manufacture highly energy-efficient machines with a low environmental impact. At the same time, our agile processes respond promptly to market needs, thus promoting innovation and sustainable development in the packaging and machinery sectors.

Our innovation fulcrum

For Coesia, sustainable innovation is a truly creative and interactive mechanism that involves multiple actors: customers, suppliers, marketing, R&D and engineering.

This integrated process starts with concept development, evolves through the design phase, and concludes with delivery of the finished product or requested service. All NPD (New Product Development) projects apply this process when tackling such challenges as:

- **radical innovations** aimed at generating a new market segment and new opportunities for Coesia;
- **new product lines** that allow Group companies to enter established markets;
- **line extensions** designed to complement an existing product line;

- **product improvements** achieved by enhancing the performance of existing products;
- **customer-specific projects** focused on developing innovative concepts that respond to specific needs by making available our vast range of expertise;
- **cost reductions** that provide comparable performance for less;
- **repositioning** via the introduction of existing products to other markets or segments.

The process results in the market launch of new products every year.



SPECIALIZED RESEARCH AND DEVELOPMENT CENTERS

Each Coesia company has its own research and development center, with specific expertise in the sector addressed and its own unique characteristics.

Group companies have the autonomy to develop machinery and processes in the context of their established technologies, thus encouraging individual growth and commitment among our workers.

To stimulate the release of synergies, all New Product Development (NPD) projects are reviewed centrally. This optimizes costs and portfolio solutions.

Group companies keep in constant contact, collaborate on the development of common approaches and share specific technological knowledge.

COESIA ENGINEERING CENTER (CEC)

The Coesia Engineering Center (CEC) is a corporate function established in 2012. Its mission is to assist Group companies with strategic and highly innovative projects.

The organizational structure of the CEC ensures flexibility and focus on the established objectives. CEC teams maintain close contact with all Group companies to promote innovative methodologies, transfer technological know-how, and assist in the execution of resource-intensive projects that are deemed to be highly innovative.

The Coesia Engineering Center also pays great attention to the sustainability of packaging as a whole, seeking to satisfy market trends and the needs of our customers. Most of these operate in international markets, demonstrate great awareness of environmental issues, and are required to comply with increasingly stringent regulations.

For these reasons, one focus of CEC work covers packaging solutions that reduce the environmental impact of products and the development of technological solutions for their implementation on our machines. CEC also plans to expand its resources to help Group functions and companies assess these impacts and the improvements made, applying the increasingly effective and updated tools and knowledge available.

Given the strategic role played by CEC over the years, the number of persons assigned to this Center has increased constantly to reflect our growing operational needs. Starting from an initial core group of 12 persons, employment rose to 89 in 2023 (from 79 in 2022), including executive managers, project managers, mechanical and electronic engineers, programmers, test technicians, packaging specialists and other roles with skills in different areas, such as the calculation of environmental impacts.



1.4

Governance model and organizational structure

The governance of Coesia is based on a solid organizational model designed to achieve long-term strategic objectives, define roles and responsibilities consistent with the activities of the Group, and establish an ethical framework for proper business conduct. This model seeks to guide our business processes and generate value for our stakeholders.

Governance

The Coesia model of corporate governance complies with the provisions of the Italian Civil Code and the other regulations on corporate matters applicable in each country.

Coesia S.p.A., the parent company, is based in Italy and the governance model reflects the traditional Italian system:

- **Stockholders' Meeting:** the body whose resolutions express the wishes of the stockholder;
- **Board of Directors:** with responsibility for strategic management, the pursuit of Group and social objectives, and supervising implementation of the strategic guidelines by management;
- **Nomination and remuneration committee:** which provides advice, makes recommendations and carries out investigations on remuneration matters in support of the Board of Directors;
- **Board of Statutory Auditors:** body responsible for supervising compliance with the law and the corporate statute, as well as for monitoring business operations.

The legal audit of the accounts is performed by a firm of external auditors.

The current Board of Directors was first appointed at the Stockholder's Meeting held on June 26, 2020, and remained in office until approval of the financial statements at December 31, 2023. The Board comprises eight members selected with regard for their considerable reputation, professionalism and expertise and, in several cases, independence. President Isabella Seràgnoli and Chief Executive Officer (CEO) Alessandro Parimbelli are executive directors, while the other six members are non-executive directors.

The Stockholder's Meeting held on April 22, 2024, renewed the above composition of the Board of Directors, which will remain in office until approval of the 2026 financial statements.

The Board periodically checks on the quali-quantitative aspects of its composition and on its effective functioning.

The President and the CEO are the legal representatives of Coesia and exercise all powers of ordinary and extraordinary administration, with the sole exception of those reserved by law or the corporate statute for the Board of Directors.

The Board of Directors is responsible for both strategic supervision and overall operations, ensuring that activities are carried out in the interests of Coesia and promoting the sustainable development of the Group. In this regard, the Board issues strategic guidelines and approves the strategies proposed by management, monitoring constantly their implementation. The annual budgets allocate the specific resources needed to achieve the established objectives and support the effective implementation of corporate strategy. Business strategies that embed sustainability considerations are high on the agenda at Board meetings. These strategies are reviewed periodically to ensure proper implementation and governance.

The Board meetings held during 2023 tackled various sustainability-related topics, but no specific training was delivered in this regard.

As the person responsible for implementing the sustainability strategy, the CEO plays a crucial role in ensuring that the objectives are pursued in an effective manner. In this regard, he reports periodically to the Board on the actions in progress and the extent to which each ESG target has been achieved.

This process keeps the Board updated, providing a clear view of the impact of the sustainability strategies, and ensures that the activities of the organization remain in line with the established long-term objectives.

The work of the Board on ESG matters does not currently include approving the contents of the Sustainability Report. However, given the upcoming need to comply with the new requirements of the Corporate Social Responsibility Directive (CSRD), the process for approving non-financial disclosures will be revised in the near future.

Board of Directors at December 31, 2023

PRESIDENT
CHIEF EXECUTIVE OFFICER
DIRECTORS

Isabella Seràgnoli	
Alessandro Parimbelli	
Aldo Bisio Francesco Gatti Lorenza Guerra Seràgnoli	Maurizio Petta Stefano Proverbio Marcus Weldon

Among the members of the Board of Directors, two (25%) are women who belong to the 30-50 and over 50 age groups. The other six (75%) are all men over the age of 50.

Overall, 12.5% of Board members belong to the 30-50 age group, while the remaining 87.5% are more than 50 years of age.

GENDER



AGE



Organization

Activities within the Group are managed by the President and the Chief Executive Officer. Powers and authority are delegated in a manner consistent with the organizational and managerial responsibilities assigned, including approval thresholds for individual transactions.

The Corporate Identity & Communications function reports directly to the President. The Group Internal Audit function coordinates with the President and reports to the Board of Directors. All other activities are organized into three Divisions and four Central Functions.

The Central Functions comprise Digital & Operations, Human Resources, Finance and the Coesia Engineering Center (CEC), which is responsible for R&D at a Group level.

The Board of Statutory Auditors comprises one woman, Nicoletta Sandri, and two men, Giorgio Loli and Giampaolo Galletti, all of whom are over 50 years of age.

In order to ensure Group compliance with Italian Legislative Decree 231/2001, Coesia has appointed a Supervisory Body (SB). This Board comprises three members: two women, Iole Anna Savini and Alessandra Montanari, and one man, Giovanni Ponti, all of whom are over 50 years of age.

Should possible conflicts of interest arise, the senior decision maker with an interest in the transaction complies with Italian law by reporting the situation to the CEO, or to the Board if such person is a director.

Additionally, when required by law, Coesia issue a press release describing the nature of the interest of the senior decision maker in the transaction.

The 20 Group companies are organized into three Divisions:

CONSUMER MARKETS SOLUTIONS

Six companies operate in the mass-market consumer goods sector

INDUSTRIAL MARKETS SOLUTIONS

Eight companies provide automated solutions that enhance the efficiency of production systems, even in the ceramics sector

REGULATED MARKETS SOLUTIONS

Six companies operate in the regulated markets sector

Most Coesia companies are based in Europe. Group strategy is best implemented by optimizing our geographical structure, while supporting expansion and growth in emerging markets and improving our ability to tailor products that meet the specific needs of various local and regional markets.





Strategy and materiality analysis

Recent macro-trends, including digitalization, increased automation and comprehensive sustainability, are rapidly transforming how we live and creating an environment that offers major new growth opportunities.

2.1

Business model and our strategy in 2023

Coesia's strategy remains founded on two principal assets: our workers and our customers.

In the context of a Group that is cohesive both internally and on the market, the enhancement of our people is the main driver of our strategic development.

Customer centricity is embedded in all business processes, with the goal of providing the best solutions in terms of innovation and the satisfaction of customer needs throughout the entire product life cycle.

Leveraging our values and DNA, Coesia has embarked on a growth path that will further strengthen our leadership position in traditional markets, while also developing a presence in new industrial sectors (such as energy storage and e-commerce solutions) marked by rapid expansion and a high rate of automation.

During 2023, the three Coesia Divisions (Consumer Markets Solutions, Industrial Markets Solutions, and Regulated Markets Solutions) supported the growth of Group companies by identifying and releasing commercial, technological and operational synergies, while also facilitating the transformations now taking place. These include the digital revolution that will enable Coesia to offer smart products and services developed to simplify the operations of customers and, at the same time, minimize the environmental impact of our products and activities.

STRATEGIC PILLARS

Grow in traditional markets

Accelerate growth and strengthen our leadership position in the sectors traditionally served by Coesia companies, through continuous innovation, a solutions-oriented approach and enhancement of the services and support offered to customers.

Develop new and expanding markets

Seize business opportunities in new markets with increasing automation needs and significant growth prospects, leveraging the technologies and expertise developed in our core markets.

Strengthen the operational model

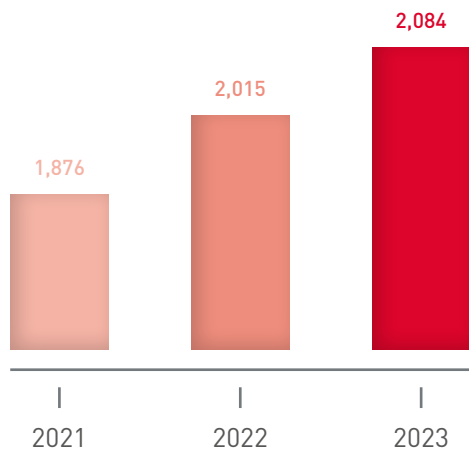
Enhance our capabilities and key processes while seeking best advantage from the digital and sustainability trends. Strengthen our culture and values, promoting integration and synergies at all levels within the Group.

The results of our business

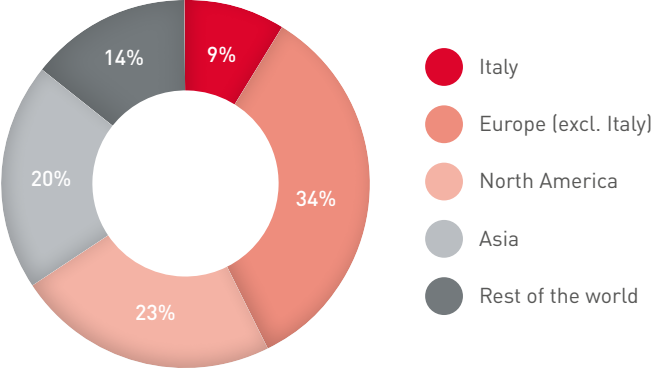
Coesia strives to be a global leader in the provision of industrial and packaging solutions. Thanks to the quality of our products and services, the market positioning of the Group has consolidated considerably over the years, with significant growth despite the challenging years of the COVID-19 pandemic. Coesia responded to them by ensuring sound business continuity and strong oversight on health and safety issues. This commitment enabled the Group to report turnover of 2,084 million euros in 2023, up by 3.4% with respect to the prior year. This confirms the quality of our products

and services, and the effort dedicated by Coesia to the management of business activities. Careful management of the cost-price mix during 2023 also enhanced the profitability of the Group. This more than offset the effects of inflation and enabled further investment in new sectors. Diversification of the business remains a fundamental element of the response to specific sector trends: the cyclical slowdown in the ceramics sector has been well offset by growth in the other sectors addressed by the IMS (Industrial Markets Solutions) and CMS (Consumer Markets Solutions) Divisions.

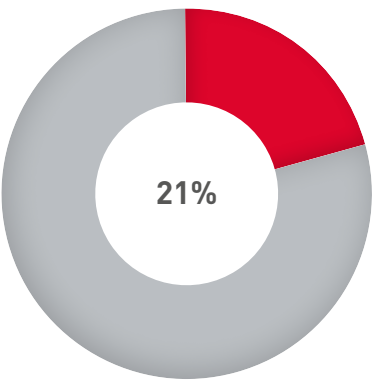
TURNOVER IN THE THREE-YEAR PERIOD
2021-2023 (million euros)



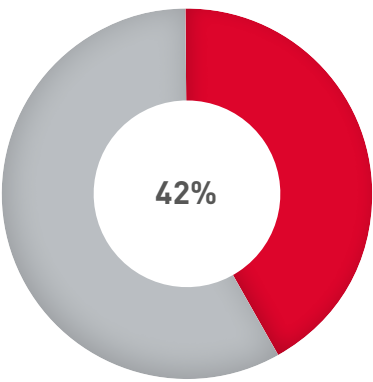
BREAKDOWN OF 2023 TURNOVER BY
GEOGRAPHICAL AREA



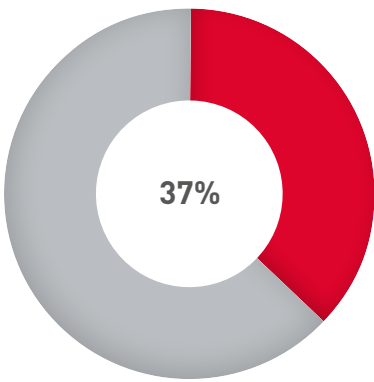
BREAKDOWN OF 2023 TURNOVER BY DIVISION



Consumer Markets Solutions



Industrial Markets Solutions



Regulated Markets Solutions

2.2

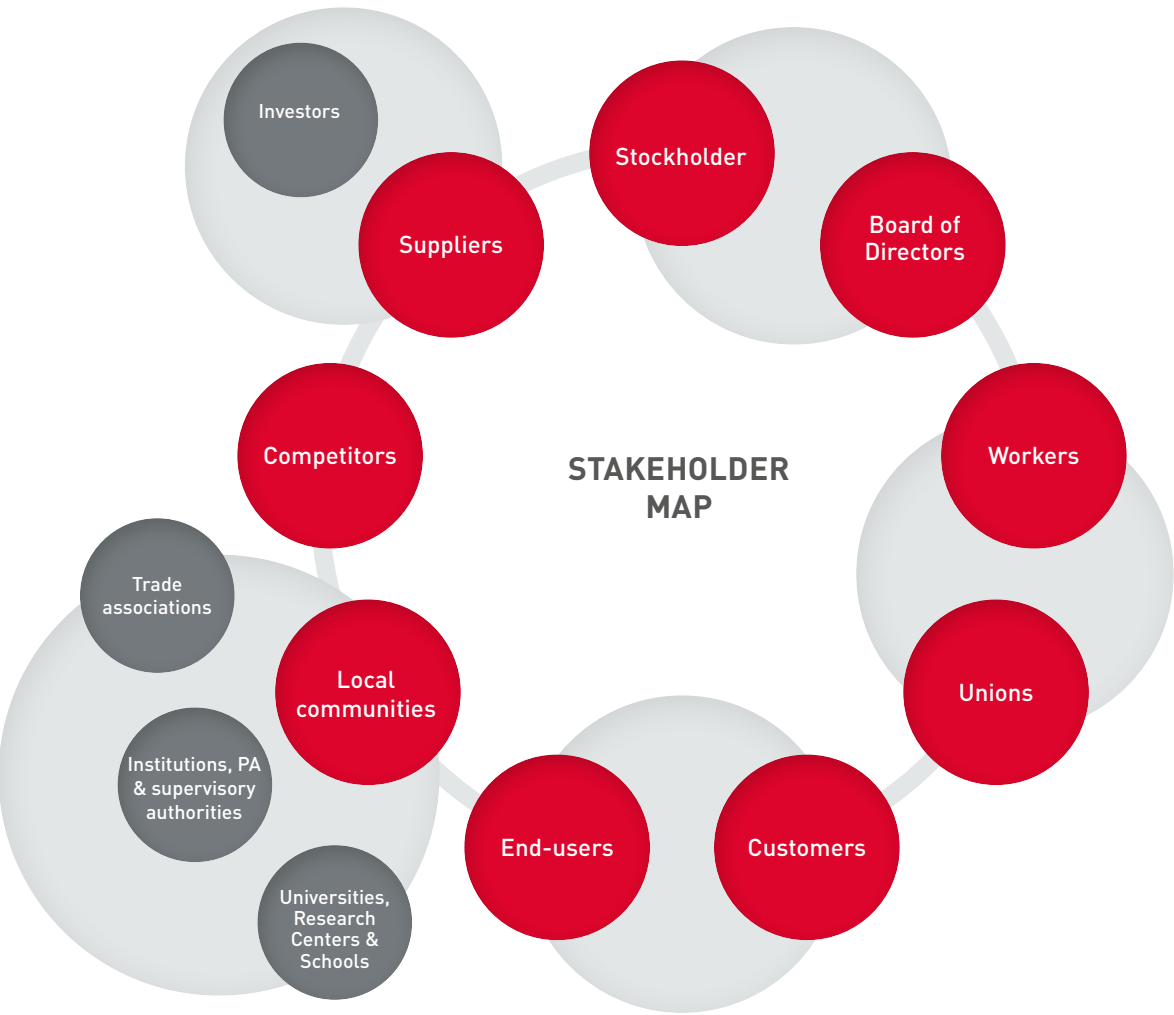
Dialog with stakeholders

Active and constant dialog with our stakeholders is an essential element of the strategy adopted by Coesia. Stakeholder engagement not only means identifying their expectations, but also responding promptly and effectively to changes in the markets and local communities in which we operate.

Coesia is committed to stakeholder relations founded on transparency and trust, in order to create sustainable value over the long term. We aspire to exceed the expectations of our stakeholders, delivering constant improvements in the technologies, products, processes and solutions offered. This ambition translates into a constant commitment to innovation and excellence,

ensuring that the needs of our customers and local communities remain central when decisions are made. Thanks to a structured process of stakeholder engagement, Coesia is able to detect expectations and understand the level of satisfaction achieved, so that any necessary improvements can be identified.

Following the 2022 update, the mapping was considered complete and representative of all stakeholder categories involved in the activities of the Coesia Group. Further analysis did not identify the need for additional changes, since the mapping accurately reflects the broad range of stakeholders involved by the Group.



With a view to obtaining mutual benefits and constant value creation, Coesia is committed to promoting periodic dialog and discussions with stakeholders via the most appropriate channels.

The following table summarizes the main tools used by the Group when listening to and engaging with key stakeholders.

LISTENING TO AND ENGAGEMENT WITH STAKEHOLDERS

STAKEHOLDER CATEGORY	ENGAGEMENT FREQUENCY	ENGAGEMENT METHOD
Stockholder	Continuous	• Stockholder's Meeting • Active involvement in Group management
Board of Directors	Periodic	• Meetings
Workers	Periodic	• Collective bargaining • Corporate climate survey • Newsletter • Induction on sustainability during the annual update of the materiality analysis
	Continuous	• Training • Performance appraisal • Intranet • Website
Unions	Periodic	• Periodic meetings
Customers	Periodic	• Annual customer satisfaction survey • Trade fairs • Newsletter • Ad hoc surveys on sustainability topics
	Continuous	• Product catalogs • Collaboration on the development of innovative products • After-sales support • Website • Social media
End-users	Continuous	• Feedback from customers • Market analysis
Local communities	Continuous	• Collaboration and partnerships • Public initiatives
Universities, Research Centers and Schools	Periodic	• Collaboration and partnerships • Meetings with Universities, Research Centers and Schools
Institutions, PA and supervisory authorities	Continuous	• Relations with local institutions
Trade associations	Periodic	• Collaboration and partnerships • Meetings
Competitors	Periodic	• Trade fairs • Website • Social media • Press review
Suppliers	Continuous	• Relations with the relevant business functions • Website
Investors	Periodic	• Press releases • Periodic meetings • Website section: Investor Relations

Dialog was further extended during 2023 by engaging with a number of Group customers. They were asked to assess the importance for Coesia of the sustainability

impacts identified. Their assessments were given due consideration when updating the materiality analysis.

2.3

Materiality analysis

Coesia has implemented a structured “materiality analysis” process to identify those aspects of sustainability of greatest importance to the Group and our principal stakeholders, as well as to highlight the contents of this Sustainability Report aligned with our business strategy. This analysis was carried out in accordance with the GRI Standards.

As established in the GRI Standards, updated in 2021, the definition of material topics by an organization is closely linked to the identification of the significant impacts that all its activities and business relationships generate, or could generate, on the economy, the environment and

people. These impacts may be negative or positive over the short and long term.

Our 2023 materiality analysis was carried out with the active participation of management. This approach resulted in an in-depth, shared vision of the most important aspects for the Group and our stakeholders, ensuring that the material topics identified reflect accurately the strategic priorities of Coesia and their most significant impacts.

The materiality analysis was conducted in four phases:

1 UNDERSTANDING THE CONTEXT IN WHICH THE GROUP OPERATES

The first phase of the process identified any potentially significant impacts that the Coesia Group has, or could have, on the economy, the environment and people, including impacts on human rights. This work was based on a context analysis and benchmarking carried out with reference to internal and external documentation. Specifically, this phase consisted of the following activities:

- study of the main international sources to identify the sustainability topics of greatest importance in the sectors in which Coesia operates;
- review of global and sector trends with regard to sustainability;
- benchmarking of Coesia against a panel of nine comparable businesses;
- benchmarking with respect to the principal stakeholder categories identified by the comparable businesses.

2 IDENTIFICATION OF IMPACTS

Based on the results of the context analysis and benchmarking, a list was prepared containing 32 positive or negative impacts, potentially important for Coesia, that the Group could have on the economy, the environment and people, including impacts on human rights.

3 IMPACT ASSESSMENT

Once identified, the degree of significance of the above impacts was assessed with reference to the following criteria:

- Scale: the gravity of and/or benefit from the impact, considering its reversibility or otherwise;
- Reach: in terms of dissemination of the impact;
- Probability: likelihood of occurrence (solely in the case of potential impacts).

The assessment was carried out during a scheduled meeting, at which management was asked to evaluate the impacts identified. This analysis benefited from the in-depth knowledge possessed by top managers within the Group and from their understanding of the operating environment. Potential involvement by the principal actors in the value chain was also considered.

4 PRIORITIZATION OF THE MOST SIGNIFICANT IMPACTS

Following this assessment by management, which identified the most significant impacts and established their priorities, the impacts were correlated with the related material topics. This process resulted in the preparation of a list of 21 material topics in the environment, social and governance areas. Compared with the material topics identified in the last Sustainability Report:

- “Ethics, integrity and transparency”, “Anti-corruption”, “Conflicts of interest” and “Anti-competitive practices” have been grouped together as “Ethical business conduct”;
- “Well-being, Work-life Balance” and “Welfare” have been grouped together as “Employment conditions, well-being and welfare”;
- “Use of green and eco-efficient materials”, “Raw materials” and “Circular economy and End of Life” have been grouped together as “Circular Economy”;
- “Human rights in the supply chain” and “Human rights within the organization” have been grouped together as “Respect for human rights”.

The following table summarizes the material topics presented in order of importance for the reporting period and the related impacts, highlighting the area to which they belong (Environment, Social, Governance), their nature and type, the extent of their impact, the contribution made by Coesia in generating the impact, and the corresponding SDGs and GRIs.

Area	Material topic	Impact	Nature / Type	Extent of impact	Involvement	SDGs	GRI
Social	Occupational health and safety	Workplace injuries	Negative / Potential	Coesia Group, workers	Caused by the Group		403-1: Occupational health and safety management system
		Work-related ill health	Negative / Potential	Coesia Group, workers	Caused by the Group		403-2: Hazard identification, risk assessment, and incident investigation 403-3: Occupational health services 403-4: Worker participation, consultation and communication on occupational health and safety 403-5: Worker training on occupational health and safety 403-6: Promotion of worker health 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8: Workers covered by an occupational health and safety management system 403-9: Work-related injuries 403-10: Work-related ill health
Social	Security	Security incidents - people and assets	Negative / Potential	Coesia Group, workers	Correlated with Group activities		Non GRI
Governance	Ethics, integrity and anti-corruption	Ethical business conduct	Positive / Actual	Coesia Group	Caused by the Group		205-2: Communication and training about anti-corruption policies and procedures 205-3: Confirmed incidents of corruption and actions taken 206-1: Legal actions for anti-competitive behavior, anti-trust and monopoly practices
Social	Training and development	Learning and professional growth	Positive / Actual	Coesia Group, workers	Caused by the Group		404-1: Average hours of training per year per employee 404-3: Percentage of employees receiving regular performance and career development reviews
Social	Employment conditions, well-being and welfare	Worker satisfaction and wellbeing	Positive / Actual	Coesia Group, workers	Caused by the Group	 	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
Social	Professional development and talent management	Job creation and talent attraction	Positive / Actual	Coesia Group, workers	Caused by the Group	 	Non GRI

Area	Material topic	Impact	Nature / Type	Extent of impact	Involvement	SDGs	GRI
Social	Employment	Employment conditions, and remuneration	Positive / Actual	Coesia Group, workers	Caused by the Group		401-1: New employee hires and employee turnover
Social	Diversity, equal opportunities and inclusion	Safeguard diversity & non-discrimination in the workplace	Positive / Actual	Coesia Group, workers	Caused by the Group	 	405-1: Diversity of governance bodies and employees 406-2: Hazard identification, risk assessment, and incident investigation
Social	Product safety	Quality of industrial solutions & products	Positive / Actual	Coesia Group, customers	Caused by the Group		416-2: Incidents of non-compliance concerning the health and safety impacts of products and services
Social	Customer satisfaction	Customer satisfaction	Positive / Actual	Coesia Group, customers	Caused by the Group	 	Non GRI
Environment	Climate change	Generation of indirect (Scope 3) GHG emissions Generation of direct and indirect (Scope 1 and 2) GHG emissions	Positive / Actual	Customers and suppliers Coesia Group, suppliers of electricity	Caused by the Group and correlated with the Group via our business relationships	 	302-1: Energy consumption within the organisation 302-3: Energy intensity 302-4: Reduction of energy consumption 305-1: Direct (Scope 1) GHG emissions 305-2: Indirect (Scope 2) GHG emissions from energy consumption 305-3: Other indirect (Scope 3) GHG emissions 305-4: GHG emissions intensity
Environment	Energy efficiency	Energy efficiency of machines intended to lower environmental impacts and costs	Positive / Actual	Coesia Group, customers	Caused by the Group		Non GRI
Social	Sustainability of the supply chain	Local sourcing	Positive / Actual	Coesia Group, local suppliers	Caused by the Group		204-1: Proportion of spending on local suppliers
Social		Screening of suppliers based on social criteria	Positive / Potential	Coesia Group, suppliers	Caused by the Group		414-1: New suppliers that were screened using social criteria
Social		Screening of suppliers based on environmental criteria	Positive / Potential	Coesia Group, suppliers	Caused by the Group		308-1: New suppliers that were screened using environmental criteria
Social		Environmental impacts of the supply chain	Positive / Actual	Coesia Group, suppliers	Caused by the Group and correlated with the Group via our business relationships		Non GRI

Area	Material topic	Impact	Nature / Type	Extent of impact	Involvement	SDGs	GRI
Social	Social dialog and union relations	Social dialog and union-management relations	Positive / Potential	Coesia Group, employees	Caused by the Group	 	402-1: Minimum notice periods regarding operational changes
Environment	Digitalization	Digitalization of productive processes	Positive / Potential	Coesia Group	Caused by the Group	 	Non GRI
Social	Value creation for the community	Initiatives in favor of local communities	Positive / Actual	Coesia Group	Caused by the Group		402-1: Minimum notice periods regarding operational changes
Environment	Circular economy	Use of non-renewable materials in the production of industrial machinery	Positive / Potential	Coesia Group	Caused by the Group		301-1: Materials used by weight or volume
Environment	Waste management	Waste generation during the production and commercialization of products	Negative / Actual	Coesia Group	Caused by the Group		306-1: Waste generation and significant waste-related impacts 306-2: Management of significant waste-related impacts 306-3: Waste generated 306-4: Waste diverted from disposal 306-5: Waste directed to disposal
Social	Economic performance	Generation and distribution of economic value	Positive / Actual	Coesia Group	Caused by the Group		201-1: Direct economic value generated and distributed
Social	Respect for human rights	Protection of human rights throughout the supply chain and in Group operations	Positive / Potential	Coesia Group, workers and suppliers	Caused by the Group and correlated with the Group via our business relationships		407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 408-1: Operations and suppliers at significant risk for incidents of child labor 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor
Governance	Data protection and Cyber Security	Management of data and IT security	Negative / Potential	Coesia Group, customers	Caused by the Group		418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Environment	Sustainable product and portfolio innovation	Product innovation for packaging solutions	Positive / Actual	Coesia Group, customers	Caused by the Group		Non GRI
		Product innovation to ensure the health and safety of users	Positive / Actual	Coesia Group, customers	Caused by the Group		416-2: Incidents of non-compliance concerning the health and safety impacts of products and services



ENVIRONMENT





Responsibility towards the environment

Coesia recognizes the importance of environmental protection. We are committed to monitoring our impacts and identifying specific mitigation measures, via the constant improvement of processes and the introduction of new technologies. Respect for the environment is considered an essential element in making our business ever more sustainable and in safeguarding future generations.

In order to reduce and prevent environmental impacts deriving from our activities, Coesia monitors and manages all business processes with a view to continuous improvement. Our commitment is formalized in the Group HSE policy, which was prepared in 2017 and updated in 2023. In addition to health and safety matters, this contains a specific section on environmental requirements (more details are provided in Chapter 4, [section 4.6 “Occupational health and safety”](#)).

In particular, the statement contained in the new policy commits to:



pursue “zero harm” objectives for people and the environment



increase the knowledge and cultural understanding of workers about health, safety and the environment, via continuous awareness and training activities



comply with all applicable HSE laws and regulations



implement the HSE policy at all Group Companies and sites, developing and implements suitable processes and procedures



define improvement targets after measuring, evaluating and reporting on HSE performance



reduce the impact of greenhouse gas emissions, partly via the selection of energy sources, products and the associated value chain



reduce the use of raw materials, water and other natural resources in our activities and production processes, using sustainable technologies and efficiency improvement programs



develop energy-efficient and optimized products to minimize the consumption of materials and the production of waste



consider care for the environment, local territories and the persons with whom we share spaces and activities, as essential for sustainable growth that respects the rights of future generations



take into account all possible impacts generated by our sites and sensitive or protected activities, safeguarding the biodiversity represented by animals and vegetation

Coesia carefully assesses the environmental impacts of Group Companies, tracing them back to the following areas:

- energy consumption, primarily for heating, cooling, lighting and production activities. Both direct consumption (consumption of fuels, self-generation) and indirect consumption (purchased electricity, district heating, and consumption using sources not owned or controlled by the organization) are considered;
- GHG emissions resulting from energy consumption and refrigerant gases² released into the atmosphere;
- production and disposal of waste generated by productive activities, offices and corporate services;
- water consumption, which is less significant than the impacts mentioned above, since it is mainly attributable to civil uses and the irrigation of green areas on Company sites, rather than to production activities.

As part of our ongoing commitment, Coesia promotes initiatives that reduce our environmental impact, including investment to save energy, maximize the use of renewables, modernize the energy requirements of Group plants, transition the vehicle fleet to electric and hybrid solutions, and manage waste and water resources more carefully.

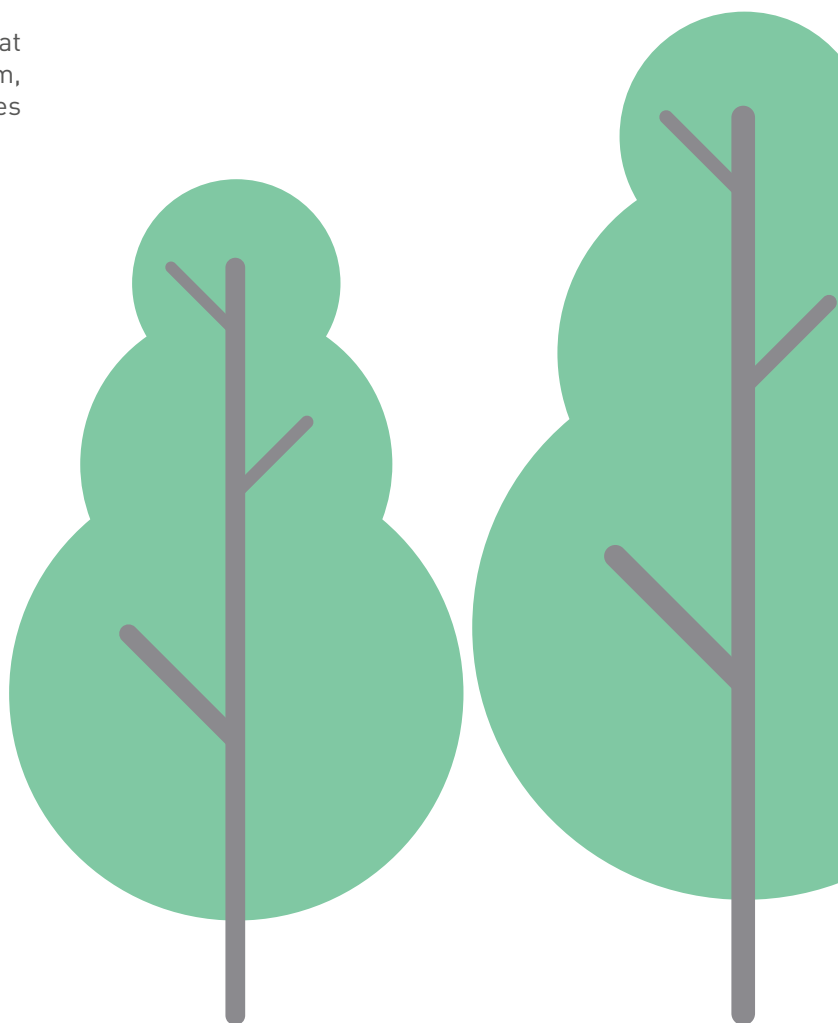
The Group is also committed to ensuring that sustainability is maintained over the long term, monitoring the progress made, and defining priorities and action plans.

To this end, a monitoring system³ has been built around the various processes followed to collect data about energy consumption, emissions, water consumption and waste generation.

Additionally, Coesia has completed the process of mapping, reporting on and analyzing the various categories of CO₂ emissions throughout the entire value chain. This work includes monitoring all applicable Scope 3 emissions.

We are committed to certifying the Coesia environmental management system to ISO 14001 (Environmental management systems) and ISO 50001 (Energy management systems) standards.

As of 2023, 25 sites are certified (representing 47.2% coverage of the Group's workforce) to ISO 14001 standards, while 4 sites (6% of the Group's workforce) are ISO 50001 certified. Coesia is striving to extend this ISO 14001 certification, with the ambition to cover at least 80% of the Group's workforce by 2028.



² Gases released by cooling equipment, such as air conditioners and refrigerators, and by fire suppression systems.

³ This monitoring system currently covers 99% of sites.

3.1

Sustainable innovation

Coesia R&D targets new technologies and processes that reduce environmental impacts throughout the product life cycle, promoting the adoption of sustainable product designs, the use of recyclable materials, and the reduction of carbon emissions. We seek ever greater energy efficiency, while minimizing the use of natural resources.

Sustainable product and portfolio innovation offers significant opportunities for Group Companies. The advanced technologies and eco-friendly solutions built into our machines reduce their environmental impact and improve the energy efficiency of production processes. This responds to growing customer demand for more sustainable equipment. Our commitment in this area is of utmost value, serving as a significant catalyst for the effective use of all resources by Group Companies.

We have developed and improved our own definition of sustainable innovation, acting in accordance with Group principles in terms of:

- **increasing machine efficiency:** generate fewer rejects and shavings, and lower energy consumption per unit of production, thus helping to reduce the ecological footprint of our machines;
- **expanding the range of sustainable solutions:** develop technological solutions for the handling new packaging materials with a lower environmental impact, as well as new formats for packaging that reduce volumes and optimize the consumption of materials and logistics costs, all while focusing on the development of new technical solutions that optimize changeover times and consumption, thus making the portfolio even more flexible.

Coesia has also initiated a Life Cycle Assessment (LCA) of the machinery and proprietary packaging solutions offered, in order to evaluate potential environmental impacts, identify areas for improvement, and support customers in their overall assessment of the environmental impacts of their end products. The LCA also provides insights for the development of alternate solutions, thereby transferring the Group know-how accumulated over the years to all stakeholders involved in the value chain.

In this regard, Group Companies are investing in the search for more efficient products and solutions, considering the materials used, transportation and packaging, with the aim of redefining the concept of sustainability within the production process.

Life cycle assessment (LCA)

In response to growing demand in this area from Group Companies, the capabilities of the Coesia Engineering Center were expanded during 2023 to include the skills and tools needed to carry out environmental impact assessments. This also positioned the Center to continue and build on work that had already been performed independently (for example, the ACMA project to calculate the GWP of machines). The first internal Life Cycle Assessments (LCA) were carried out during the year, focusing on the G.D C600, the ACMA CW600 and the ACMA LRF-HC.

Our goal now is to disseminate these studies within Coesia Companies, using them to develop a versatile tool that can be adapted to calculate the GWP of other machines manufactured by the Group.

The early studies examined the complete life cycle of machines, "from cradle to grave": from extraction of the raw materials to production, distribution, use, maintenance, and EOL disposal.

Environmental performance was assessed using the following indicators:

- Global warming potential (GWP);
- Potential for acidification;
- Eutrophication in fresh water;
- Eutrophication of the sea;
- Eutrophication of the land;
- Potential for the formation of tropospheric ozone;
- Ozone depletion potential;
- Abiotic depletion potential for minerals and metals;
- Abiotic depletion potential for fossil resources;
- Potential for water deprivation.

To ensure reliability and compliance with international standards (ISO 14040 and ISO 14044), these studies were subjected to critical review by a panel of independent experts. This process has helped to validate the model and the data sources used, providing a sound basis for the development of a calculation method that can be used in future studies.

Coesia also aims to embed environmental sustainability parameters into the machine design process. The design phase provides an ideal opportunity to assess the environmental impacts of different options, include them in the decision-making process, and develop more efficient products with a lower environmental impact.

Sustainable product and portfolio innovation

To strengthen the definition and development of environmental strategies at Group Companies and expedite the implementation of existing initiatives, the Coesia Environmental Sustainability Center of Expertise plays an important role by monitoring market trends, new environmental sustainability policies, and the introduction of new materials and products by suppliers and customers, as well as by centralizing the collection of data on projects in progress within the Group. The Environmental Sustainability Center of Expertise is organized as a working party with about 50 members drawn from the marketing and R&D functions at Central and Group Company level. This structure ensures that updates on the development of sustainable solutions are shared constantly, fostering greater internal awareness and triggering new synergies.

Group Companies work side by side with customers and suppliers, backed by the Environmental Sustainability Center of Expertise, to create new sustainable products and innovations, as well as update existing assets, so that more ecological materials can be processed.

In this context, the following technological solutions have undergone further development:

- packaging for food products (e.g., snacks or similar items) with barrier properties against humidity and oxygen. This paper-based packaging aims to replace the standard plastic-based packaging materials;
- high-speed solutions for the use of recyclables in the horizontal, form-fill-and-seal packaging of juices and powdered food, replacing the plastic-based materials that cannot be recycled.

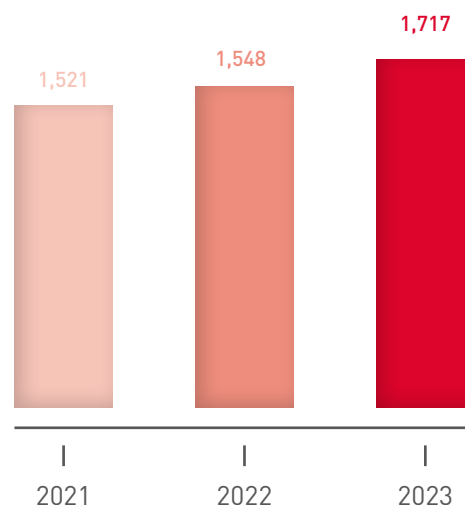
Research and innovation are central to the Coesia culture, and for this reason, many business functions collaborate as part of the innovation process: marketing, which provides strategic input about market demands, the R&D centers at Group Companies, and a number of specialist Corporate functions, including the Coesia Engineering Center.

In 2023, the 1,755 persons working in the Engineering and R&D functions contributed to the achievement of important milestones, including the launch of 22 new products.

To guarantee the development of cutting-edge products for customers, Coesia invests a significant budget in engineering and R&D activities every year. This investment amounted to 10.8% of Group turnover in 2023.

Our commitment to innovation is confirmed by the number of new inventions patented by Coesia (active patent families) that, as shown in the following chart, rose once again in 2023.

OUR PORTFOLIO OF PATENT FAMILIES



The overall size of the patent portfolio is also trending upwards, with the total number of active patents in jurisdictions of interest to Coesia rising to 5,369 in 2023 from 4,928 in 2022, up about 9%.

This significant increase in 2023 once again underscores how innovation and the search for continuous improvements are essential drivers of the solutions offered by Coesia. It also reflects the commitment made by Coesia to such new business sectors as electric batteries for the automotive sector.

A number of patents applications linked to sustainability topics were filed in 2023, including:

- solutions that reduce the use of chemicals in the printing, transportation and packaging of ceramic tiles;
- plant engineering solutions for the more efficient use of energy;
- process for the production of diapers using components that are more recyclable.

Approximately 5% of the patent applications filed by Coesia in 2023 protect technological solutions linked to sustainability topics.

Coesia Digital

Digitalization offers a wide range of opportunities for the innovative and sustainable development of machinery and packaging solutions. By implementing such advanced digital technologies as Artificial Intelligence, Machine Learning and the Internet of Things, Coesia aims to optimize production processes and the use of resources, as well as reduce energy consumption. As a consequence, Coesia can provide customized solutions to customers, while simultaneously reducing their overall environmental impact. In addition to improving operational efficiency via the more precise management of machinery and lowered energy consumption, digitalization can facilitate the traceability and monitoring of product life cycles. This, in turn, facilitates the more effective management of the production, usage, and EOL phases.

Coesia is active in many different fields, with a view to offering ever more advanced products and services: the Industrial Internet of Things (IIoT) to connect machines and systems, Big Data Analytics, Artificial Intelligence applied to machines and production lines, augmented reality and digital assistance, while continuing to focus on cyber security as a top priority.

Leveraging internal expertise, know-how and synergies, a cross-functional team has been established to accelerate the digital transformation and develop even stronger relations with customers and suppliers.

The updated service model is based on a new digital infrastructure that Coesia is developing, essentially with internal expertise. There are three “layers”:

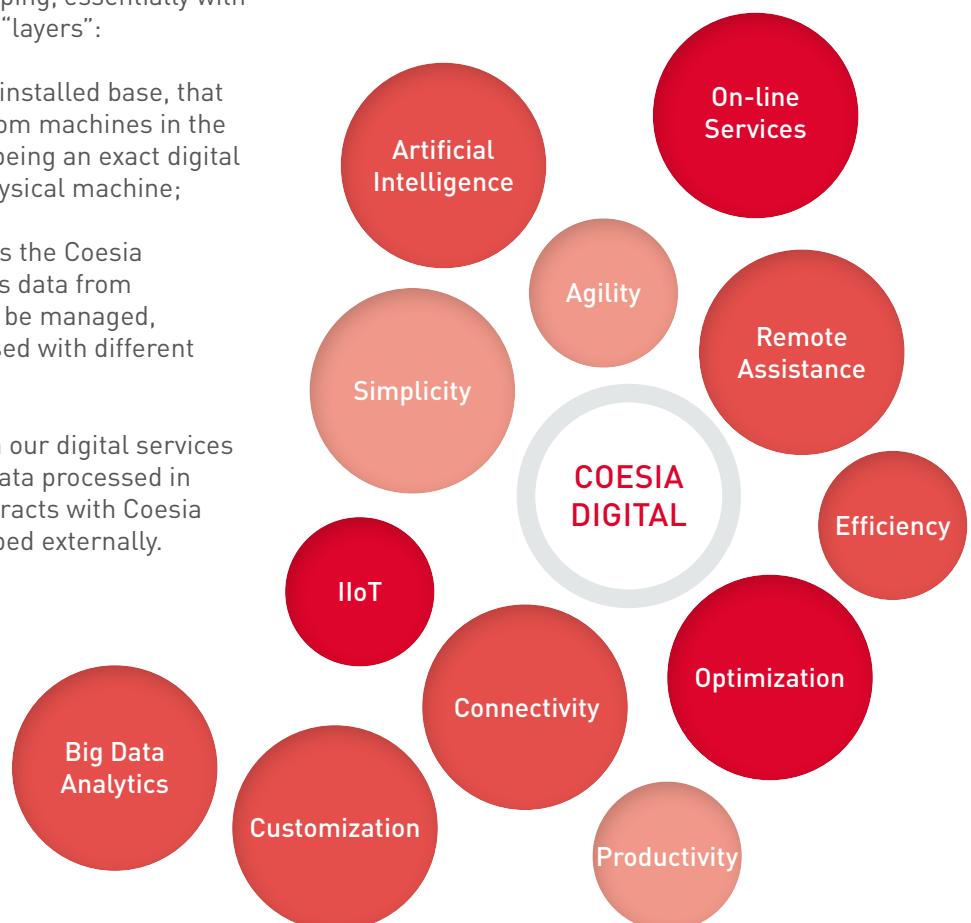
1. a lower layer, located near the installed base, that allows the extraction of data from machines in the field to create a “digital twin”, being an exact digital replica of the status of each physical machine;
2. an intermediate layer, known as the Coesia Operating System: that receives data from the lower layer and allows it to be managed, aggregated, stored, and accessed with different levels of priority;
3. an upper layer, interfacing with our digital services for customers, that draws on data processed in the intermediate layer and interacts with Coesia platforms and/or those developed externally.

The main service areas offered to customers comprise:

- **on-line services**, such as remote assistance to restart machines without waiting for technicians, remote Factory Acceptance Tests (FAT), and a Webshop (on-line platform for ordering spare parts);
- **digital production support services**, to accelerate machine learning, reduce errors, and understand and prioritize efforts to tackle the causes of lost efficiency;
- **condition monitoring**, based on Artificial Intelligence, to improve machine productivity and optimize maintenance.

To ensure an advanced and consistent level of service for customers, Coesia has promoted Group Company adoption of digital products in a scalable and priority-driven manner. With support from interdisciplinary working parties, the Coesia Digital

team is guiding the implementation process, technology by technology, with a view to covering the entire portfolio of the Group.



Coesia has enhanced the development of digital platforms and services, so that customers can adapt to a rapidly-evolving environment in which speed, agility and flexibility are crucial. This has significantly improved the customer experience.

These platforms include:

- **a new human-machine interface**, offering an intuitive user experience plus smart connectivity and features, designed to optimize the performance of our installations. This platform has been developed to facilitate access to guided procedures and digital documentation (reports, statistics, etc.) directly on the machine, as well as to accelerate such activities as changeovers, troubleshooting, maintenance, and training;
- **an integrated IIoT platform** that monitors machine performance and status in real time, with the goal of enhancing performance via a smart interface and customized dashboards. The aggregation of production data allows comprehensive understanding of productivity trends and quicker responses when necessary. This platform, which is evolving constantly thanks to our agile development methodology, incorporates analytical tools that leverage Artificial Intelligence to detect anomalous process variables, improve machine productivity, and adopt a smart and predictive approach to maintenance;
- **an end-to-end solution for managing production operations** that, given its ability to adapt to customer needs, improves the quality of operations by scaling the automation model from the machine to factory level.



Sustainability labs

The growing demand for sustainable packaging solutions, partly driven by the constant evolution of environmental legislation, leads Coesia to develop new technologies and devise eco-friendly packaging formats.

In this regard, the Group has developed several innovative solutions that respond to the market need for change and modernization.

Among these, VOLPAK has activated the PouchLab project. This is an R&D center of excellence within the Company that develops sustainable packaging solutions. The space is available for customers and suppliers to test new materials with a lower environmental impact for use in new products, or to replace the packaging materials currently used.

Specifically, PouchLab activities include:

- the application of innovative materials;
- tests and measurements;
- the proposal of new solutions;
- pilot production.

Constant innovation allow PouchLab to offer increasingly advanced systems, especially for welding, and a significant opportunity to attach mono-material spouts using an innovative preheating process.

Again in the field of flexible packaging, R.A JONES also offers customers the opportunity to test materials on its pouching solution, with a particular focus on mono-materials.

Other Group Companies that have followed VOLPAK include ACMA with its Sustainability Lab, which offers customers, packaging manufacturers, and converters the chance to test new sustainable materials on various technologies, including fold wrapping, flowpacking, and

bottle filling. In collaboration with the Coesia Engineering Center (CEC), this service involves preliminary analysis of the materials, followed by laboratory and performance tests directly on the machines. As an extension of the Sustainability Lab, Material Gate was officially launched in 2022. This new servo-motorized test unit was created to study the behavior of new materials for twist wrapping, allowing the engineering department to find the best solution for managing wrapping coils and develop, when necessary, upgrade kits for the machines. The process behind Material Gate relies on close cooperation among the principal actors involved: the customer, ACMA and the supplier of materials. This three-way effort offers rapid response times, the more precise satisfaction of customer needs, and a virtuous spiral that pushes the suppliers of materials to innovate constantly and propose new solutions.

NORDEN has also implemented a laboratory with the aim of supporting customers in the ecological transition. TubeLab offers customers and partners of the Company the opportunity to machine test new tubes made from sustainable (e.g., paper-based) or more easily recyclable (e.g., mono-plastics) materials.

For tube filling machines, the impact of sustainable materials is often linked to the welding of the tube after filling, since the sealing process must be adapted to cope with new materials whose chemical/physical properties differ from the standard characteristics. A similar opportunity is also offered to the customers of CITUS KALIX in the world of tubes for cosmetics and personal care.

Ceramic production and sustainability: the state of the art

Our commitment and attention to sustainability also translate into significant, practical initiatives in the ceramics sector.

SYSTEM CERAMICS has made important strides towards a production process that reduces waste in terms of raw materials and energy.

The adoption of a sustainable approach has resulted in the introduction of technological innovations throughout the process: from pressing to decoration, from quality control to packaging.

Examples include:

- **Creadigit Infinity**, a decoration technology that uses water-based inks to improve the working environment and reduce emissions;
- **Cartonstrap**, a packaging system that reduces plastic usage in packaging by 70%;
- **Genesis**, a revolutionary technology capable of reproducing natural marbles and stones throughout the thickness of the material, thereby reducing exploitation of the landscape.

Our commitment to sustainable packaging

Sustainability is, now more than ever, one of the key challenges for Coesia and all Group Companies. The recyclability and environmental impact of packaging are increasingly important factors in consumer choices, and also have captured the attention of legislators,

especially in Europe. In this light, Coesia offers a vast range of primary and secondary packaging solutions with a reduced environmental footprint, drawing on the expertise accumulated in the packaging sector over many years.

SUSTAINABILITY IN PRIMARY PACKAGING

In terms of packaging materials, many brand owners are abandoning multi-material films (composed of layers of different types of plastics, and sometimes other materials like aluminum) for mono-materials (films that, even with multiple layers, are composed of the same type of material). These packaging materials can be separated and recycled within the same stream, making it easier for consumers to manage their disposal. Coesia Group Companies are ready to meet this demand with increasingly flexible machines that are capable of handling both sustainable and traditional materials. The path towards more sustainable packaging solutions also involves the use of non-fossil raw materials.

For example, GDM pays great attention to the sustainability of its primary packaging, investing in the production of bags using recyclable, recycled, and organic materials. In addition to these options, GDM has successfully tested the handling paper packaging on its machines.

Lastly with regard to packaging solutions, R.A Jones allows customers to benefit greatly from new recyclable materials, since their positive impact is amplified by its high-speed machines, which deliver increased productivity.

SUSTAINABILITY IN SECONDARY PACKAGING

The Group also pays close attention to secondary packaging. One of the most practical examples of this commitment comes from NORDEN. The new NTP80 machine allows customers to handle secondary packaging in the form of cartons and trays using the same machine, switching quickly between configurations.

The use of trays, instead of cartons, for the display and sale of tubes reduces packaging material usage by 85%, with environmental and market benefits starting from the transportation phase.

Another concrete example is provided by R.A JONES, which is working with various beverage and other canned product manufacturers (e.g., fish products) on their transition to more sustainable packaging.

The cartoners manufactured by R.A JONES package multi-packs using more sustainable and recyclable paper-based boxes, thus allowing thermo-formed, plastic-based films to be abandoned.

EMMECI is another change leader in the secondary packaging world. Consisting of paper and board, the packaging produced using EMMECI lines is inherently environment friendly. With the option to use protein glues, water-based adhesives, paper and board, the production of luxury boxes becomes eco-friendly and consistent with the three Rs of Sustainability: Recycled, Recyclable, and Reusable. The range of solutions achievable using EMMECI lines continues to expand.

THE COESIA SHELF OF SUSTAINABLE SOLUTIONS



Throughout 2023, Coesia continued to work on the creation of a virtual shelf of sustainable solutions: the Coesia Shelf of Sustainable Solutions.

Initially conceived for the display of physical models at trade fairs, the project evolved, following the onset of the pandemic, into a virtual version for remote use. This space now showcases over 70 solutions achievable by Group Companies.

Designed with support from the Coesia Packaging Innovation Center (PIC), the shelf presents sustainable solutions organized by sector, making it easy for users to identify products of interest and understand their sustainability credentials.



SUSTAINABLE SOLUTIONS FOR EXHIBITION STANDS



Coesia is committed to the reuse of materials in order to minimize the waste associated with temporary structures.

In particular, RMS Division Companies have identified and selected partners and suppliers capable of providing fully sustainable structures for exhibition stands, and certifying the absence of CO₂ generation when building the stand.

Modular aluminum structures are used to build 70% of Coesia stands in Europe and the United States. These materials are recovered in full. Even the flooring is made using reusable wooden modules.



Circularity in the business

For Coesia, the circular economy means designing products and solutions that minimize waste, maximize the reuse of materials and promote sustainability in all phases of the life cycle of our machines and packaging solutions. This commitment allows us to offer customers not only high quality products, but also solutions that actively help to safeguard the planet.

The Group specifies the use of recyclable materials when designing and manufacturing the machinery installed at customer locations. This promotes a circular economy principle focused on the recovery of materials and the reduction of waste. In addition to reducing the volume of waste generated, this approach has numerous other advantages: (i) potential reduction of production and disposal costs; (ii) increase in the environmental sustainability of production processes; (iii) development of innovative solutions, with the consequent creation of new business opportunities and increase in market competitiveness.

USE OF “GREEN” MATERIALS

Since market dynamics focus increasingly on sustainability and given the growing demand from customers for sustainable solutions, Coesia continues to attach great importance to the use of green materials and the adoption of eco-efficient production practices. These aspects represent a fundamental opportunity to enhance the environmental performance of the business and satisfy market expectations.

Against this background, Coesia has extended the use of materials with a low environmental impact, obtained from renewable sources, to our packaging solutions. In collaboration with suppliers and Group Companies, Coesia has also been active in promoting the use of recyclable or biodegradable materials and the development and use of eco-friendly packaging. This is evidenced by the paper-based solutions introduced recently.

Furthermore, as a global leader in the production of industrial and packaging solutions, Coesia promotes the eco-efficient production of materials used in the manufacture of our machines and packaging formats. The aim is to reduce the use of natural resources, the emission of pollutants and the waste of materials, thereby minimizing environmental impacts and ensuring long-term sustainability.

CIRCULARITY & END OF LIFE

Coesia has launched a program for the retrieval of obsolete machines from customers, with the aim of achieving a more circular production process and ensuring the proper disposal of unused solutions. After recovering these unused solutions, their condition is analyzed carefully to determine their status and whether refurbishment is possible. If possible, the machines are reconfigured and returned to the market. Conversely, if recovery is not an option, any reusable parts are separated and used in the production of new machines, while the others are disposed of properly. This approach not only extends the life cycle of products via the repair and recovery of parts, but also reduces the generation of waste and contributes to this more sustainable and responsible model.

Coesia collaborates with customers and local communities to ensure responsible management of the waste generated by our machines and packaging solutions.

We are committed to extending the life cycle of our machines via maintenance and rebuilding programs, as well as to managing EOL properly by promoting the recycling and recovery of materials and components. This avoids their disposal in landfills and reduces the overall environmental impact. These commitments reflect the Coesia vision for a sustainable future based on circular economy principles. Ongoing, close collaboration with our customers, suppliers, and other stakeholders is essential in order to achieve these goals. Only via constant research, innovation and strategic partnerships can Coesia promote a circular economy model that not only reduces waste, but also creates lasting value for all.

Over the years, the Group has developed innovative ideas for the transformation of our solutions, via the investment of resources and expertise in manufacturing and research activities. The principal solutions include:

biodegradable materials for filters

- development of biodegradable filters in crimped paper or non-woven fabric, aimed at reducing the generation of production scrap and waste

recyclable materials for Innerliners and film

- sealing: development of self-opening with particular attention to paper labels
- production of Reloc packs with paper-based Innerliners and labels with heat-sealable lacquers or PLA-based Innerliners (compostable)
- packages: reduction of the weight of main packaging materials (e.g., cardboard) and tamper-evident solutions with the removal of polyethylene
- reduction/substitution of the outer film (possible removal of polyethylene by using glue spots between packages)
- aluminum: removal/short sheet

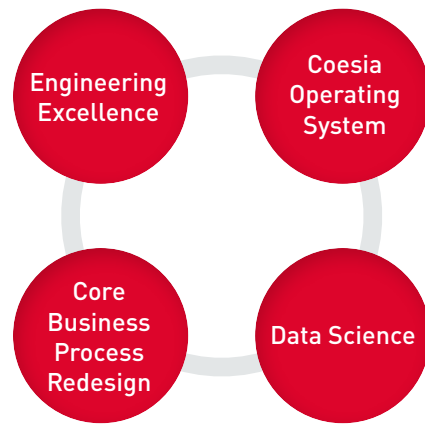
Coesia joined EUROOPEN in 2023. This international NGO based in Brussels represents the packaging industry and its value chain, and promotes the following objectives: (i) improve continuously the environmental performance of packaging and packaged products throughout the supply chain; (ii) promote the role, characteristics and benefits of packaging within all relevant EU policies; and (iii) create a harmonized policy framework and a functioning EU single market for packaging and packaged products.

This involvement enables Coesia to remain updated on the latest European legislation and regulations, as well as to share crucial knowledge about and guidelines for recycling in the packaging sector.

Operational Excellence (OPEX)

A concrete approach to continuous improvement is essential to ensure the long-term sustainability of the business, high standards of efficiency and the renewal of operational processes.

Coesia supports this commitment in the realm of Operational Excellence via specific Continuous Improvement programs: Engineering Excellence, Coesia Operating System, Core Business Process Redesign and Data Science.



COESIA OPERATING SYSTEM (COS)

In order to align our operational excellence programs with the sustainable development needs of Group Companies, during 2023 Coesia moved to further evolve the ways in which Continuous Improvement (CI) is applied to activities, the organization and processes. This “step-up” is underpinned by the strategic decision to evolve the previous Lean Six Sigma experience, with the goal of retaining the same skills while directing the CI tool towards a more integrated approach with Group Companies.

Accordingly, the strategy underlying the Coesia Operating System now focuses on CI initiatives designed to achieve a common goal: the operational efficiency of Group Companies. The focus ranges from efficiency improvement projects related to specific Operations/Supply Chain processes, to work on the comprehensive (Engineering/Supply Chain/Manufacturing) redefinition and transformation of the operating model adopted by Group Companies.

The structure of the support organization now also comprises three Divisions (CMS, IMS, RMS). A key role is played by the Divisional Continuous Improvement Coesia Operating System Coordinators (CI COS Coordinators), who provide methodological support and coaching to

the operational Continuous Improvement Managers (CIMs) at each Group Company. The COS Coordinators and CIMs receive ongoing training on Lean tools and CI methodologies, working closely with their COOs and CEOs to define priorities and the scope of improvement plans. They coordinate with and provide coaching to local Continuous Improvement Agents during the execution phase. Overall, 15 CIMs were identified and 25 CI Agents were trained in 2023, enabling the activation of 9 Lean Transformation Initiatives within the Group.

Additionally, the Coesia Academy continues to provide adequate training to Continuous Improvement Agents, who are now more focused on Lean tools, the conduct of kaizen events, and Change Management soft skills.

CORE BUSINESS PROCESS REDESIGN (CBPR)

The purpose of CBPR is to support the Group in the development of operational models that both safeguard and maximize the Value Proposition made to customers.

In 2023, the team contributed to implementation of the new Engineering Excellence operating model by leading the detailed design and the definition of specifications for the technological and process tools needed for Order Acquisition and Project Management purposes.

The team also assisted with analysis of the start status of the Sales and Operation Planning process, via the construction of a maturity analysis model and the definition of a high-level, reference process to help Group Companies complete their gap analyses.

DATA SCIENCE

Data Science is the Coesia initiative that applies Artificial Intelligence to internal processes and the development of digital products. This dedicated competence center develops Big Data learning algorithms for all Group Companies. The intelligent systems created help to:

- provide decision-makers with IT support tools capable of providing insights and suggestions;
- automate and/or accelerate low value-added activities, so that resources can be dedicated solely to high value-added activities.

In 2023, the Data Science team continued to develop applications that use data extracted from machines manufactured by multiple Group Companies across the

three Divisions to update the various remote performance monitoring tools. These provide the Customer Service teams with an objective understanding of machine performance that is shared with the customer.

Data representing the sales history of spare parts was also analysed with reference to the installed base at customer locations, in order to calculate potential future sales.

Lastly, the Data Science team supported the Sales and Operation Planning team in the simulation of impacts on inventory, delivery lead times and cash flows deriving from various procurement, production cycle and assembly scenarios.

ENGINEERING EXCELLENCE (ENGX)

In preparation for the challenges presented by a market that has become ever more demanding in terms of lead times, implementation costs, and the delivery of new solutions, Coesia has launched the EngX program to transform significantly the way Product Development projects are managed by the various Divisions and Group Companies. In addition to two domains for the reduction of lead times and costs, the third domain in the program addresses Design To Value, being the logic and processes that maximize the inherent value of the solutions offered to the market by Coesia.

The EngX program acts simultaneously on two closely intertwined dimensions: engineering practices and project management, being the methodology used to plan, manage and control projects.

The main action areas identified include:

- definition or revision of business processes;
- design and implementation of IT tools to support the areas concerned;
- test and application of new practices and behaviors when carrying out engineering and managerial activities;
- development and/or enhancement of project management competences, knowledge and experience.

The EngX program comprises a number of packages that address the topics listed in a structured manner:

- Project Management Operating Model that seeks to standardize project management governance and processes at Group level;
- IT Eng & PM Toolkit for developing a suitable architecture of IT systems and tools that will support the changes introduced gradually by the program;
- Engineering WoW (Way of Working) for modernizing and standardizing the working practices adopted within Engineering at the various Group Companies;
- Project Management Professional Family aimed at the development of a professional project management culture at Group level.

A PPM (Project Portfolio Management) tool based on the Monday.com platform was introduced during 2023, in order to assist with the planning and control of product development projects. This tool applies a project management logic that is common to all Group Companies and consistent with the project management processes that have been officially validated.

3.2

Energy efficiency and transition to renewables

The climate crisis is a key factor that influences not only the decisions of enterprises but also the political agenda: the European Green Deal and the decisions made during COP 28 are just two recent examples in this direction. Given this context, it is essential to make maximum efforts to reduce our impact on the biosphere. The Group has therefore defined an energy strategy that allows actions and decisions to be planned in an informed manner, with a close eye on the environment. This energy strategy has been established, with a central focus on sustainability, to guide the energy transition and achieve the Group's climate neutrality objectives, while ensuring business continuity and the optimization of costs. The continuous improvement of our energy performance is founded on four pillars:

- awareness of the status of our energy systems;
- improvement of our energy performance;
- transition to renewable sources of energy;
- creation and harmonization of processes for the sustainable management of assets and the continuous improvement of energy performance.

The long-term program to improve energy efficiency at all Coesia sites responds to the requirements of the first pillar with various initiatives, including:

- installation of heat pump systems to minimize the use of natural gas, thereby reducing the direct combustion of fossil fuels and improving our performance indices;
- installation of ever more efficient electric motors at each plant;
- completion of the LED transition of lighting systems;
- improvement of the efficiency of compressed air production and distribution systems;
- improvement of the thermal insulation of air conditioning systems to reduce energy loss in the distribution of heat transfer fluids;
- optimization of the thermal insulation of buildings, partly by the use of thermal reflective films and more energy-efficient doors and windows.

As part of constant efforts to find innovative solutions and best practices that improve the energy performance of plants, the Group installs automated systems to measure and monitor energy consumption.

In this way, the Energy Management function can check and analyze consumption to ensure that Group Companies remain compliant with all energy saving and energy efficiency legislation, while also implementing improvements effectively in order to achieve the established objectives.

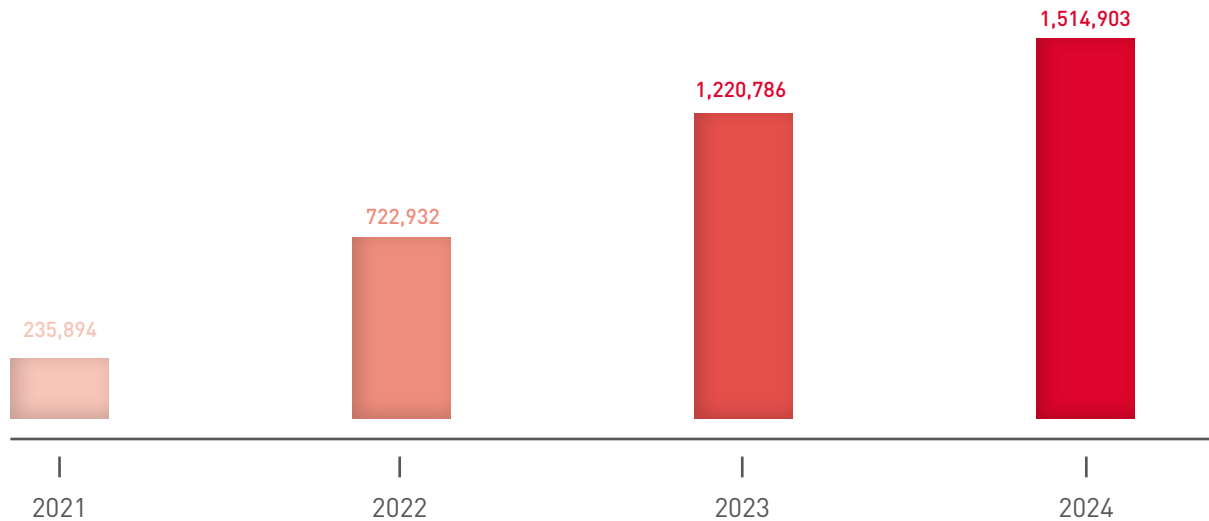
On the transition to renewable sources of energy, since 2022 Coesia has implemented an ambitious program to expand the photovoltaic installations at Group sites and confirmed a program to reduce our carbon footprint throughout the entire value chain, via investment in the purchase and generation of renewable energy. The Group is working on multiple fronts simultaneously to reduce energy consumption: action on infrastructure, efforts to improve personal behaviors, and pressure on our supply chain. Additionally, following energy audits, plans for the improvement of energy performance are also being developed vertically at each site.

The main energy initiatives carried out in 2023 involved the continuation of projects and strategies activated in prior years, as well as the development of new actions.

In particular, numerous Coesia facilities completed their transition to full LED lighting during 2023, with an estimated savings⁴ of about 1,220,786 kWh since the beginning of the project (of which 497,854 kWh in 2023 and 487,038 kWh in 2022). This will continue in 2024, leading to estimated energy savings illustrated on the next page.

⁴ The estimated energy savings are based on calculations made when the lighting project was prepared.

ENERGY SAVING FORECAST 2021-2024 (kWh)



The Group continued to modernize the vehicle fleet in 2023, making it more sustainable by only adding low CO₂ emission automobiles (e.g., hybrids, full electric, etc.) that respect the emissions limit of 160gCO₂/km, in accordance with corporate policy.

Coesia also increased the number of available charging stations in 2023, with installations at a further six sites, in addition to the seven covered during 2022. The objective is to promote the energy transition among our employees who travel to work.

Energy consumption totaled 413,645 GJ in 2023, down 1.4% compared to 2022. This reflects the energy strategy adopted and the energy efficiency work carried out by the Group.

Additionally, Coesia raised the proportion of total electricity consumption derived from renewable sources to 61%, thus raising the renewables portion of total energy consumption to 30%.

Energy consumption from non-renewable sources (methane and fuel for transportation and heating) was essentially unchanged: a marked reduction is expected in future, following the electrification of heat generators and boilers, and the steady electrification of the vehicle fleet.

A total of 10,434 GJ (+20.5% compared to 2022) of electricity consumed during the reporting period were generated by photovoltaic installations. Out of the total self-produced energy, about 1,510 GJ were sold via transfer to the grid.

The Group has outlined an ambitious roadmap for the installation of systems that generate renewable energy, allocating significant investment to the production of clean energy at Group sites. In particular, new photovoltaic plants with a total power output of 10.6 MW were installed on roofs at Italian and foreign sites during 2023. This raised the total power output at Group level to 13.3 MW, with the ability to generate up to 16,000 MWh of clean energy every year. The installation pipeline should result in a worldwide total power output of 20 MW by 2027.

Furthermore, as evidence of the great effort made to find low impact solutions and participate actively in the energy and ecological transition, Coesia is implementing an energy procurement plan that will result, by 2030, in the production from renewable sources of 100% of the electricity used by the Group. This will, of course, include a significant additionality component. At present, all Italian sites purchase electricity from certified renewable sources with guarantee of origin.

61%

of total electricity consumed from renewable sources in 2023

100%

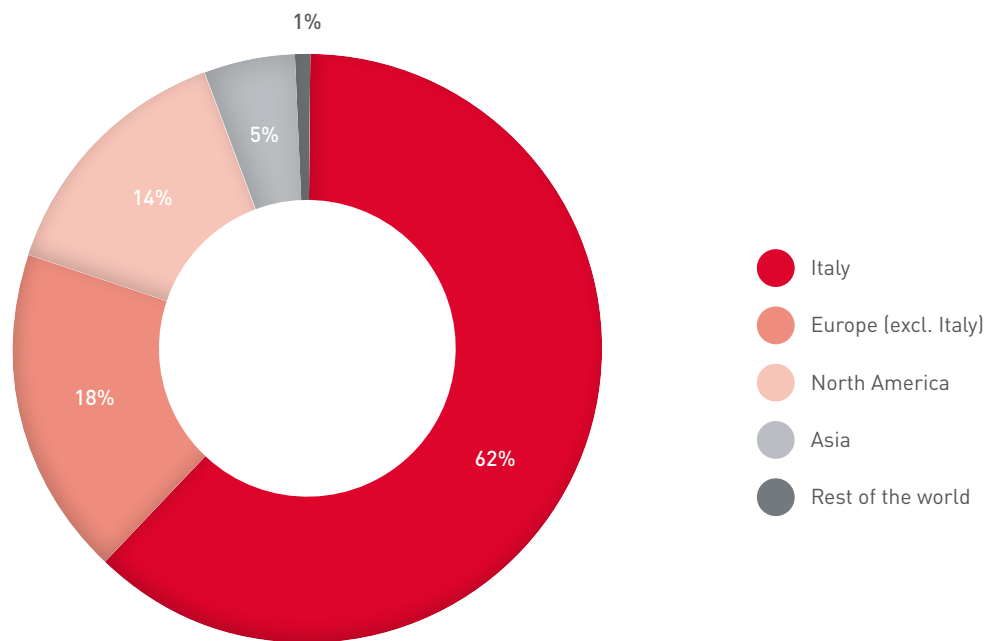
of total electricity consumed from renewable sources by 2030

ENERGY CONSUMPTION (GJ)

	2021	2022	2023
Direct energy consumption from non-renewable sources	202,645	196,070	200,096
Natural gas	173,293	161,319	164,011
Diesel (for heating, production and vehicles)	21,181	20,050	21,232
Gasoline (incl. for hybrids*)	7,101	11,601	13,642
GPL	71	61	89
Fuel oil	3,123	3,039	1,122
Direct energy consumption from renewable sources	12,094	9,691	11,522
Pellets	1,368	1,030	1,088
Photovoltaic	8,603	8,661	10,434
Indirect energy consumption	234,855	213,573	202,027
Electricity purchased	224,939	204,964	193,231
inc. from certified renewable sources with guarantee of origin	-	-	114,204
District heating	9,916	8,609	8,796
Total energy consumed	449,594	419,334	413,645

* Gasoline consumption by hybrid vehicles: 2,124 GJ (2021), 3,733 GJ (2022), 4,493 GJ (2023).

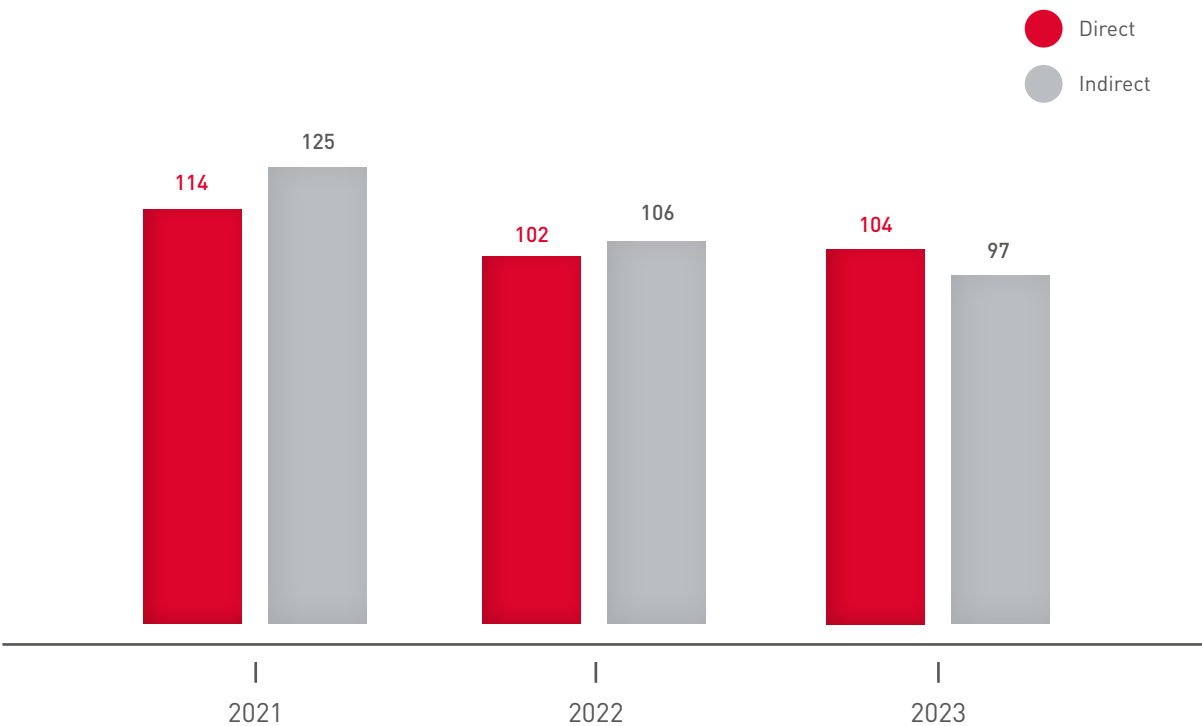
ENERGY CONSUMPTION BY GEOGRAPHICAL AREA IN 2023



As in prior years, most energy consumption (80%) was concentrated in Europe (including Italy), being the geographical area where the majority of the Group’s production facilities and offices are located.

In terms of energy intensity, Coesia normalizes the energy data relative to revenue. The decrease in the intensity index with respect to 2022 (-5%) is explained by both lower consumption and the growth in consolidated revenue.

ENERGY INTENSITY (GJ/M€)



3.3

Carbon footprint

The annual GHG emissions of Coesia are monitored and categorized using the methodology defined in the GHG Protocol.

The main sources of Group emissions are:

SCOPE 1

GHG emissions from sources owned or controlled by the organization. For Coesia, this category includes emissions from the consumption of fuels for heating, cooling, and company vehicles with internal combustion engines.

SCOPE 3

Indirect upstream and downstream GHG emissions not included in Scope 1 and Scope 2 emissions.

UPSTREAM

For Coesia, this category includes:

- Purchased goods and services
- Capital goods
- Fuel and energy-related activities
- Transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting

DOWNSTREAM

For Coesia, this category includes:

- Transportation and distribution
- Use of sold products
- EOL treatment of sold products
- Investment

SCOPE 2

Indirect GHG emissions associated with the purchase of electricity.

These emissions can be calculated using two methodologies:

- **location-based**, using the average emission factor associated with the national energy mix;
- **market-based**, using contractual instruments for the purchase of energy from renewable sources (e.g., Guarantee of Origin certificates), which are deemed to have zero GHG emissions.

The portion of electricity purchased from non-renewable sources is multiplied by a residual national emission factor⁵.

We completed the mapping of our Scope 3 emissions in 2023. The objective of this work, started in 2022, is to quantify the impacts of the entire value chain and evaluate how they can be reduced.

Our analysis of the calculated Scope 3 emissions focused, in particular, on refinement of the data collection methodologies used, with a view to obtaining more detailed information of a higher quality.

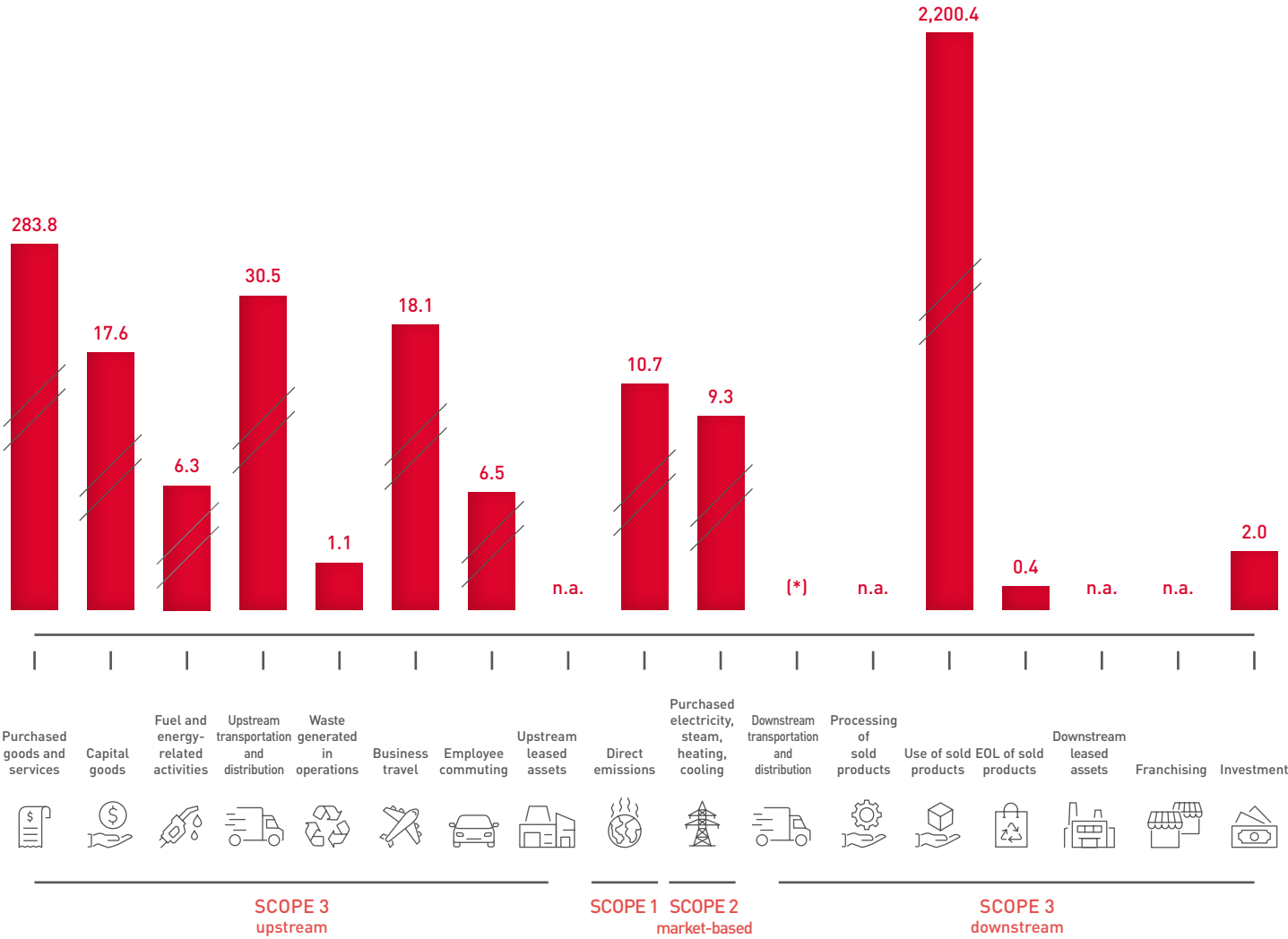
As a consequence of the above, the carbon footprint of the Group has been identified, establishing 2023 as

the reference baseline for defining footprint reduction objectives and programs. This parameter provides a further element for understanding the impacts of the entire value chain.

The 2023 CO₂ footprint of Coesia is analysed below into Scopes 1-2-3 below, with the respective categories.

⁵ The country-specific residual mix of electricity shows the sources of electricity that are not covered by guarantees of origin or other reliable renewable energy traceability mechanisms.

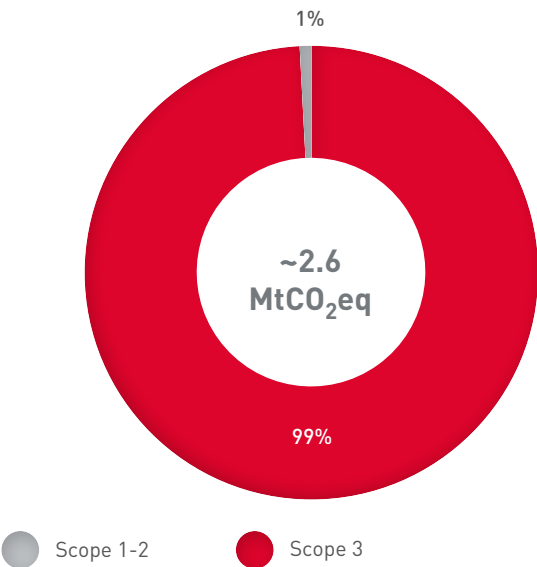
CARBON FOOTPRINT OF THE COESIA GROUP IN 2023 (K tCO₂eq)



* The downstream transportation emissions are included in the upstream transportation category.

The 2023 emissions total about 2.6 million tCO₂, of which Scope 3 emissions contributed 99%. Scope 1&2 contributed almost 1% of total emissions.

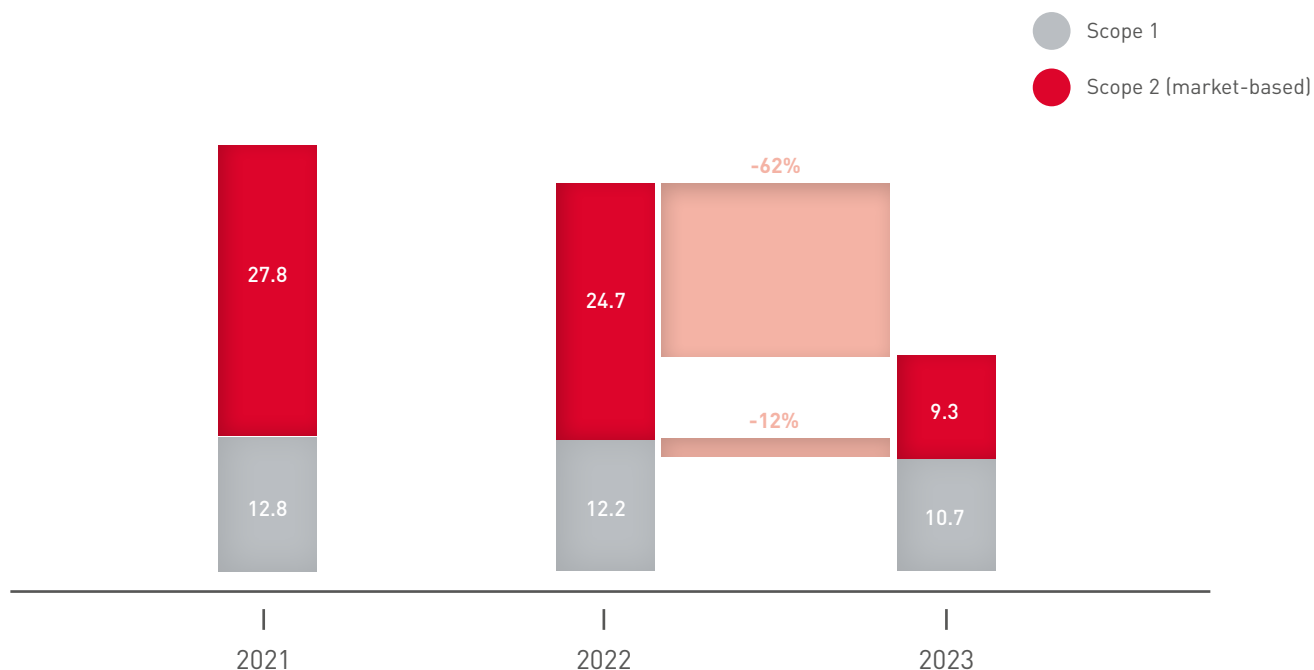
TOTAL EMISSIONS IN 2023 (M tCO₂)



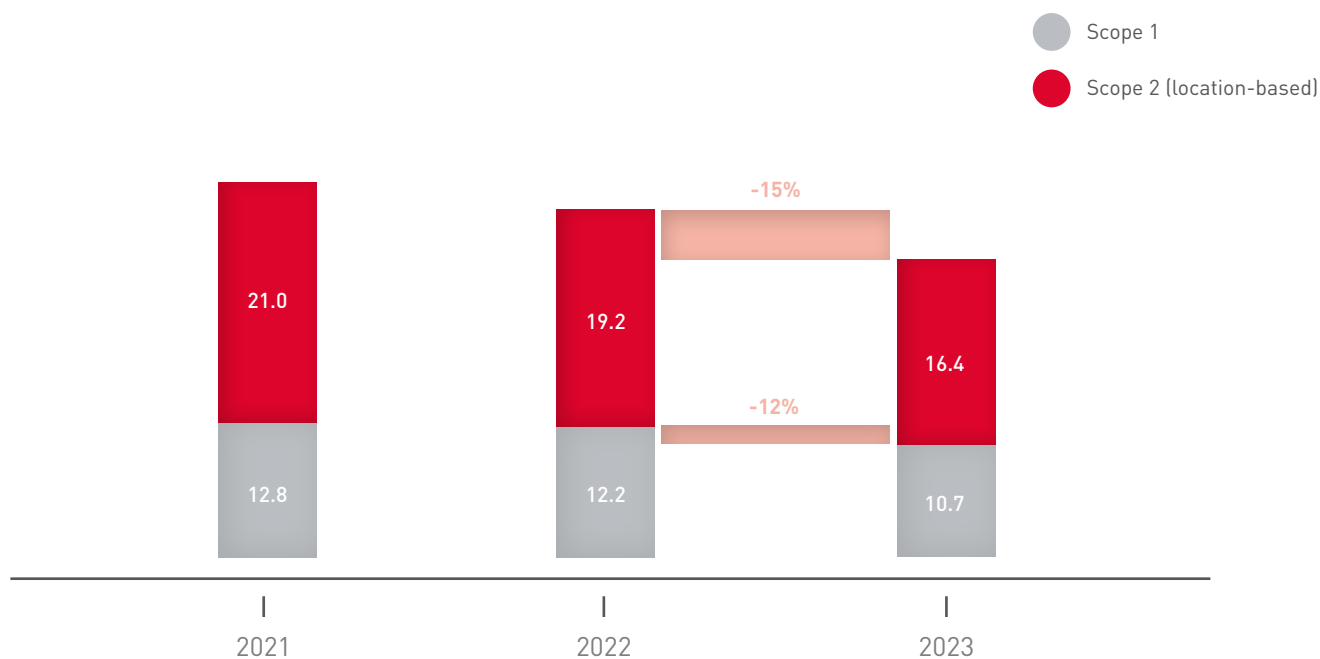
Scope 1 emissions are predominantly determined by natural gas consumption (41%) and the use of fuels by vehicles (19%), while Scope 2 emissions (location-based) are 98% determined by the purchase of electricity, with the remaining 2% from the purchase of heat (e.g., district heating) by each Coesia site⁶. Scope 1 emissions were 12% lower than in 2022. They will decline further as a consequence of the long-term electrification program for heat generators and boilers. Scope 2 emissions (market-based) were 62% lower than in 2022, due to the purchase and self-generation of electricity from renewable sources. Using the location-based approach, the reduction was 15%.

⁶ The calculation of CO₂ from electricity takes account of the composition of the national energy mix of each country in which Coesia sites are present.

SCOPE 1 & SCOPE 2 EMISSIONS - market-based (K tCO₂eq)



SCOPE 1 & SCOPE 2 EMISSIONS - location-based (K tCO₂eq)



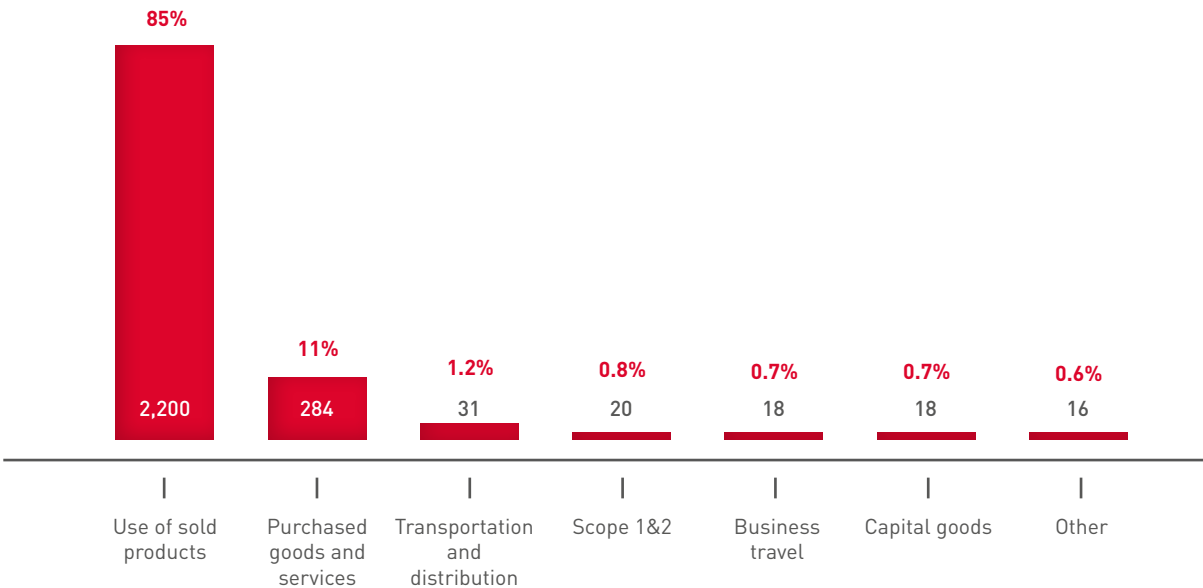
With regard to Scope 3, the “use of sold products” category contributes 85% of total emissions, followed by goods and services (11%) and transportation (1%).

The use of sold products is principally linked to the use of electricity (53%) and steam (47%) at customer sites and, in particular, depend on the sources of energy used by each end consumer. Nevertheless, Coesia is committed to reducing the specific consumption of our machines by developing inherently lower consumption solutions,

introducing energy recovery systems, and installing highly efficient systems and motors (on these aspects, see Chapter 3.1 “Sustainable innovation”).

Having calculated our carbon footprint, Coesia has launched an emissions reduction program that involves our entire value chain.

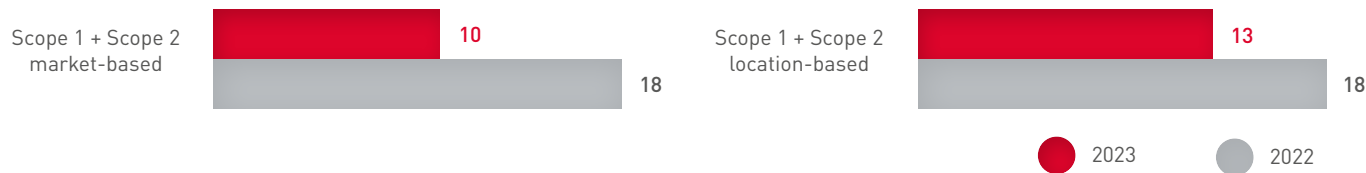
DISTRIBUTION OF SCOPE 1, SCOPE 2 & SCOPE 3 EMISSIONS IN 2023 (K tCO₂eq)



Given the degree of detail achieved, the calculation of Scope 3 emissions by the entire value chain in 2023 cannot be compared directly with the 2021 and 2022 amounts. Accordingly, Coesia considers 2023 to be the baseline

year for future CO₂ emission reduction programs and targets. That said, taken alone, the Scope 1 and Scope 2 emissions intensities are trending downwards.

SCOPE 1 AND SCOPE 2 EMISSIONS INTENSITY 2022-2023 (t CO₂eq/M€)

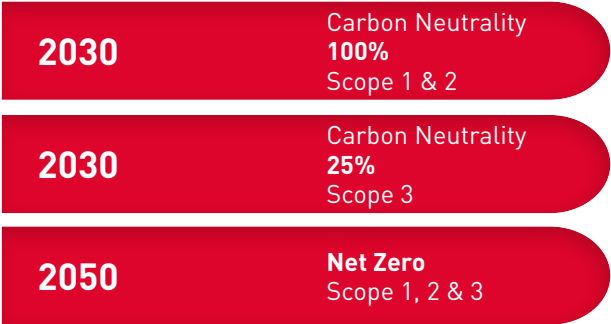


Emission reduction targets

The Group strives actively and continuously to find solutions that reduce our environmental impact and ensure long-term sustainability, setting medium/long-term objectives and targets.

In particular, Coesia has joined the SBTi (Science-Based Targets initiative) - the most solid reference framework in the world - which guides ambitious climate action in the private sector, and enables enterprises to establish emissions reduction objectives in a scientific manner, consistent with the Paris Agreement. We will present our program and related reduction targets during 2024. At this time, Coesia has already defined:

- near-term target (2030): achieve carbon neutrality for Scope 1 and 2 emissions and 100% coverage of electricity from renewable sources;
- near-term target (2030): reduce Scope 3 emissions by 25%;
- long-term target (2050): Net Zero Scope 1, 2 and 3 emissions.



3.4

Waste management

Coesia considers waste management activities to be an integral part of the production process at all Group Companies. Minimizing scrap generation is, in fact, closely correlated with the optimization of production efficiency. Waste is analyzed to determine its nature and then classified by its characteristics. Subsequently, it is managed in accordance with the applicable regulations, with a particular focus on recyclability.

Waste production rose by about 8% in 2023 compared with the prior year: this slight increase is consistent with annual fluctuations linked to machine testing trends.

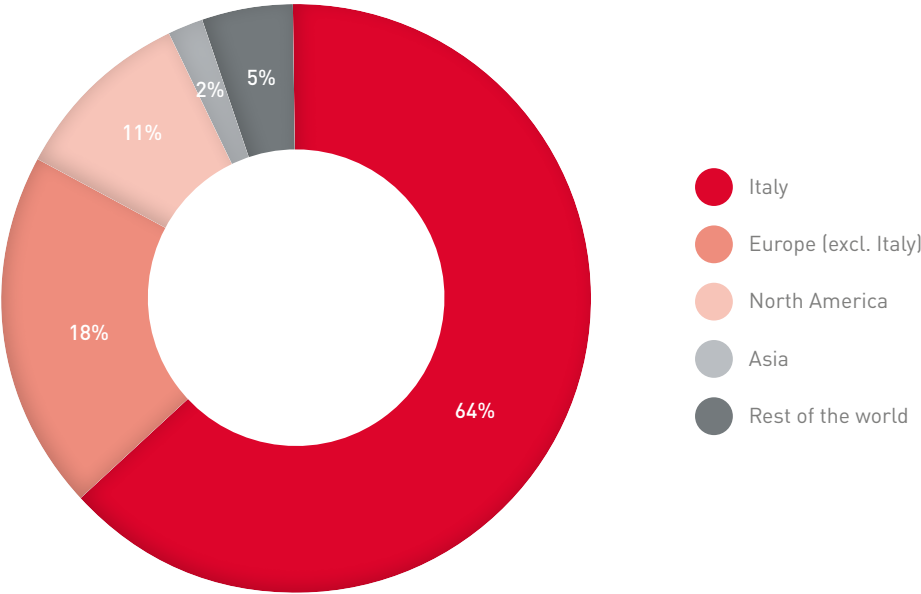
These are influenced by our development and testing activities, which involve the testing of machines by Group Companies and may result in the generation of significant quantities of waste, depending on the number and types of machines tested. Nevertheless, there is a clear downward trend in hazardous waste and an increase in the proportion of waste sent for recycling. The types of waste generated by the activities of Coesia are presented in the following table.

WASTE DISPOSED BY DESTINATION (t)			
	2021	2022	2023
Total hazardous waste	912	1,068	970
sent for recycling/reuse	340	485	400
sent to landfills	572	583	570
Total non-hazardous waste	8,460	8,366	5,974
sent for recycling/reuse	6,350	3,854	4,578
sent to landfills	2,110	1,512	1,396
Total waste disposed	9,372	6,434	6,944

Over the years, Coesia has invested to improve our production processes and separation of waste, thus promoting the recycling of materials to minimize the

environmental impacts caused by the generation of waste: consistent with the prior year, about 72% of waste was sent for recycling in 2023.

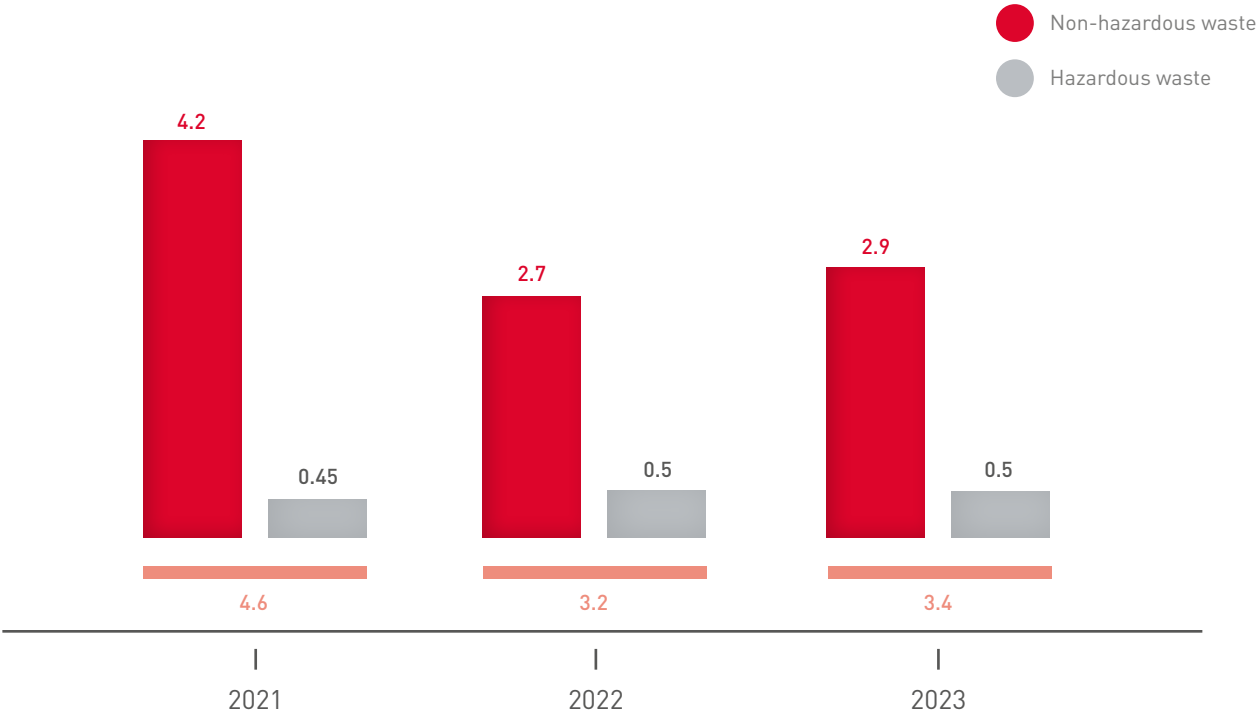
WASTE GENERATION BY GEOGRAPHICAL AREA IN 2023



The breakdown by geographical area shows that about 82% of the waste generated and disposed came from the European sites. This reflects the greater concentration of production facilities in Europe.

Considering the proportion of total waste production to Group revenue, the trend is in line with the volume of production.

WASTE PRODUCTION NORMALIZED BY TURNOVER (t/M€)



3.5

Water management

Given the global context, Coesia strives to conserve water as a precious and limited resource. The Group regularly monitors water consumption and seeks to adopt effective measures to reduce its use.

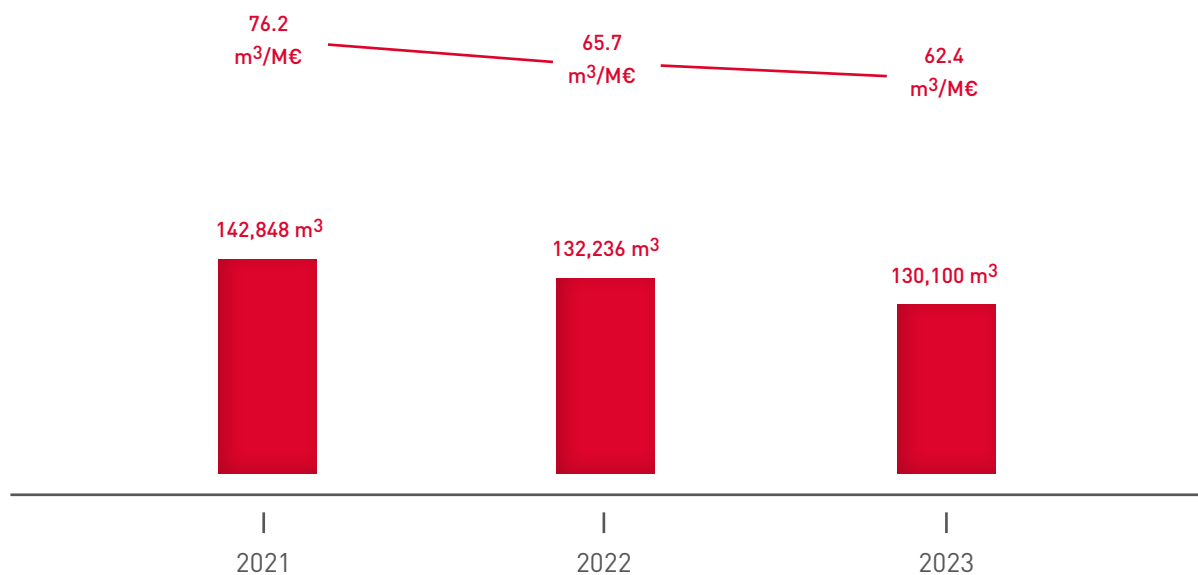
We consume water primarily for civil and non-productive purposes (hydraulic and thermal systems, lavatories, irrigation, etc.). A few sites do use small quantities of water for industrial purposes: production of emulsions for machine tools, component washes/dips, filling tests, etc.

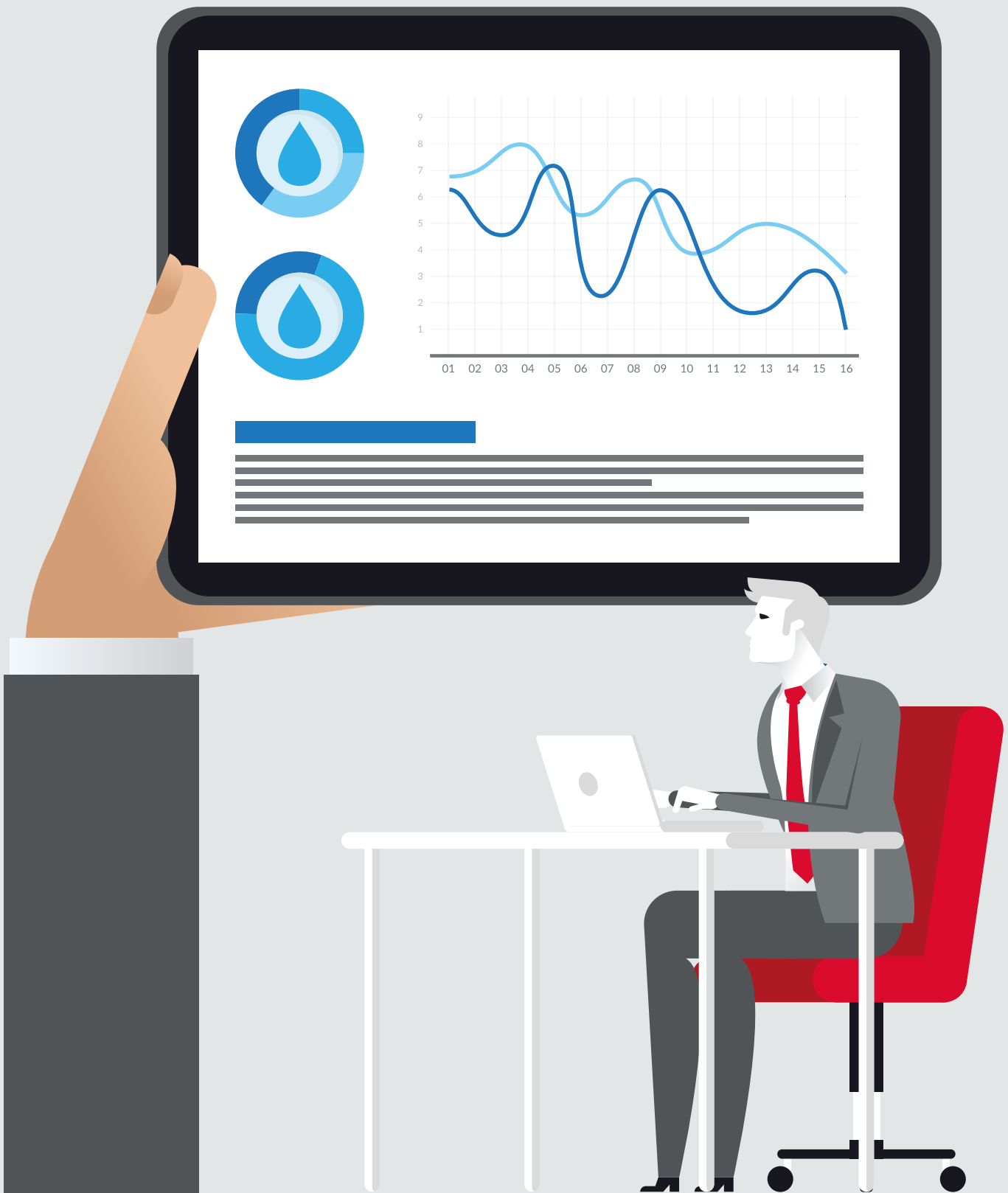
Waste water from all activities is sent to and managed at specific treatment plants, as required by the relevant local legislation.

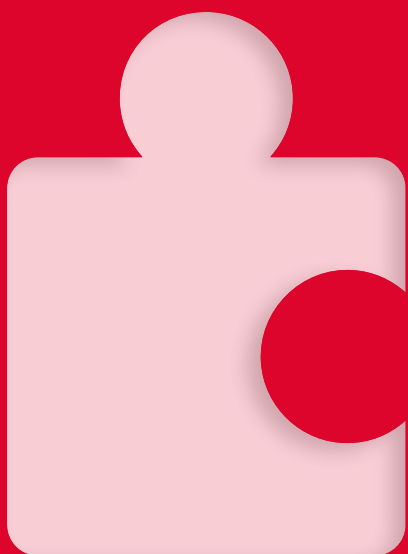
Water consumption was 2% lower than in 2022, due to focusing on the proper use of this resource.

The same trend is found when the volume is normalized with reference to revenue: 62.4 m³ of water per million euros in 2023, down 5% compared to 2022.

TOTAL WATER CONSUMPTION (m³) FROM THIRD PARTIES AND WATER CONSUMPTION NORMALIZED BY TURNOVER (m³/M€)







SOCIAL





Enhancing people

The 8,000+ employees who work for Coesia are central to the growth and development of our business.

Talent, passion and commitment hallmark the daily efforts of our people, who represent the true asset of our organization.

4.1

Our people

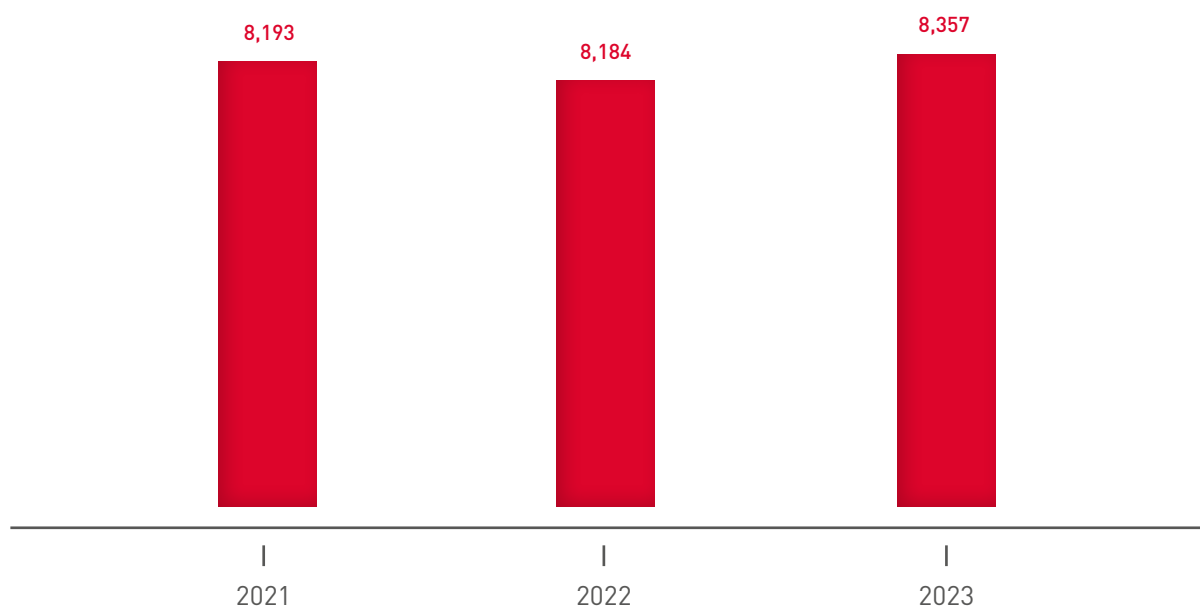
For Coesia, the achievement of global leadership in the sectors where we are present is a reflection of the ability of our people to offer innovative, high quality solutions to customers.

The Group therefore seeks to attract and retain the best talents, investing in their potential and offering them opportunities to work and grow in a stimulating environment. Coesia guarantees the recognition of merit and the room for individuals to develop their professional skills.

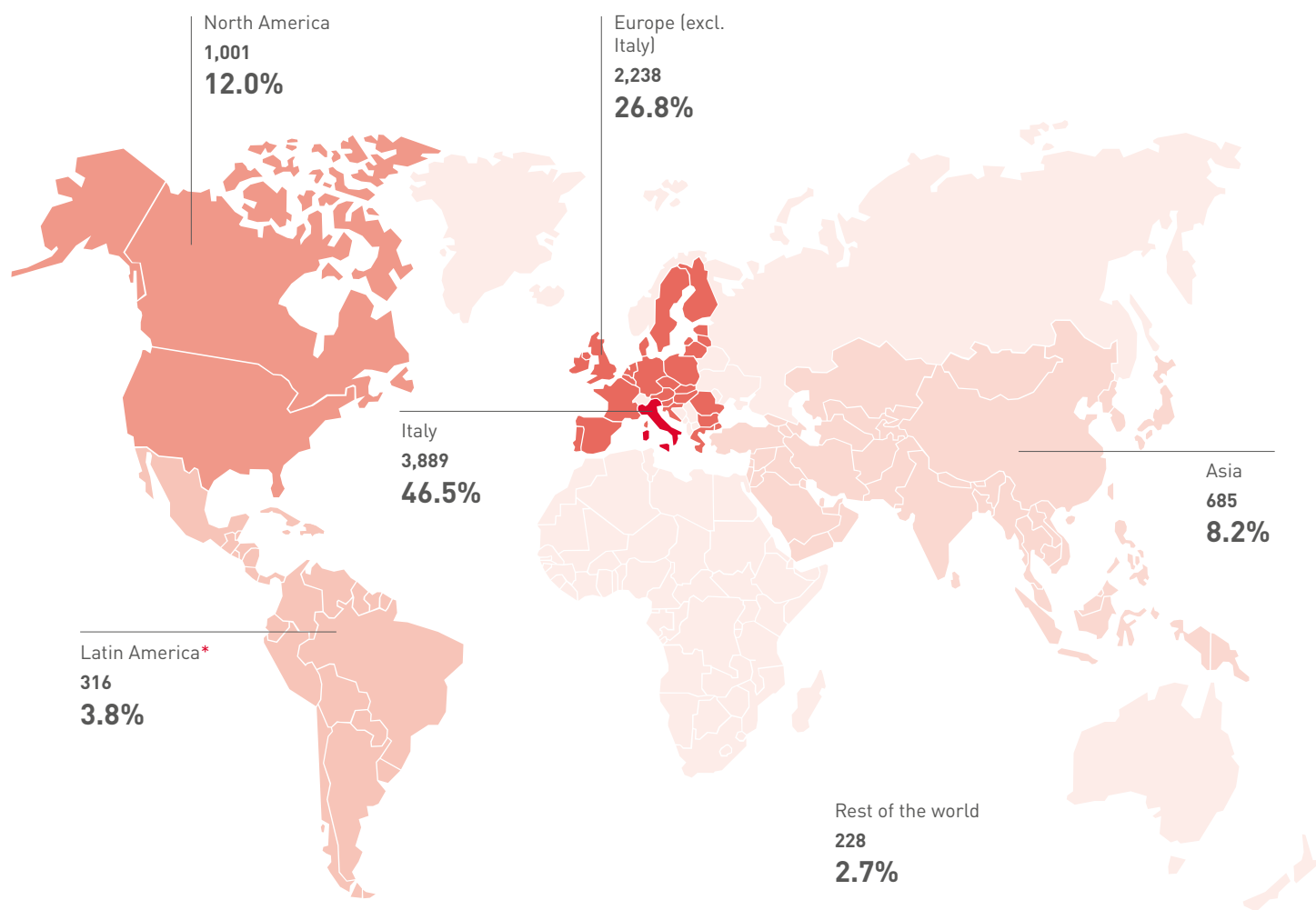
Coesia is a productive and social ecosystem that comprises more than 8,000 employees. Each person is an integral part of the success achieved by our

organization. At December 31, 2023, Coesia has 8,357 employees, up by 2% since the end of 2022. Of these, 73% work at Italian and European sites.

COESIA EMPLOYEES IN THE THREE-YEAR PERIOD 2021-2023 (AT DECEMBER 31)



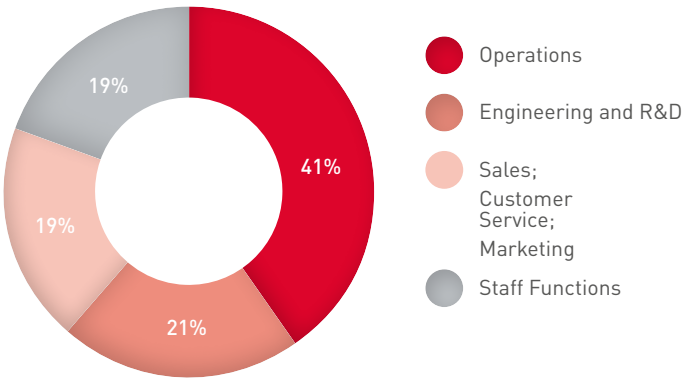
NUMBER AND PERCENTAGE OF EMPLOYEES BY GEOGRAPHICAL AREA IN 2023



* In order to provide greater detail, the “Latin America” area is shown separately in this chapter, but included in the “Rest of the world” elsewhere in this document.

EMPLOYEES BY FUNCTION IN 2023

As for the activities carried out, approximately half of Coesia’s employees (41%) work in the Operations area, which includes such duties as procurement, quality control, planning, and machine testing. A significant portion of the workforce (21%) is employed in Engineering and in Research and Development (R&D), where ideas and numerous innovative projects come to fruition. The Sales, Customer Service, and Marketing areas come next, together employing 19% of our personnel. Last but not least, the other 19% are active in Staff Functions, which comprise Human Resources, Communications, IT, Administration, Finance and Control.



EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AT DECEMBER 31

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior Management	177	19	196	184	21	205	190	25	215
Middle Management	756	140	896	766	139	905	826	145	971
Professionals	2,841	593	3,434	2,926	603	3,529	3,030	652	3,682
Technical Roles	2,998	669	3,667	2,881	664	3,545	2,842	647	3,489
Group Total	6,772	1,421	8,193	6,757	1,427	8,184	6,888	1,469	8,357

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP AT DECEMBER 31

	2021				2022				2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Senior Management	0	94	102	196	0	106	99	205	0	109	106	215
Middle Management	5	542	349	896	9	571	325	905	5	625	341	971
Professionals	237	2,083	1,114	3,434	275	2,194	1,060	3,529	302	2,237	1,143	3,682
Technical Roles	584	1,991	1,092	3,667	543	2,013	989	3,545	519	1,950	1,020	3,489
Group Total	826	4,710	2,657	8,193	827	4,884	2,473	8,184	826	4,921	2,610	8,357

Turning to the professional categories, 86% of employees in both 2022 and 2023 belonged to the Professionals (44%) and Technical Roles (42%) categories, while 14% of the workforce held Senior and Middle Management positions. Notably, at December 31, 2023, 12% of women were employed in managerial positions within the Group.

About 59% of the total workforce belong to the 30-50 age group, while 20% are under 30 years of age and the remaining 21% are over 50. Within the 30-50 age group, about 15% have Management roles, while the majority of persons under 30 are either Professionals (37%) or have Technical Roles (67%). Only 1% of this age group have Middle Management roles.

EMPLOYEES BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT AT DECEMBER 31 *

	2021			2022			2023		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Italy	3,879	20	3,899	3,789	43	3,832	3,854	35	3,889
Europe (excl. Italy)	2,057	22	2,079	2,116	28	2,144	2,209	29	2,238
North America	928	2	930	962	2	964	1,000	1	1,001
Latin America	305	2	307	302	1	303	315	1	316
Asia	729	10	739	699	11	710	674	11	685
Rest of the world	236	3	239	228	3	231	225	3	228
Group Total	8,134	59	8,193	8,096	88	8,184	8,277	80	8,357
	99.3%	0.7%	100%	98.9%	1.1%	100%	99.04%	0.9%	100%

* No employees have zero-hour contracts.

We prioritize long-term professional relationships with our employees. In fact, permanent employment is the most prevalent form of contract in all geographical areas of operation, covering 99% of Group employees.

Part-time contracts are adopted on a residual basis (overall, they are used by 2.7% of the workforce), mostly

by female employees. Indeed, women comprise 65.8% of the 219 persons employed on part-time contracts.

Coesia uses these types of employment in a constant effort to accommodate the needs of workers, seeking to ensure that an appropriate work-life balance is achieved.

EMPLOYEES BY GENDER AND TYPE OF CONTRACT (FULL-TIME/PART-TIME) AT DECEMBER 31

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	1,276	6,703	7,979	1,278	6,679	7,957	1,325	6,813	8,138
Part-time	145	69	214	149	78	227	144	75	219
Group Total	1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357

EMPLOYEES BY GENDER, TYPE OF CONTRACT (FULL-TIME/PART-TIME) AND GEOGRAPHICAL AREA AT DECEMBER 31

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Full-time	592	3,201	3,793	600	3,126	3,726	620	3,167	3,787
Part-time	83	23	106	81	25	106	79	23	102
Total Italy	675	3,224	3,899	681	3,151	3,832	699	3,190	3,889
EUROPE (excl. Italy)									
Full-time	335	1,652	1,987	348	1,690	2,038	374	1,763	2,137
Part-time	57	35	92	63	43	106	60	43	103
Total Europe	392	1,687	2,079	411	1,733	2,144	434	1,806	2,240
NORTH AMERICA									
Full-time	124	797	921	127	829	956	134	860	994
Part-time	3	6	9	3	5	8	3	4	7
Total North America	127	803	930	130	834	964	137	864	1,001
LATIN AMERICA									
Full-time	51	251	302	45	253	298	48	263	311
Part-time	0	5	5	0	5	5	0	5	5
Total Latin America	51	256	307	45	258	303	48	268	316
ASIA									
Full-time	140	599	739	128	582	710	120	565	685
Part-time	0	0	0	0	0	0	0	0	0
Total Asia	140	599	739	128	582	710	120	565	685
REST OF THE WORLD									
Full-time	34	203	237	30	199	229	29	195	224
Part-time	2	0	2	2	0	2	2	0	2
Total Rest of the world	36	203	239	32	199	231	31	195	226

EMPLOYEES BY GENDER AND TYPE OF CONTRACT (PERMANENT/TEMPORARY) AT DECEMBER 31

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	1,406	6,728	8,134	1,405	6,691	8,096	1,450	6,827	8,277
Temporary	15	44	59	22	66	88	19	61	80
Group Total	1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357

17.6%

of the workforce are women

12%

of women in management roles
(senior and management)

EMPLOYEES BY GENDER, TYPE OF CONTRACT (PERMANENT/TEMPORARY) AND GEOGRAPHICAL AREA AT DECEMBER 31

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Permanent	669	3,210	3,879	666	3,123	3,789	689	3,165	3,854
Temporary	6	14	20	15	28	43	10	25	35
Total Italy	675	3,224	3,899	681	3,151	3,832	699	3,190	3,889
EUROPE (excl. Italy)									
Permanent	386	1,671	2,057	406	1,710	2,116	427	1,784	2,211
Temporary	6	16	22	5	23	28	7	22	29
Total Europe	392	1,687	2,079	411	1,733	2,144	434	1,806	2,240
NORTH AMERICA									
Permanent	127	801	928	130	832	962	137	863	1,000
Temporary	0	2	2	0	2	2	0	1	1
Total North America	127	803	930	130	834	964	137	864	1,001
LATIN AMERICA									
Permanent	50	255	305	45	257	302	48	267	315
Temporary	1	1	2	0	1	1	0	1	1
Total Latin America	51	256	307	45	258	303	48	268	316
ASIA									
Permanent	139	590	729	127	572	599	119	555	674
Temporary	1	9	10	1	10	11	1	10	11
Total Asia	140	599	739	128	582	710	120	565	685
REST OF THE WORLD									
Permanent	35	201	236	31	197	228	30	193	223
Temporary	1	2	3	1	2	3	1	2	3
Total Rest of the world	36	203	239	32	199	231	31	195	226

Respect for human rights

On becoming part of the Group, all companies complete the Coesia self-assessment survey on their respect for human rights (e.g., absence of child and forced labor, non-discrimination, guarantee of freedom of association, etc.), with the aim of ensuring that these rights are upheld in all countries in which the organization operates. To date, this survey has achieved 100% coverage of the workforce.

In the countries where the Group is present, all workers are over 18 and employment relationships comply with all national and local laws regarding the legal working age. Some exceptions are made, always in compliance with the law, in countries where students are offered non-hazardous work as part of specific training programs in collaboration with their schools. No violations of human rights were identified in 2023.

Diversity and inclusion

We believe that diversity, equity and inclusion (DE&I) are fundamental for the success of our organization and for a sustainable future. Coesia promotes a working environment in which each person is appreciated and respected, embracing diversity in all its forms to create a dynamic environment that stimulates creativity and innovation, which are essential for long-term sustainability.

Equity is central to our policies and practices: we guarantee equal access to opportunities, resources and growth, with fair hiring practices, career development programs and remuneration structures.

During 2023, planning work started on a series of initiatives intended to promote diversity and facilitate inclusion. These include training and awareness activities, further digitalization of the analysis and

reporting on DE&I matters, and action to reduce the gender gap within the organization.

Coesia employs 1,469 women, who represent 17.6% of the total workforce following a slight increase compared to 2022. More than 12% of these persons hold managerial positions. As reported by ISTAT in 2024, the Automated Machinery sector is traditionally dominated by male workers.

Renewing our commitments in this area, Coesia launched numerous initiatives in 2023 that will steadily reduce the gender gap.

Within the Group, women are already guaranteed the same training processes and the same professional growth opportunities offered to male employees.

4.2

Talent acquisition and onboarding

Recruiting and selection activities are coordinated centrally, in order to maximize the attractiveness and competitiveness of the Coesia Group in the labor market and consolidate our brand internationally.

Our talent acquisition activities target various stakeholder categories: students, high-school and university graduates, and professionals.

Students, high-school and university graduates are offered a learning experience that allows them to apply in a real business environment the knowledge acquired in school or academia. Various initiatives are implemented at Group Companies for this purpose, including curricular internships, research projects and dissertations, as well as selection and development programs for recent graduates (for more information, see chapter 4, section 4.3 “Young Professional Program”).

In addition to the onboarding of experienced professionals from the labor market, the Young Professional Program for top recent graduates represents a milestone in the Group’s talent acquisition strategy.

In order to identify and select the best candidates on a local and global scale, Coesia has established a working party of internal specialists tasked with maximizing at Group level the effectiveness and efficiency of our talent acquisition activities.

The same structured process is followed for all selections, ensuring that the assessment of each candidate is as fair and objective as possible:

1. **Application**
2. **Preliminary interview**
3. **Technical interview**
4. **On-line assessment**
5. **Job offer**

The hiring rate is 10% and the hiring trend is stable compared to 2022 (833 new hires, as against 837 in 2022). This is consistent with our business strategy and the Coesia ethos of investing in our most strategic asset: our people.

There were 661 terminations in 2023, down by 6% compared to 2022. The turnover rate at Group level is 8%.

The induction process, already adopted by many Group Companies and being rolled out to the rest of the Group, supports the entry of new personnel by providing them with information on corporate policies and procedures, as well as by facilitating their internalization of our Group culture and values.

The following tools are made available to new employees:

- **Enboarder**, an automated e-mail system for collecting the information needed to complete our hiring and onboarding procedures;
- **Welcome Kit**, comprising materials for the orientation of new hires;
- **Welcome Book**, a guide containing useful information about Coesia and the specific Group Company joined;
- **e-Learning Platform**, for a greater understanding of the Group and access to mandatory training content.

For more information about the career opportunities with Coesia: <https://www.coesia.com/it/career-opportunities> .

NEW HIRES AND HIRING RATE BY GENDER AND GEOGRAPHICAL AREA

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Employees	675	3,224	3,899	681	3,151	3,832	699	3,190	3,889
New hires	31	105	136	72	226	298	53	227	280
Hiring rate	4.6%	3.3%	3.5%	10.6%	7.2%	7.8%	7.6%	7.1%	7.2%
EUROPE (excl. Italy)									
Employees	392	1,687	2,079	411	1,733	2,144	434	1,806	2,240
New hires	35	141	176	59	220	279	63	234	297
Hiring rate	8.9%	8.4%	8.5%	14.4%	12.7%	13.0%	14.5%	13%	13.3%
NORTH AMERICA									
Employees	127	803	930	130	834	964	137	864	1,001
New hires	28	154	182	23	153	176	20	119	139
Hiring rate	22%	19.2%	19.6%	17.7%	18.3%	18.3%	14.6%	13.8%	13.9%
LATIN AMERICA									
Employees	51	256	307	45	258	303	48	268	316
New hires	5	16	21	2	24	26	10	27	37
Hiring rate	9.8%	6.3%	6.8%	4.4%	9.3%	8.6%	20.8%	10.1%	11.7%
ASIA									
Employees	140	599	739	128	582	710	120	565	685
New hires	18	53	71	7	39	46	8	37	45
Hiring rate	12.9%	8.8%	9.6%	5.5%	6.7%	6.5%	6.7%	6.5%	6.6%
REST OF THE WORLD									
Employees	36	203	239	32	199	231	31	195	226
New hires	4	12	16	1	11	12	4	35	39
Hiring rate	11.1%	5.9%	6.7%	3.1%	5.5%	5.2%	12.5%	17.9%	17.1%
GROUP TOTAL									
Employees	1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357
New hires	121	481	602	164	673	837	158	675	833
Hiring rate	8.5%	7.1%	7.3%	11.5%	10.0%	10.2%	10.8%	9.8%	10%

TERMINATIONS AND TERMINATION RATE BY GENDER AND GEOGRAPHICAL AREA

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Employees	675	3,224	3,899	681	3,151	3,832	699	3,190	3,889
Terminations	41	158	199	43	174	217	34	183	217
Termination rate	6.1%	4.9%	5.1%	6.3%	5.5%	5.7%	4.9%	5.7%	5.6%
EUROPE (excl. Italy)									
Employees	392	1,687	2,079	411	1,733	2,144	434	1,806	2,240
Terminations	34	166	200	41	178	219	43	165	208
Termination rate	8.7%	9.8%	9.6%	10.0%	10.3%	10.2%	9.9%	9.1%	9.3%
NORTH AMERICA									
Employees	127	803	930	130	834	964	137	864	1,001
Terminations	21	110	131	22	126	148	12	92	104
Termination rate	16.5%	13.7%	14.1%	16.9%	15.1%	15.4%	8.8%	10.6%	10.4%
LATIN AMERICA									
Employees	51	256	307	45	258	303	48	268	316
Terminations	2	21	23	7	21	28	7	17	24
Termination rate	3.9%	8.2%	7.5%	15.6%	8.1%	9.2%	14.6%	6.3%	7.6%
ASIA									
Employees	140	599	739	128	582	710	120	565	685
Terminations	17	54	71	19	56	75	16	51	67
Termination rate	12.1%	9.0%	9.6%	14.8%	9.6%	10.6%	13.3%	9%	9.8%
REST OF THE WORLD									
Employees	36	203	239	32	199	231	31	195	226
Terminations	4	18	22	5	11	16	5	39	44
Termination rate	11.1%	8.9%	9.2%	15.6%	5.5%	6.9%	15.6%	19.9%	19.3%
GROUP TOTAL									
Employees	1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357
Terminations	119	527	646	137	566	703	116	545	661
Termination rate	8.4%	7.8%	7.9%	9.6%	8.4%	8.6%	7.9%	7.9%	7.9%

Coesia recognizes the value of developing the upcoming generations, motivated by a desire for professional growth that contributes to the development of the Group. Discussions among professionals with diverse experiences and constructive intergenerational dialog represent a key strength of the organization that strengthens our leadership team.

Turning to an analysis of hiring trends by age group, the recruitment of persons under the age of 30 was again significant in 2023. In fact, those under 30 accounted for 34% of total new hires, consistent with 2022 (32%).

Overall, more than 30,500 resumes were received in 2023.

NEW HIRES AND HIRING RATE BY GENDER AND AGE GROUP

		2021			2022			2023		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	New hires	25	184	209	60	208	2	53	225	278
	Hiring rate	1.8%	2.7%	2.6%	4.2%	3.1%	3.3%	3.6%	3.3%	3.3%
30 - 50	New hires	82	232	314	88	362	450	97	388	485
	Hiring rate	5.8%	3.4%	3.8%	6.2%	5.3%	5.5%	6.6%	5.6%	5.8%
> 50	New hires	14	65	79	16	103	119	8	62	70
	Hiring rate	1.0%	1.0%	1.0%	1.1%	1.5%	1.5%	0.5%	0.9%	0.8%
Total New Hires		121	481	602	164	673	837	158	675	833
Total employees		1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357

TERMINATIONS AND TERMINATION RATE BY GENDER AND AGE GROUP

		2021			2022			2023		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	Terminations	18	74	92	84	81	105	18	95	113
	Termination rate	1.3%	1.1%	1.1%	1.7%	1.2%	1.3%	1.2%	1.4%	1.4%
30 - 50	Terminations	66	259	325	66	263	329	67	262	329
	Termination rate	4.6%	3.8%	4.0%	4.6%	3.9%	4.0%	4.6%	3.8%	3.9%
> 50	Terminations	35	194	229	47	222	269	31	188	219
	Termination rate	2.5%	2.8%	2.8%	3.3%	3.3%	3.3%	2.1%	2.7%	2.6%
Total Terminations		119	527	646	137	566	703	137	566	703
Total employees		1,421	6,772	8,193	1,427	6,757	8,184	1,469	6,888	8,357

4.3

Skills development

Coesia aims to attract, train, and retain the best talents internationally to ensure long-term managerial and economic continuity. This recognizes the centrality of our people within the organizational development of our Group.

Coesia invests constantly in the personal and professional development of the workforce, as well as in the creation of a stimulating, involving and inclusive working environment, taking care to value differences and enhance the contributions made by all. The Group provides workers with programs designed to build their knowledge, expertise and skills, balancing their individual needs with our strategic business priorities.

The training system melds with the monitoring of

performance and the definition of personal development plans, since Coesia is aware that development of the competences of each worker supports the expansion and consolidation of our global leadership, founded on innovation and the creation of sustainable value.

Accordingly, Coesia has implemented a global appraisal system designed to attract and retain talents via the career opportunities offered, as well as a remuneration system that ensures both internal fairness and external competitiveness.

OUR PRIORITIES

- **Unlocking personal potential**
- **Supporting professional growth**
- **Enhancing merit and skill**
- **Improving development processes and tools**

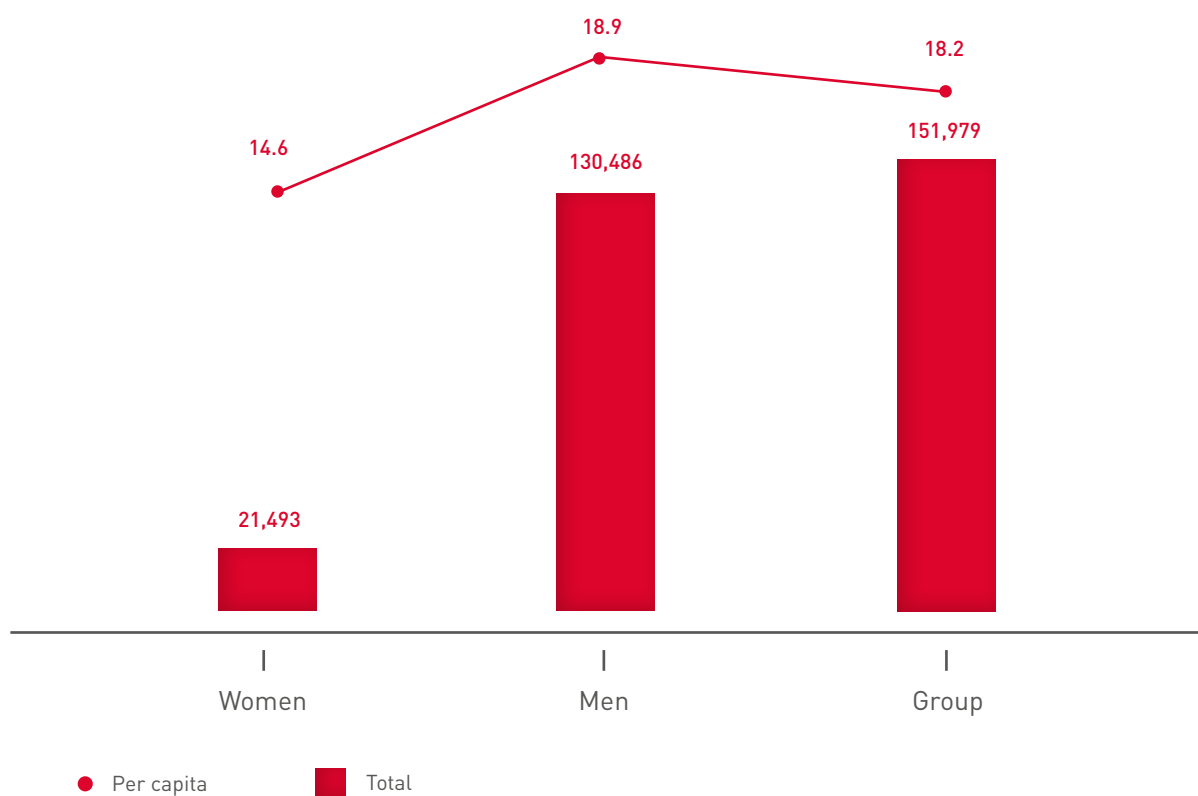
In order to ensure continuous professional growth, Coesia manages training processes with an agile approach that provides a balanced combination of synchronous and asynchronous learning experiences, consistent with the professional and personal needs of participants at both local and global levels.

In 2023, Coesia reaffirmed our commitment to deliver training programs focused on the specific competences of each professional family, as well as managerial and leadership programs. These were organized in collaboration with top business schools, universities and consulting firms.

By monitoring constantly the evolution of methodologies in the training and development area, Coesia is able to invest in innovative approaches to learning that are consistent with both current needs and our business strategy. Learning and development are fundamental to the professional growth of our workforce, promoting a positive working environment and encouraging everyone to participate in the achievement of our business objectives.

A total of 151,979 hours of training were delivered in 2023. Excluding OTJ and HSE training, a total of 72,825 training hours were provided (8.7 hours per capita).

TRAINING AND DEVELOPMENT HOURS DELIVERED IN 2023



HOURS OF TRAINING BY GENDER*

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of hours	27,813	137,855	165,668	21,718	128,669	150,386	21,493	130,486	151,979

* The difference between the absolute numbers of training hours delivered to men and women is attributed, on the one hand, to the larger number of male employees and, on the other, to the provision of OTJ training.

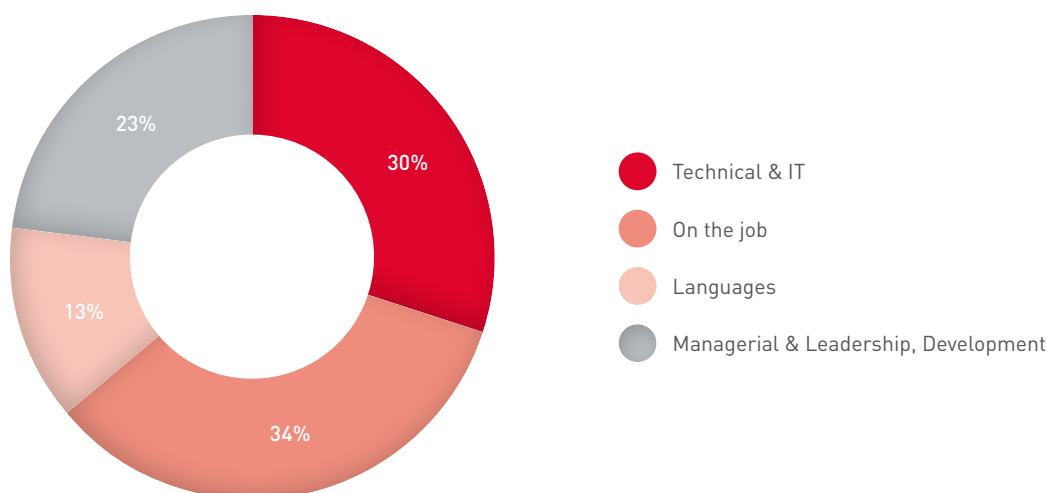
HOURS OF TRAINING BY GENDER AND PROFESSIONAL CATEGORY IN 2023

	Women	Men	Total
Senior Management	2,897	240	3,137
Middle Management	14,220	3,004	17,224
Professionals	29,812	7,575	37,387
Technical Roles	11,542	3,535	15,077
Total	58,471	14,354	72,825*

* The training hours by professional category do not include the hours of OTJ and HSE, which amounted to 38,295 hours and 40,859 hours respectively.

In addition to developing the role competences of the workforce, Coesia offers various training opportunities in technical areas and with a more cross-functional focus, from language learning to managerial skills.

TYPES OF TRAINING DELIVERED IN 2023



TRAINING AND DEVELOPMENT INITIATIVES

COACHING

Individual coaching for profiles with managerial potential. Training is customized to meet specific leadership needs and delivered by certified coaches with solid experience, who offer an external view on how to tackle new professional challenges.

PEOPLE MANAGEMENT PROGRAMS

LEAD TO SUCCEED: training path followed over a period of 9 months that helps new People Managers acquire the key skills needed for success in their role. The program offers guidance to participants on the projection of their leadership styles, seeking to enhance current effectiveness and prepare for future challenges. By introducing new methodologies and tools, the program helps People Managers to develop effective strategies and enhance the potential of their team, in order to achieve our organizational objectives.

LEAD ON THE FIELD: training path for supervisors in operational areas (workshop, warehouse, assembly and testing). The program seeks to build the awareness of supervisors about their role and the nature of effective leadership, improving their communication and conflict resolution skills. The modular path covers various topics that include a focus on diversity, equity and inclusion, while also offering participants a personal coaching session to work on specific cases.

COESIA EXECUTIVE MBA

The first edition of the Coesia Executive Master in Business Administration (EMBA), developed in collaboration with the Bologna Business School (BBS), commenced in May 2023. This international program has been designed to enhance the personal and professional development of Group employees, while also promoting a shared and innovative leadership culture.

A total of 46 talented managers and professionals drawn from nine countries and fifteen Group Companies participated in the 2023-2024 edition.

This fifteen-month EMBA program comprises sixteen courses, with both classroom and on-line elements. Content included business economic and finance, marketing and communications, the management of innovation and technology, production and the supply chain, personnel management, international strategy, diversity and inclusion.

The training path also offers an opportunity to gain experience abroad. In particular, the 2023/24 edition visited the TUM School of Management (Technische Universität München), which is a German university renowned for its attention to entrepreneurship and innovation.

The path ends with the completion of team projects that address the strategic challenges faced by the Group, applying the skills acquired during the program.

This immersion program gives participants an opportunity to think about how to improve their organizations via the adoption of Group leadership and values, thus promoting the development of a global community of future leaders.

LEADERSHIP & BEHAVIORAL PROGRAMS

Programs dedicated to developing the soft skills of our workers. All training content, tools and methodologies are consistent with the culture and values of the Group, as well as with the challenges and market scenarios faced by Group Companies. The development of cross-functional skills and abilities is promoted, so that individuals can “live” their roles in the best possible way and grow professionally within the Group.

PROJECT MANAGEMENT LEARNING FRAMEWORK (PMLF)

The PMLF was designed towards the end of 2023 in order to enhance the project management skills available within the Group, investing in the ability of participants to manage the complex projects tackled by Coesia.

The training path comprises three levels tailored for different populations, providing a modular response to the training needs of Coesia personnel.

“PM Essentials” includes a series of e-Learning opportunities available to the entire workforce, seeking to promote a basic project management culture within the Group and covering all roles and levels.

“PM Fundamentals @ Coesia” concentrates on the project management competences and tools considered most useful in the context of our business. To ensure robust consistency with the approach adopted by the Group, this module is delivered by internal facilitators, specifically trained to share their knowledge and experience in the best possible way.

The “PMP Certification Program” prepares participants for certification by PMI as a Project Manager Professional (PMP)®, which is among the most recognized international certifications for project managers.

The pilot editions of the courses were run at the Coesia HQ in Bologna during 2023. Early estimates for participation in 2024 already exceed 120 persons.

INNOVATION MINDSET

The objective of this program is to provide talents with the Engineering and Research and Development departments with practical tools for embedding innovation into their work. The course offers participants the opportunity to explore different approaches to innovation, promoting the development of their technical, social and entrepreneurial skills.

The program also seeks to create a Coesia Innovation Community, with the goal of discovering and trying new innovation techniques, and understanding their strategic significance.

JOB FAMILY PROGRAMS

Coesia promotes the acquisition and update of the most relevant role skills in each professional context, thus facilitating the development of our employees and their contributions to the success of our organization.

The training opportunities for each professional family are designed with input from both external advisors, selected from among the experts deemed most effective, and internal trainers. This helps participants to share their experiences.

SELF-STUDY OPPORTUNITIES

Coesia employees are constantly encouraged to participate actively in their professional development and career paths. The self-study opportunities designed by Coesia comprise libraries and platforms that promote the unrestricted and responsible acquisition of knowledge, skills and competences, while also offering the chance to follow-up personal interests with a flexible, modular approach adaptable to different needs.

Continuous learning plays a fundamental role in the success and sustainability of our organization, which acquires collective strength from a pervasive culture of permanent education.

In particular, an on-line platform was activated in 2023 for the autonomous improvement of linguistic abilities in English, French, Spanish, German and Italian. This initiative attracted the spontaneous interest of approximately 1,000 employees, who have benefited from the synchronous and asynchronous content available at each Group Company.

At the same time, looking ahead to 2024, a search for e-Learning content available for self-study use was carried out, in order to build a library of open-access content that responds, on an effective and timely basis, to the training needs of our organization.

Again with an eye to 2024, Coesia has devised and designed additional programs for specific professional families, such as the Engineering Learning Path, in order to assist the growth of employees by developing the technical knowledge of greatest relevance to their roles.

YOUNG PROFESSIONAL PROGRAM (YPP)

Coesia launched the Young Professional Program in early 2023, following the design of this strategic hiring initiative during 2022. The goal of this international program is to attract talented recent graduates from various academic backgrounds and support their professional growth via a dedicated two-year training and development path. Under this program, participants join their respective business functions immediately, so they can apply the knowledge gained during their university studies with support from their respective tutors. Additionally, participants deepen their understanding of Coesia during the two-year program via learning paths focused on Group technologies, processes and tools. They are also involved in training sessions on such key managerial skills as diversity and inclusion, communications and the management of complexity.

In addition to the more traditional types of training, participants are also able to meet in person during “live camp” activities held over a period of two weeks, after about one year of on-line learning. This immersive experience combines experiential learning sessions with networking activities and visits to Group Companies, thus promoting a culture of shared knowledge and the creation of a global community.

The 2023 program involved over 60 participants from 6 countries in more than 1,000 hours of learning. Planning for the first edition of the “live camp”, scheduled for the first half of 2024, also commenced during the year.

PEOPLE PERFORMANCE DIALOG

Performance management allows Coesia to invest in the contributions made by people and create a link between results, merit recognition systems, and career paths.

Coesia is gradually extending the performance appraisal process to the Companies acquired most recently, with the goal of reaching all employees within the Group at a future date.

NUMBER AND PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED PERIODIC PERFORMANCE APPRAISALS

	2021			2022			2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	1,067	5,252	6,319	1,074	5,311	6,385	1,317	6,065	7,382
Percentage	75.1%	77.6%	77.1%	75.2%	78.5%	78.0%	89.6%	88.0%	88.3%

NUMBER AND PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED PERIODIC PERFORMANCE APPRAISALS BY PROFESSIONAL CATEGORY *

	2022			2023		
	Women	Men	Total	Women	Men	Total
Senior Management	169	17	186	170	21	191
Percentage	91.8%	81.0%	90.7%	89.5%	84.0%	88.8%
Middle Management	735	127	862	748	125	873
Percentage	96.0%	91.4%	95.2%	90.6%	86.2%	89.9%
Professionals	2,485	504	2,989	2,803	584	3,387
Percentage	84.9%	83.6%	84.7%	92.5%	89.6%	92.0%
Technical Roles	1,922	426	2,348	2,344	587	2,931
Percentage	66.7%	64.2%	66.2%	82.5%	90.7%	84.0%

* The appraisal of employees via PPDs carried out by professional category commenced in 2022.

The People Performance Dialog (PPD) is a process aimed at strengthening the link between business performance and the individual contributions of employees.

Through the PPD, Coesia guides individuals towards the achievement of personal, team and corporate goals while, at the same time, promoting steady professional growth. The PPD is also a tool used by the Group to ensure internal equity, guaranteeing that a large number of employees receive a structured and objective appraisal that rewards individual merit. The name directly summarizes the contents and three main objectives of the process:

PEOPLE

Guide the professional growth of employees within the organization.

PERFORMANCE

Align individual aspirations with Group strategy so that overall performance is the result of clear and measurable objectives.

DIALOG

Facilitate and promote dialog between employees and managers.

The PPD references qualitative and quantitative objectives aligned with our business needs and with behaviors that reflect the new Coesia leadership model. The quantitative objectives are numeric and measurable, such as the achievement of a given sales target. The qualitative objectives, on the other hand, supplement the quantitative information with elements that are harder

to quantify, but nevertheless useful for the achievement of a desired outcome. They might include, for example, the improvement of communications between project participants in order to avoid mistakes or complaints from customers.

Constant employee-manager communications and involvement are essential. Indeed, the entire process is based on constant employee-manager dialog, with specific meetings during the year to foster individual awareness and establish appropriate development plans. Commencing from the 2022 appraisal cycle, a new self-assessment phase was introduced to make the process fairer and more robust. So, again in 2023, all employees were able to express a structured opinion on their own performance during the year. A new phase was added to the process in 2023: the mid-year checkpoint. This took the form of a structured employee-manager meeting held in June/July, as an opportunity to examine the work in progress, discuss strengths and areas for improvement and, if necessary, review the objectives planned at the start of the year.

The population involved in this process is growing steadily. Step by step, the Group intends to include all employees in the PPD, regardless of their position and role.

In 2023, 7,385 employees or about 88% of the global workforce were involved in the PPD process. This 16% increase compared to 2022 was partly due to including the entire workforce of System Ceramics.

4.4

Welfare initiatives

Coesia takes care of our people and their well-being by promoting initiatives at all Group Companies that ensure an optimal work-life balance. In addition, the welfare services offered by the Group go well beyond legal minimums, thus demonstrating our commitment to enhancing the quality of life and wellbeing of our employees.

The initiatives promoted by Coesia for the benefit of employees vary from country to country, addressing the specific needs of each region. They include social and healthcare services, prevention programs, insurance cover for medical expenses, and regular check-ups.

The welfare of more than 70% of Coesia employees, up about 10% compared to 2022, is guaranteed by collective bargaining. This process defines additional protective and improvement measures with respect to the standard safeguards envisaged in each country, further evidencing our commitment to the protection and wellbeing of our employees.

To encourage a proactive approach to psycho-physical wellbeing, some Group Companies offer access to gyms or sports centers, as well as prevention programs (nutritional education, anti-smoking programs, etc.), flexible working hours, and remote working.

In addition, educational support is offered in the form of scholarships and reimbursements for the cost of textbooks, covering both employees and their children. Assistance is also available to help support persons faced with difficulties, together with leave for anniversaries, births etc., legal and tax advice, discounts, and other agreements. These services are complemented by such benefits as meal vouchers or access to plant canteens.

Coesia also promotes equal opportunities in the parental area, assisting employees with maternity/paternity and adoption-related benefits. Indeed, in accordance with local laws, Coesia guarantees parental leave for all employees. Moreover, Coesia participates actively in the collective bargaining process at some Group Companies, in order to improve on the local regulations governing parental leave by making additional leave days and periods of paid leave available for eligible employees. As in previous years, during the reporting period the Group maintained the high level of welfare initiatives

that befit an international organization such as Coesia, supplementing them with such new initiatives as the Coesia Medical Center. The goal for the coming years is to extend all types of benefit, including health insurance, invalidity cover, travel policies and supplementary pension plans, to every employee.

HEALTH INITIATIVES

HEALTHCARE

- Financial cover for specialist medical check-ups, hospitalizations, diagnostic tests, and dental care;
- Almost 90% of the workforce is covered, up by 1% compared to 2022.

LIFE INSURANCE

- Financial cover in case of death resulting from work-related injuries, non-work-related injuries, and illness;
- Over 82% of the workforce is covered.

COVERAGE FOR INVALIDITY AND DISABILITY

- Financial cover in case of invalidity and permanent disability resulting from work-related injuries, non-work-related injuries, and illness;
- Almost 70% of the workforce is covered, up by 6% compared to 2022.

OCCUPATIONAL HEALTH SERVICES

- Additional local support and preventive care for business travelers.

LEAVE FOR MEDICAL CHECK-UPS (G.D Italy)

- Additional hours of paid leave to assist family members and close relatives with medical check-ups, and for veterinary visits;
- 100% coverage in Italy.

COESIA MEDICAL CENTER (CMC)

The Coesia Medical Center provides complete medical care and support, going beyond simple occupational health services to embrace a more comprehensive approach to the health and wellbeing of individuals. This center has been established with the goal of making a network of expert professionals available to employees, not only in the area of occupational health and safety, but also with regard to prevention and personal healthcare. The distinctive characteristics of CMC include not only a focus on occupational safety, but also on the promotion

of employee health at an individual level. This holistic approach also extends to supplementary medicine, with general practitioners available at Group Company locations, thus contributing to the overall wellbeing of employees and entirely consistent with the concept of corporate welfare. The process of establishing the CMC began in 2023, with international extensions envisaged in 2024, together with the introduction of various additional services.

The Coesia Medical Center represents an exception in the domestic landscape, going further than the usual occupational health services to embrace a much broader approach to the health and wellbeing of employees. Establishment of the CMC reflects the commitment made by Coesia to promote a business culture focused on the wellbeing and health of all employees at both domestic and international level.

WELLBEING INITIATIVES

BUSINESS TRAVEL

- Insurance coverage for business travel is guaranteed even in countries where this is not a legal requirement;
- 100% of the workforce is covered.

PENSION PLANS

- Supplementary pension plans that extend basic welfare;
- Over 77% of the workforce is covered, up by almost 3% compared to 2022.

SOLIDARITY HOURS

- Access to solidarity hours for those who need to support family members with disabilities or who face special difficulties;
- 100% coverage in Italy.

PARENTAL LEAVE

- Parental leave guaranteed for couples of the same gender.

FLEXI-HOURS AND REMOTE WORKING

- Flexible start times (from 30 minutes up to a maximum of 3 hours), with 100% coverage in Italy.
- In order to facilitate the work-life balance, Coesia was among the first enterprises in Italy to introduce remote working from early 2020. Following a period of experimentation, the Italian Companies within the Group formally adopted remote work by signing a specific union agreement that allows remote working for a maximum of eight days per month.

Our commitment to the wellbeing of our employees is accompanied by the welfare services promoted by Fondazione MAST (Manifattura di Arti, Sperimentazione e Tecnologia - Manufacture of Arts, Experimentation and Technology) Foundation. This cultural and philanthropic foundation, established on an idea from Isabella Seràgnoli and supported by Coesia, seeks to promote social innovation and corporate welfare via the coordination of a multi-functional center located adjacent to the offices of G.D and Coesia in Bologna.

In addition to various projects and activities for the community, the MAST Foundation provides services to our employees as part of a combined project that brings together multiple aspects of wellness: diet, fitness, family and culture, knowledge and learning.

The **MAST Nursery School** is an innovative educational service, open both to the children of Coesia workers based in Bologna and to the wider community, that offers a high-quality pedagogical experience to more than 100 children aged between three months and five years.

The **Company Restaurant** prepares meals for our employees using selected (locally sourced, biological, DOP, IGP, fair trade) raw materials and served on a free flow basis.

These balanced culinary preparations are easily digestible and respect the specialist guidelines and

indicator agreed with nutritionists at the Gruber Center in Bologna, which collaborates with the MAST Foundation. MAST.Wellness, operated by One on One (part of Technogym, a leading supplier of fitness equipment), offers sporting activities and services on an holistic and integrated basis.

The services provided by the Company Restaurant and MAST.Wellness form part of a combined project in which diet and fitness are inextricably linked.

The **Academy** is a technical and managerial training center.

Group employees contribute actively by supporting the educational programs made available to young people at local schools, thus disseminating their technological knowledge outside of the business.

The **MAST.Caffetteria** is convivial meeting place for guests of the Coesia Group and participants at the events and training programs organized by the Academy.

Information about the various activities of the MAST Foundation is available on the following website: www.mast.org.

Further details are also provided below, in section 6.2 "Relations with the community".



4.5

Remuneration policy

The remuneration policy of the Coesia Group seeks to develop a sustainable working environment, fostering the growth of our people based on individual merit, and promote fairness in our treatment of all employees.

The key principles underpinning the system of remuneration are fairness (guaranteed by internal analyses and external benchmarking) and meritocracy (both the annual salary review and the short-term variable component are linked to individual performance). The remuneration policy adopted by Coesia respects the national and local laws of the countries in which we operate.

The Coesia Nomination and Remuneration Committee (NRC), comprising several members of the Board of Directors, is the senior decision-making body with regard to the remuneration policies of the Group. In particular, the NRC:

- **defines** the remuneration recognized to executive roles;
- **validates** the activation of long-term incentive plans and the performance achieved;
- **supervises** business performance and the related short-term incentives.

The NRC is independent of management and is involved directly in determining executive remuneration. For other employees, external advisors provide methodologies for the appraisal of roles and market benchmarks for salary levels. These advisors either directly appraise or certify the positions of senior management.

As the senior decision-making body with regard to the remuneration policies of the Group, the NRC focuses in particular on executive remuneration and on the incentive plans adopted by the Group.

Over half (70%) of our employees are covered by national and/or local collective agreements, which guarantee standard conditions and minimum wage levels. Additionally, where these agreements are not present or defined in local regulations, our objective is to guarantee remuneration levels that are competitive in the national market concerned.

Coesia conducts detailed annual remuneration analyses in the countries where we operate, aligning our standards with market benchmarks and guaranteeing both internal equity and market attractiveness.

Given that our remuneration policy seeks to guarantee a fair and sustainable working environment, during 2023 the Coesia Group launched an investigation into the gender pay gap and gender diversity at all Group Companies. This work will provide a sound basis for the further improvement of our HR and remuneration policies. The goal is to complete the analyses and define the related policies by the end of 2024.

With a view to the enhancement of potential, professional growth, and the recognition of fair and meritocratic remuneration, the Group carries out structured salary reviews every year. This program assesses and adjusts the remuneration of employees, considering their individual performance, and devises strategies for retaining the best talents identified at an international level.

For a segment of the workforce identified applying specific organizational criteria, Coesia has developed a Group variable incentive plan, known as the People Performance Dialog (PPD) Bonus, which is tied to the achievement of individual and corporate performance objectives. The PPD Bonus aims to associate the contribution of each employee with the results expected by the Group. Additionally, the variable incentives for commercial roles are managed via Sales Incentive or Commission Plans, which are linked to the achievement of individual business objectives.

Alongside the short-term variable incentive, a long-term variable incentive - based on business performance parameters for the three-year period concerned - is available to less than 1% of the workforce.

Employees at several Group Companies also benefit from supplementary agreements that, among the extras, include a Performance Bonus on top of the base salary. This Performance Bonus is recognized on the achievement of certain quantitative and qualitative indicators of productivity, profitability and operational efficiency, such as the improvement of workplace safety.

4.6

Occupational health and safety

Safeguarding health and safety

When addressing occupational health and safety matters, Coesia pursues Group values by dedicating great attention to all stakeholders, including employees, customers and suppliers. This commitment is detailed in the HSE policy, which specifies how to implement the

OHS management system at all Group Companies. The HSE Policy identifies the key aspects of effective prevention, focusing on the four fundamental areas described below.

SYSTEM

Guidance on the structure of the OHS management system implemented by Coesia and related operational aspects.

**HSE RESPONSIBILITIES,
RESOURCES AND ORGANIZATION**

LEGAL COMPLIANCE

**RISK ASSESSMENT AND
MANAGEMENT**

CHANGE MANAGEMENT

COMPETENCY AND TRAINING

IMPROVEMENT PROGRAMS

**MONITORING AND
MEASUREMENT**

**INCIDENT MANAGEMENT
AND ROOT CAUSE ANALYSIS**

**EMERGENCY PREPAREDNESS
AND RESPONSE**

**COMMUNICATION AND
CONSULTATION**

SELF-AUDIT

SAFETY

Significant aspects of prevention and protection and OHS measures to be adopted by Group Companies, even in the absence of specific local regulations or as a complement to them.

**GENERAL FACILITY DESIGN
AND OPERATION**

**FIRE PREVENTION AND
PROTECTION**

ERGONOMICS

**CHEMICAL SUBSTANCES AND
DANGEROUS MATERIALS**

RADIOLOGICAL HAZARDS

**SAFE STORAGE AND HANDLING
OF MATERIALS AND SUBSTANCES**

**ELECTRICAL SAFETY
LOCK-OUT/TAG-OUT**

LIFE SAFETY

**WORKPLACE SAFETY
PHYSICAL HAZARDS**

ASBESTOS

**PERSONAL PROTECTION
EQUIPMENT**

WORK EQUIPMENT SAFETY

CONFINED SPACE ACTIVITIES

**OCCUPATIONAL HYGIENE,
MEDICAL SURVEILLANCE AND
FIRST AID**

ENVIRONMENT⁷

Significant environmental aspects, including requirements for preventing environmental pollution and reducing the impact of business and value chain activities, even in the absence of specific local regulations or as a complement to them.

MANAGEMENT OF ENERGY AND ATMOSPHERIC EMISSIONS

MANAGEMENT OF WASTE WATER

MANAGEMENT OF DRINKING WATER

MANAGEMENT OF RAW MATERIALS AND NATURAL RESOURCES

WASTE MANAGEMENT

PROTECTION OF THE LOCAL TERRITORY AND BIODIVERSITY

PROGRAMS

Various cross-functional aspects, including procedures for updating the HSE system and managing safety aspects related to suppliers and the vehicle fleet.

MANAGEMENT OF CONTRACTORS, CONSULTANTS, SUPPLIERS

PURCHASE OR DISPOSAL OF NEW REAL ESTATE

FLEET SAFETY

REVIEW OF THE CORPORATE HSE SYSTEM

These programs, activities and initiatives strive for the constant improvement of our OHS performance, seeking ever more effective and innovative solutions that ensure adequate prevention and protection against risks.

On acquisition, new Companies are guided through the process of implementing and embedding the HSE policy within their organization.

Consistent with the HSE policy, each Group Company implements a document process that identifies and evaluates their environmental and OHS risks. This process examines carefully all hazards and risks under normal, abnormal and emergency operating conditions. The objective is to provide useful information for decision-making purposes, in order to identify, manage and mitigate risks effectively. In this regard, the operations of the organization are monitored constantly, considering legislative requirements and historical data, as well as any changes in the configuration of the organization, processes, technologies and assets.

Coesia continued implementation of the HSE audit plan during 2023. This systematic assessment of our organizational practices and processes ensures that Group Companies comply with the relevant HSE regulations and standards. Implementation of the audit plan ensures that the HSE practices adopted by our organization comply with the reference laws and regulations, thus promoting a safe and sustainable working environment. The goal of the auditing process is also to increase awareness and involve all business functions in work to prevent and protect against risks. As a consequence, awareness and a health and safety culture is spreading throughout our organization.

Each year, all Group Companies are requested to carry out a self-audit, as a periodic review of their compliance with the requirements of our HSE policy.

Furthermore, Coesia encourages and promotes continuous improvement via the adoption of OHS management systems certified compliant with ISO 45001, the relevant international standard.

In 2023, 34 Coesia sites applied OHS management systems certified compliant with ISO 45001, achieving 58.3% coverage of the entire workforce.

Coesia aims to extend ISO 45001 certification to additional sites, in order to achieve 85% coverage of the workforce by 2028.

The focus on health, safety and environmental matters extends beyond employees, to include the prevention and mitigation of potential impacts deriving from business relationships with suppliers and customers.

Our HSE policy includes a series of requirements to ensure that Group contractors, consultants and suppliers do not create safety and environmental risks, and operate in accordance with applicable laws, current regulations and internal procedures.

In fact, Coesia requires suppliers to be selected and qualified for HSE purposes following a rigorous evaluation that considers their legal compliance, competencies, ability to deliver, and prevention measures. Our policy also requires the definition with contractors of clear information, cooperation and coordination processes for the prevention of interference risks.

⁷ Environmental management is addressed in Chapter 3 "Responsibility towards the environment".

PRODUCTION SITES AND SAFE MACHINERY

Coesia designs and manufactures high-technology machinery, dedicating great attention to the use of cutting-edge solutions and innovative materials by Group Companies. The measures specified in the HSE policy are respected throughout the life cycle of each machine, in order to comply with international and national regulations.

Our HSE policy recognizes the fundamental importance of risk assessment for the proper functioning of the HSE system. Coesia treats this constant analysis as a dynamic process that adapts continuously to the different activities of and changes at each Group Company, as well as to the evolution of technologies, the results of monitoring and any incidents that occur.

As defined in the HSE policy and specific guidelines, the analysis is founded on an established and structured methodology that considers all hazards and risks to people and the environment under normal, abnormal,

and emergency operating conditions. The process is supported actively by occupational health professionals and operational personnel and the results are shared with our employees.

The main goal is to prepare a formal program for the continuous reduction of workplace risks, in order to eliminate or minimize them, as required by current legislation and the HSE policy.

HEALTH AND SAFETY COMMUNICATION AND TRAINING

Coesia strives actively to inform and train employees with regard to all aspects of occupational health and safety. For this purpose, each Group Company appoints an HSE coordinator whose function is to disseminate an OHS culture within the organization and gather any reports, suggestions or comments about possible risks.

In addition, the Group has implemented a process, supported by dedicated software active at each Group Company, for reporting and analyzing unsafe situations or conduct, near misses and incidents, with a view to determining and managing the related corrective and preventive actions. The periodic analysis of these reports allows the detailed assessment of risks on an ongoing basis and, as a consequence, improve our OHS performance.

Laws in some countries require the establishment of committees composed of management and workers, or their representatives, to facilitate participation and

involvement in occupational health and safety matters. In other countries, the Group actively promotes the implementation of appropriate processes that allow for worker participation and consultation on these important topics. This approach, which today involves 88% of the workforce in joint business-worker committees, guarantees participation in the management of topics, programs and strategies intended to prevent and protect against risks in the workplace.

Coesia remains committed to the development of HSE training programs for Group employees. In particular, each Group Company develops and implements training initiatives aimed at disseminating knowledge about and awareness of potential health and safety risks related to the tasks performed, and providing the expertise needed to manage them effectively.

The programs include various types of training, such as:

INDUCTION TRAINING

targeted at new hires, this training covers HSE topics related to the working environment, the duties performed and the related specific risks.

SPECIFIC TRAINING

delivered to employees based on their specific duties, with a focus on the specific risk and management of the residual risk.

CONTINUOUS TRAINING

necessary to update employees about new regulations, policy revisions, and organizational and technical changes.

MANDATORY CORPORATE COURSES

courses cover various important topics, to ensure the proper functioning of the HSE management system. They include courses on HSE policy, first aid, emergency plans, machine safety, and much more.

INFORMATION ON RISKS

useful for ensuring that all employees have a basic understanding of the risks existing in their workplace, such information includes the results of monitoring, comparisons with the relevant HSE regulations, and any risk reduction actions and improvements.

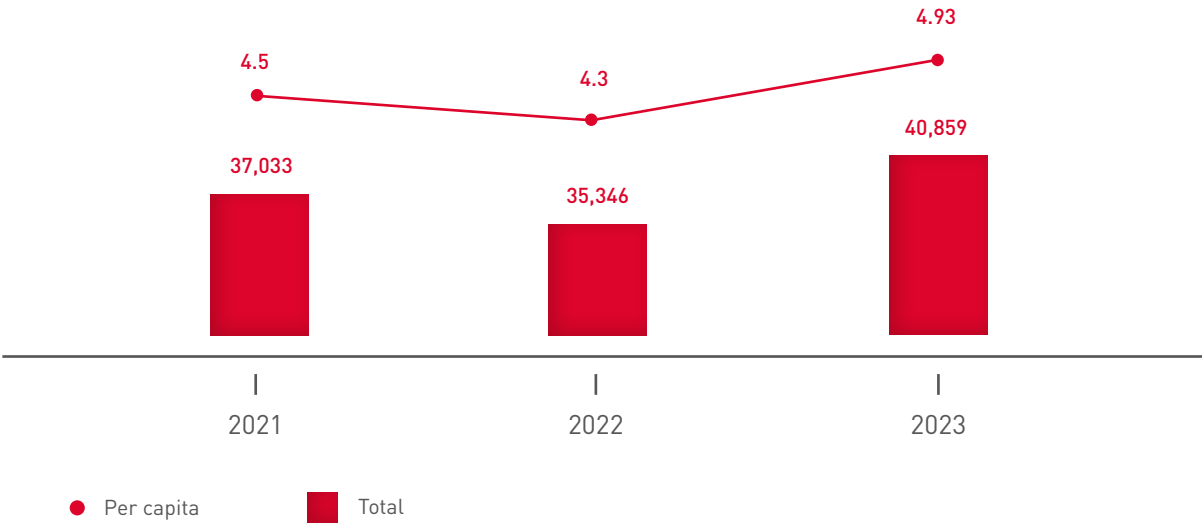
Each Group Company promotes the “Safety Gemba Walks” program, with the goal of constantly improving workplace safety and mitigating risks via executive-worker interactions. This program involves visits to operational areas based on the “Gemba” method, enabling executives and organization management to observe daily work processes, interact directly with workers and identify opportunities for the improvement of safety practices and procedures.

Visits are carried out using specific checklists that cover various aspects of health and safety in the workplace, such as equipment maintenance, the handling of hazardous materials, emergency procedures and the training of workers.

Over the years, the Group has invested constantly in resources for the training of our people on HSE matters. The same level of attention was also dedicated to these topics in 2023. To facilitate this work, the Group has made e-learning courses available on the corporate platform and requested all employees to take them.

In absolute terms, over 40,859 hours of HSE training were delivered in 2023, equivalent to 4.93 hours of training per capita. The increase with respect to the prior year is attributable to the development of training programs for managers, as well as to a greater focus on specific risks and the use of work tools.

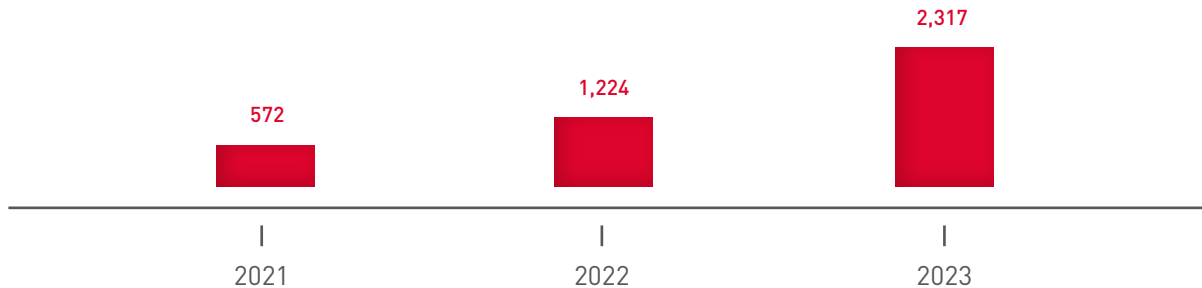
HOURS OF TRAINING DELIVERED ON HEALTH AND SAFETY MATTERS



Following the completion of training courses, our HSE policy requires verification that the information and skills have been properly acquired. The results of this check on training effectiveness are documented and recorded. Ensuring continuous improvement is an integral part of the Coesia business model, as is the ongoing involvement of our people as the enablers of corporate growth.

Our awareness of the key employee management role played by supervisors in relation to HSE matters has led the Group to develop and implement a specific training program for them, covering aspects of leadership, communications, and conflict management.

NUMBER OF SAFETY IMPROVEMENT NOTIFICATIONS



All Coesia Companies encourage and promote the reporting of unsafe situations or conduct, near misses and incidents, using dedicated procedures and tools that enable such events to be monitored, with adoption of the related corrective actions. The communication channels have been structured specifically to enable anyone to report actual or potential problems, suggestions or comments intended to eliminate risks and make improvements regarding OHS matters.

All employees and external personnel are aware of their right and obligation to report safety concerns, which is

deemed to be a fundamental personal responsibility. The current leadership model guarantees that notifications can be made without fear of reprisals.

The positive trend in the reporting of possible safety improvements has been consolidated. There were 2,137 notifications in 2023, up 89% compared to 2022. This significant increase was due to employee engagement actions at all Coesia sites, with active participation on safety-related topics and in the identification of critical situations or opportunities for improvement.

SAFETY INDICATORS

With regard to injuries, Coesia constantly measures safety performance in the workplace, both at individual Company level and at Group level, via continuous monitoring and the application of specific indicators.

The number of recorded injuries with work days lost in 2023 was 5% higher than in 2022, totaling 42 events compared to 41 in 2022. None of these were classified as serious, which would have involved an absence from work exceeding 180 days.

In 2023, the rate of recordable work-related injuries was 2.87, which was essentially in line with the prior year (+0.2% compared to 2022), but about 28% lower than in 2021 (4.0), confirming the effectiveness over time of

the OHS management system adopted by the Group. This result reflects the heightened focus on health and safety matters and the implementation of various HSE programs at individual Group Companies. The main types of injury reported during the year affected the upper limbs (52%), the head (25%) and the lower limbs (12%). As in the prior year, no work-related ill health was recorded in 2023.

Persons not directly employed by Coesia also work within the Group, including agency workers and contractors. The number and type of work-related injuries suffered by them are also monitored. A total of 31 such injuries were recorded in 2023⁸.

⁸ Details of the work-related injuries suffered by non-employed collaborators have not been reported, since the Group did not have that information when preparing this document. Coesia is developing a more precise data collection process, so that such details can be reported in future.

NUMBER AND RATE OF WORK-RELATED INJURIES (EMPLOYEES)

	2021	2022	2023
Annual hours worked	14,354,278	14,272,526	14,654,251
Number of incidents recorded in the year	57	41	42
of which with serious consequences*	1	1	0
of which fatal	0	0	0
Rate of recordable work-related injuries**	3.9	2.9	2.9
Rate of recordable work-related injuries with serious consequences***	0.1	0.1	0
Fatality rate****	0	0	0

* Injuries with serious consequences are defined as injuries that require more than 180 days to recover the health status existing prior to the event.

** The rate of recordable work-related injuries has been calculated as (number of injuries with at least 1 lost workday / hours worked) x 1,000,000.

*** The rate of recordable work-related injuries with serious consequences has been calculated as (number of injuries with serious consequences / hours worked) x 1,000,000.

**** The fatality rate has been calculated as (number of fatal injuries / hours worked) x 1,000,000.

To ensure a healthy environment without processes that compromise the health of workers, the Coesia HSE policy requires each Unit, in compliance with current legal provisions and the right to privacy of workers, to formalize a health surveillance program tailored to the hazards and risks existing in the workplace, so that work-related illnesses can be monitored and prevented. The program must envisage:

- management and monitoring of its application, at frequencies established by qualified medical personnel in accordance with the relevant legislation;
- medical check-ups before induction into the workplace and during the working relationship, in accordance with the relevant legislation;
- retention of confidential medical records for each worker in accordance with the relevant laws, regulations and guidelines;
- periodic checks, where appropriate, of industrial hygiene in accordance with the relevant laws, regulations and guidelines.

In addition, Coesia has launched a program for the promotion of mental health in collaboration with the occupational health professionals at a number of Group Companies. This program focuses on improving key aspects of the wellbeing of workers, including the management of work-related stress, work-life balance, nutrition and exercise. Via these initiatives, Coesia seeks to create a more healthy and sustainable working environment, helping workers to maintain an optimal state of psycho-physical wellness.

Safety at the core of our solutions

Coesia carries out detailed analyses and specific tests during the design, construction and installation phases, ensuring the best safety conditions for the operators and maintainers of all our solutions. This minimizes the potential safety risks faced by customers and guarantees the quality of Coesia-brand machinery.

In the design phase, the Group performs a risk analysis to verify the conformity of our solutions with the applicable product safety regulations.

All Coesia machines are manufactured in conformity with the regulations of the countries in which they are sold (e.g., Machinery Directive 2006/42/EC in the European Union, Directive NR 12 in Brazil, the EAC in Russia, the OSHA in the United States and the KC in South Korea).

At Group level, a Technical Construction Dossier is routinely prepared to demonstrate the conformity of each machine with the design, manufacture, and operating requirements specified in the regulations.

This Dossier includes an assessment of the risks associated with use of the machine throughout its life cycle, as well as the measures adopted by the Group to minimize or eliminate them.

In order to ensure the safety of Group employees and customers during the manufacturing phase, Coesia technicians test our machines both at the production facilities of the Group Companies where they are made, and at the customer premises during the final installation phase. This double test seeks to ensure greater safety. In addition, the Group introduced the Safety Validation Report back in 2021. This documents the validation process, attested by external bodies, carried out on machines exported to foreign markets whose regulations are stricter than those in force in the European Union. Machine safety assessments and tests are carried out in the following phases of the manufacturing process:

1 RUNNING-IN

The machine is tested at low speed without incoming materials (boxes, products, liquid hot glue) to ensure that all mechanisms work correctly and avoid breakages, process interruptions, or failures.

3 SAFETY TESTS

Safety devices are tested to ensure that the operating parameters of the machine conform with current regulations. Following a separate specific procedure, the operation of all devices is checked to ensure the safety of all operators working on or near the machine.

2 QUALITY TESTS

Quality tests and checks are carried out on exposed actions to achieve the highest quality standards. The testing phase is precise and adjusted to the needs of each customer, based on how the machine is used.

4 FINAL TEST

The systems are then tested together, steadily increasing the speed to verify the true performance of the machine. The machine must also pass a final test before leaving the production plant, after which a list is prepared to ensure that any final changes are tracked.

Once the tests are completed, the machine is disassembled, packed and shipped to its final destination. Customer safety is also ensured during the operational phase. Indeed, in 2010, the Group implemented a system to monitor any safety-related non-conformities identified during the use of our machines, in order to improve promptly the solutions offered to end-users.

In the design phase, Coesia aims to ensure not only the safety of our machines, but also their durability over time. In the post-sales phase, the Group offers numerous maintenance and overhaul services to ensure the quality

of the machine over time, having regard for the extended working life of the products sold (20-30 years).

For EOL disposal purposes, all steps are taken to avoid safety risks when disassembling and scrapping the machine.

As a testament to the quality of our products and services, no non-conformities with an impact on the health and safety of customers were encountered during the three-year period 2021-2023.

SECURITY MANAGEMENT

The Security function safeguards our people and our tangible and intangible assets, defining operational rules for all security activities and identifying the roles and responsibilities of the persons involved in this process.

Our security management process includes the following functions:

- **Physical Security:** deals with the protection of people and corporate assets;
- **Intelligence & Travel Security:** manages the security of individuals when traveling for business purposes;

Given the recent geopolitical developments and health emergencies, the Security function has had to face significant new challenges. The main challenge has been to protect personnel from invisible risks, such as health risks. The success achieved reflects our sound, risk-aware approach to the challenges identified.

Two parallel strategies for travel security are implemented. On one hand, the function applies a series of parameters to assess the travel risks and provide a comprehensive feasibility analysis. On the other, the function manages the delicate task of providing medical assistance abroad which, in extreme cases,

includes medical evacuation using dedicated means and personnel.

For us, security is a broad concept that we manage with strategic vision. This approach seeks to harmonize the various aspects of security, defining standard procedures and practices in order to respond effectively to the risks and challenges faced by the function.

Our strategic vision is to internationalize the Group in this area. Over time, we have developed a roadmap for the creation of regional hubs, thereby increasing our ability to control and manage risk throughout the entire Coesia world. The management of these hubs will be assigned to dedicated managers, who will become regional reference points for all security matters. Coesia plans to complete this process in 2024.

With a view to promoting continuous improvement, the Security function also carries out regular audits at Coesia sites abroad, identifying their main vulnerabilities and defining policies to harmonize the management of key processes and minimize risks.

PHYSICAL SECURITY

Physical Security is a primary concern at facilities with a high concentration of assets, especially those used in systems critical for our business processes.

The objective is to protect our people, data, confidential information, networks, hardware, equipment, facilities and corporate assets.

Multiple countermeasures are adopted to achieve this, including:

- security guards with wireless communication devices;
- safety lighting;
- security cameras.

Since 2021, the Group has adopted VAT (Vulnerability Assessment Test) software to determine the vulnerability of our sites in Italy and abroad. The goal is to identify the physical and technical vulnerabilities at each facility, with a view to developing and implementing effective and timely countermeasures.

The regular performance of physical security assessments is also essential in order to safeguard corporate resources and improve existing security measures.

Once again, Coesia monitored the physical security events identified during 2023, all of which were resolved. Compared with 2022, the number of persons dedicated to physical security has decreased by 36% due to termination of activities related to the COVID-19 emergency, which were carried out by external personnel (e.g., social distancing and temperature checks).

ITALIAN PHYSICAL SECURITY STATISTICS IN 2023

Team personnel	29*
Security events and alerts received	22
Security events resolved	22

* Of these, 3 are Coesia employees and 26 are employed by contractors.

INTELLIGENCE & TRAVEL SECURITY

Ensuring the safety of employees, especially when traveling in high-risk countries, is of paramount importance. For this reason, we have established a specific policy for managing risks and the related countermeasures during business travel.

Coesia updates personnel constantly about all potential issues that might jeopardize their safety abroad. The work required to do this includes activities specified in the policy:

- daily risk assessment in the countries where Coesia operates, considering various variables (terrorism, crime, ethical and socio-political risks);
- collection and analysis of intelligence;
- monitoring of media;
- on-site investigations;
- implementation of security countermeasures in high-risk areas.

Since 2021, the Intelligence & Travel Security function manages our Travel Medical Assurance service, which provides constant support to employees who, via a contact point, can receive information, alerts, and immediate, 24/7 assistance during business trips.

Travel Security has been a point of reference since 2020 for the assessment of health risks, the analysis of complex national and international regulations, and the conduct of travel feasibility assessments.

Through a combination of expertise, sources and trusted partners, a robust mechanism has been developed for the prevention of threats, the reduction of risk exposures and, when necessary, the implementation of adequate security measures.

Coesia monitored the travel security events identified during 2023, all of which were resolved. Specifically, only three events occurred out the 3,860 business trips authorized and the 3,890 requested by travelers. They were all resolved by the Coesia team. There was a marked increased in ad hoc training sessions provided to travelers in 2023, rising from 7 hours to 65 hours.

TRAVEL SECURITY STATISTICS IN 2023

Authorized trips	3,860
Travel requests	3,890
Security events and alerts received	3
Security events resolved	3
Requests for medical assistance and evacuation	0
Ad hoc training sessions for travelers	65
Vulnerability assessments conducted at Coesia sites abroad	8
Preliminary security assessments conducted at customer sites abroad	9







Supply chain management

A solid and responsible supply chain is strategic for the growth and development of Coesia. The Group has always favored long-term relations with suppliers, seeking to achieve qualitative excellence via a guided improvement process.

5.1

Our suppliers

Commercial relations with our suppliers, especially those in the local area, are based on such values as respect, responsibility and knowledge, as well as the enhancement of their expertise and capabilities, in order to improve their performance and economic stability. In fact, a well-connected supply chain allows the rapid identification of and response to any issues, while also promoting greater collaboration. As evidence of this, despite the persistence in early 2023 of the difficulties in sourcing certain components experienced in 2022, the Coesia Group was able to adopt a series of strategic measures that guaranteed the continuity of production.

Thanks to careful monitoring of the supply chain and the implementation of risk containment policies, the Group was able to arrange hedges, especially against changes in energy costs, build up inventories to mitigate the risk of shortages, and adjust sales price lists to cover the increase in production costs.

These efforts, which required an increase in economic investment compared to previous years, enabled the Coesia Group to maintain production and expand our supplier base.

As shown in the chart below, Coesia distinguishes direct and indirect purchases, based on their proximity to production. There are two categories of direct purchases: (i) commercial parts (mechanical and electrical) and (ii) raw materials and machined parts.

Relations with strategic suppliers are coordinated by the central Procurement function; suppliers are included on the Group Vendor List based on their ability to offer a combination of flexibility and scale, thus ensuring complete coverage of our business needs. On the other hand, buyers at individual Group Companies manage daily activities and orders. This approach ensures the efficient and focused management of suppliers at Group level, while focusing sufficiently on the specific needs of individual Companies.

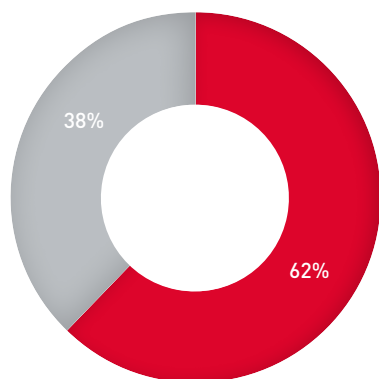
Group know-how is evidenced by the raw materials purchased for internal production and the machined parts designed daily by our technical offices to guarantee the excellent performance and reliability of our machines.



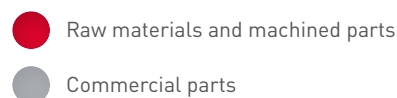
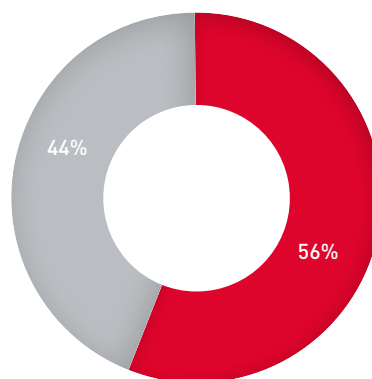
The global supply chain of the Group comprises a vast number of suppliers, varying in nature and size. In fact, Coesia has about 14,000 direct and indirect

suppliers. In 2023, 62% of total purchasing turnover was linked to production (direct purchases) and, of this, 56% comprised raw materials and machined parts.

DISTRIBUTION OF PURCHASING BY TYPE IN 2023



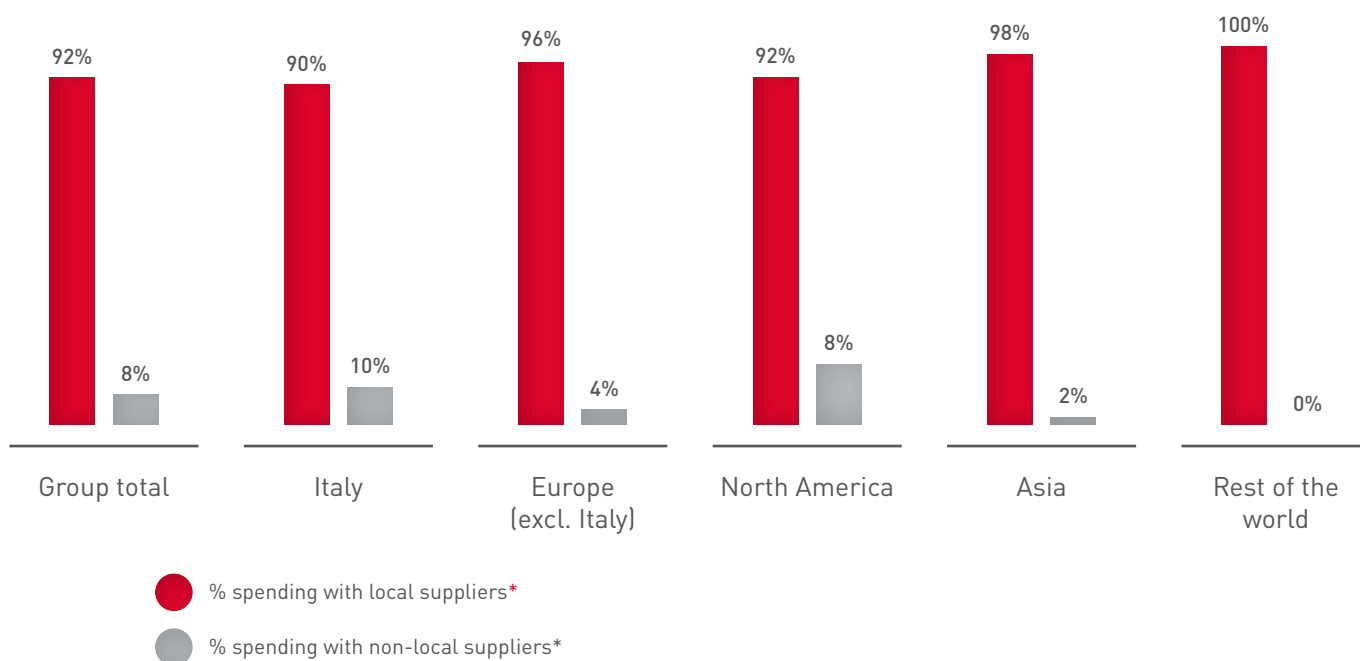
DIRECT PURCHASING DISTRIBUTION IN 2023



Coesia strives for the continuous improvement of business practices, promoting not only the growth of the Group, but also that of our suppliers and local communities. Thanks to our local purchasing policy, the Group supports the economic development of the area in which we operate, helping to create shared and sustainable value while also ensuring shorter lead times and greater flexibility in the assembly of machines. This

approach allows the establishment of solid, collaborative relations with our suppliers, promoting innovation and quality throughout the supply chain. In confirmation of our commitment to the support of local economies, the Group made 92% of purchases from local suppliers in 2023, with significant percentages in all geographical areas of operation. Local purchasing reached 96% in Europe, 92% in North America and 98% in Asia.

PERCENTAGE OF SPENDING WITH SUPPLIERS IN 2023



* The percentage of products purchased locally has been calculated on total direct purchases, excluding transactions between Group Companies. A product is "purchased locally" when the supplier is based in the same geographical area as the Company that purchased it.

5.2

Risks and opportunities associated with the supply chain

Aware of the importance of a robust and responsible supply chain, the Coesia Group works actively to monitor and manage the environmental and social impacts generated throughout the supply chain by our activities.

In 2023, the Group continued work on the project begun in the prior year to map the risks and opportunities deriving from our procurement practices. Via this project, in addition to addressing the operational risks and opportunities closely associated with our business,

the Group also adopts a proactive approach to the risks and opportunities linked to social and environmental factors within the supply chain. The goal is to promote more sustainable procurement practices.

The principal risks and opportunities have been identified at the operational and sustainability level:

RISKS

Operational

Loss of customer trust, complaints, legal actions, poor service and costs as a consequence of a decline in the quality of products and services from suppliers.

Production delays, economic losses, and customer dissatisfaction due to supply chain disruptions caused by the closure of one or more suppliers, or the inability to meet demand.

Production delays deriving from commercial relationships with suppliers of strategic raw materials located in high-risk geographical areas.

Writedown of the value of inventories.
Potential impacts on the residual useful life of assets, if their replacement is needed in order to comply with new policies or as a result of their non-conformity with current regulations.

Sustainability (Social and Environmental)

Penalties resulting from infringements by suppliers of laws and regulations governing the environment, the health and safety of individuals, or corporate ethics.

Damage to our reputation due to a failure by suppliers to provide decent working conditions.

Adverse impacts on the local community that derive from the value chain (e.g., air or water pollution).
Risks related to climate change (storms, floods, earthquakes, fires or heat waves) and/or long-term climatic changes that could disrupt our value chain.

OPPORTUNITIES

Operational

Conduct of the business in accordance with our values, based on close collaboration with suppliers to ensure adequate working conditions and respect for workers' rights.

Preventive management of value chain risks and protection of business continuity against possible adverse influences in the operating and market environment.

Sustainability (Social and Environmental)

Pursuit of sustainability strategies for the benefit of our business and reputation, and the satisfaction of our stakeholders.

Risk-containment policies including, in particular, the arrangement of hedges (e.g., in relation to energy needs). Improved resilience and response to changes in raw material availability and price fluctuations in the supply chain.

Increased market competitiveness thanks to co-design activities with customers in the study and the creation of sustainable products (e.g., paper-based packaging, new packaging formats with a lower environmental impact).

Improved energy efficiency and reduced carbon footprint of manufactured machines.

Supply chain management

Our Procurement function comprises 290 persons, appropriately coordinated by the Central team, who make both direct and indirect purchases. Specifically, purchases are negotiated and managed by each Group Company.

With regard to our procurement strategies, the Group periodically evaluates and selects suppliers based on various criteria, including:

- technological and innovation capabilities;
- speed and reliability of responses to customer requests;
- financial soundness;
- management of health, safety and environmental matters;
- qualitative performance;
- economic competitiveness;
- financial rating.

Our supplier management strategy has two objectives: on one hand, to develop a robust local supply chain for machined parts in order to manage tight design and production schedules effectively and, on the other with regard to the suppliers of commercial components, to leverage the total volumes generated by the entire Group.

The Group also requires suppliers to meet the highest quality standards, in compliance with current regulations governing the health and safety of individuals and respect for the environment.

Accordingly, a system has been devised to map and periodically evaluate their performance using the Supplier Initial Survey (SIS). The evaluation parameters include the existence of management systems covering quality, production, facilities, punctuality, environmental sustainability and occupational health and safety.

The survey also promotes improvement efforts that seek to develop the value chain in terms of quality, sustainability and competitiveness.

In addition to this process, Coesia has established a risk assessment program for the deliveries from the suppliers of direct and, especially strategic, goods and services that are highly specialized and not easily replaceable. This analysis considers such criteria as financial stability, the existence of intellectual property rights, and the efficiency of the production plant and equipment used by the supplier.

Coesia has never limited assessment of the supply chain strictly to business matters, seeking to involve suppliers in continuous improvement processes, and encouraging responsible practices that lower environmental impacts

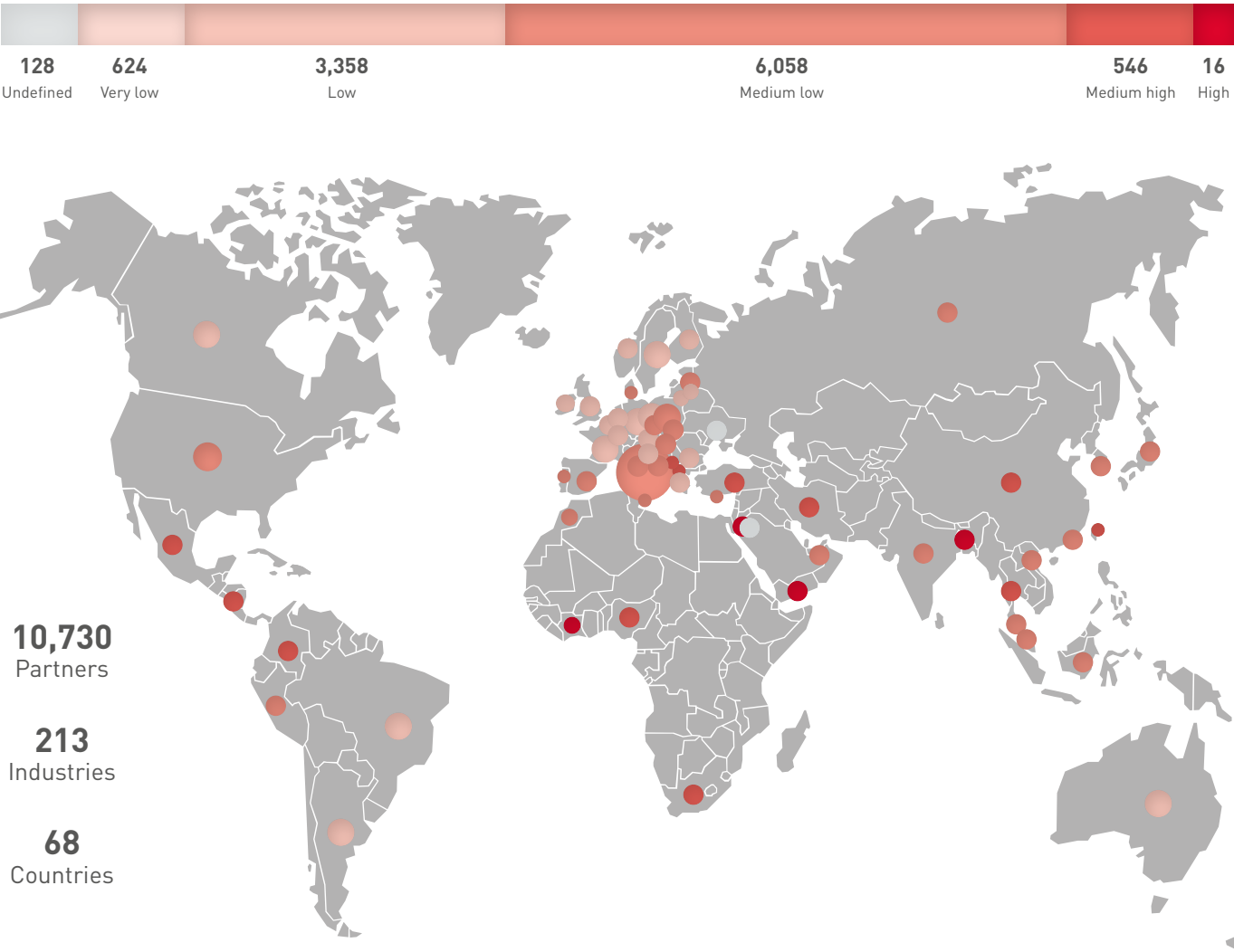
and improve working conditions. First, Coesia requires agreement with the principles that guide the Group, as expressed in the Suppliers' Code of Conduct, which references and explores the rules of conduct specified in our Code of Ethics, defining the conduct required of all suppliers in their commercial interactions with Coesia. The qualification processes for new suppliers also consider environmental matters. As part of the supplier involvement project, the plans for 2024 include the revision of these parameters based on the results of the risk assessment, so they can be evaluated more effectively.

In addition, the supply chain was mapped in 2023 using the EcoVadis methodology, which considers the country/

industry risk dimension to identify potential risks related to the infringement of human rights, environmental issues, corruption and other unethical practices in the supply chain (ESG risks).

Based on the results of this mapping, shown below, which involved over 80% of suppliers (about 11,000), Coesia has defined a two-year action plan that includes a more in-depth assessment of specific areas for improvement for all suppliers, starting from the “medium-high” level and followed by the definition of an action plan and possible on-site audits.

OVERALL RISK



OUR SUSTAINABILITY ROADMAP

To strengthen our commitment to the management of an ever more responsible and sustainable supply chain, the Group has established a sustainability program – the Sustainability Roadmap – to guide our procurement processes.

In this regard, the Suppliers' Code of Conduct has been updated in 2024 and applies to every supplier that establishes a commercial relationship with the Group.

The Suppliers' Code of Conduct references and explores the rules of conduct specified in our Code of Ethics, defining the conduct required of all suppliers in their commercial interactions with the Group.

Suppliers, in fact, are required to know and comply with the Suppliers' Code of Conduct, ensuring that their collaborators and business partners also comply with its provisions. It is essential that suppliers foster a climate of awareness and responsibility within their organizations, by actively promoting the principles of the Suppliers' Code of Conduct.

The Suppliers' Code of Conduct is available on the Group website:

<https://www.coesia.com/sites/default/files/2024-09/CodiceCondottaFornitori.pdf>

INITIATIVES IN FAVOR OF SUPPLIERS: REVERSE FACTORING PROGRAM AND LEARNING

The reverse factoring program, initiated in 2019, was confirmed again in 2023 so that suppliers can obtain low-cost credit on favorable terms.

The program has received positive feedback. In particular, the efforts of the Group to ensure the continuity of payments, even during uncertain times, is much appreciated.

Additionally, the training of suppliers to certain Group Companies has continued, with a view to understanding their internal processes and improving the reliability of their deliveries. Coesia seeks mutual benefits from these activities, since the suppliers concerned can leverage our acquired skills to improve their production processes and ability to provide goods and services.

GENERAL CONDITIONS OF PURCHASING AND IT SUPPORT

In order to harmonize the procurement procedures adopted by Group Companies, we have developed general conditions of purchasing that are now being rolled out worldwide.

The Group procurement portal was used actively by the various buying offices during 2023. They communicated and shared: procedures, analyses, best practices, status of ongoing initiatives, and the risk profiles of each supplier. The platform has enabled Coesia to improve the exchange of information. This IT support system helps to coordinate various activities at a central level.

Human rights in the supply chain

Coesia is committed to respecting and protecting the fundamental rights of all persons involved in the supply chain, whether they are workers directly employed by Group Companies or those who work for suppliers, subcontractors or other organizations involved in the production process.

In general, the majority of Group suppliers operate in contexts where the risk of human rights violations is not significant.

Via our Code of Ethics and the Suppliers' Code of Conduct, Coesia aims to raise awareness among our supply chain management personnel about human rights and the principal ethical standards to be upheld.

In particular, the Suppliers' Code of Conduct highlights the importance of protecting workers involved in the supply chain with regard to:

- their right to organize and associate freely, requiring recognition and respect for the right of workers employed by their suppliers to associate freely and engage in collective bargaining;

- the exploitation of child labor, requiring suppliers to adopt effective measures to prevent any risks arising from such practices;
- the exploitation of forced labor, requiring suppliers to grant their workers full rights to accept, refuse or terminate their employment at any time, without being subjected to threats, penalties or restrictions on personal freedom.

Group plans to update our supplier selection criteria in 2024 include considerations about their respect for human rights in the value chain.

For contracts that require the supplier to be present at Group locations, a qualification process checks the consistency of that presence with the service provided, the timely payment of social security contributions, and the existence of proper contracts with the personnel employed.

Management of goods and raw materials

Raw materials are a fundamental element of the machined parts designed by the technical offices of the Group.

The majority of purchased raw materials consist of semi-finished or finished components. Only a small portion is purchased directly for internal production. Specifically, the most significant portion of expenditure on semi-finished goods (70%) is incurred for steel, followed by aluminum (20%) and, to a lesser extent, by stainless steel and polymers (5%). With regard to packaging materials, almost all expenditure (89%) is incurred for wood, while smaller amounts are spent on plastics (8%) and paper (3%).

At a strategic level, Coesia diversifies the suppliers of raw materials to reduce our dependence on them and, at the same time, mitigate the risk of supply chain disruptions.

The diversification process involves identifying alternate suppliers in different geographical regions or seeking suppliers with flexible production capacity.

The goal of the Group is to develop a supplier base capable of addressing current global market challenges, including the shortage of electronic components, logistic difficulties, fluctuations in the energy market, and climate change.

In this regard, Coesia has implemented an inventory management system designed to avoid excessive and/or insufficient stocks of raw materials. This allows the Group to plan orders based on forecast demand and reduce the risk of holding obsolete raw materials and finished products. Packaging materials, on the other hand, are recycled and reworked.

In the context of the Sustainability Roadmap, Coesia also intends to introduce environmental and sustainability criteria into the processes followed for the procurement of goods and raw materials.

Furthermore, Coesia remains committed to reducing the lead times for machine purchases and deliveries, thus improving service levels and the sequencing of assembly work and document preparation.





Creating value for stakeholders

The creation of sustainable economic, social and environmental value for all stakeholders is a top priority for Coesia. We distributed 91.4% of the economic value generated by the Group to our stakeholders in 2023.

6.1

Value distributed to the stakeholders

The economic value generated directly by the Coesia Group in 2023 totaled 2,221 million euros, up by 4.8% compared to 2022 (2,118 million euros) and by 6.4% compared to 2021 (2,087 million euros).

Of the overall economic value generated in 2023, 91.4% – 2,030 million euros – was distributed to our stakeholders, representing an increase of 3.3% compared to 2022 and of 8.5% compared to 2021.

The majority of the value distributed, 1,292 million euros (58.2% of the total), went to suppliers in the form of operating costs, up by 1.1% compared to 2022 and by 5.8% compared to 2021. This was followed by our workers, who received 658 million euros or 29.6% of the total generated (+6.9% compared to 2022 and +13.4% compared to 2021).

A smaller portion of the value generated was allocated to investors, 40 million euros (1.8% of the total generated), and to the Public Administration, 38 million euros (1.7% of the total generated), up respectively by 17.6% and 5.5% compared to 2022.

In 2023, we reaffirmed our commitment to the local communities in which we operate by allocating 2 million euros to initiatives for their benefit (1 million euros in 2022). Further information about the principal initiatives financed is provided in section 6.2 “Relations with the community”.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED – AMOUNT (M€)

	2021*	2022*	2023
Direct economic value generated	2,087	2,118	2,221
Economic value distributed	1,871	1,964	2,030
Suppliers	1,221	1,278	1,292
Workers	580	615	658
Capital providers	34	34	40
Public Administration	31	36	38
Local Communities	5	1	2
Economic value retained	216	154	191

* Following improvements made to the calculation methodologies and to ensure comparability, the economic value generated and distributed in 2021 and 2022 has been restated with respect to the amounts published in the previous Sustainability Report. The data published previously is available in the Sustainability Report for 2022, which can be downloaded from the Group website: www.coesia.com.

6.2

Relations with the community

The Coesia Group is committed to supporting the well-being of the local communities in which we operate. Each Group Company actively promotes collaborations, relationships and partnerships with local bodies, institutions and associations. This commitment translates into practical initiatives that contribute to the growth and improvement of the communities concerned, strengthening the ties between Coesia and the territories in which we operate.

Coesia supports various projects on such topics as social inclusion, disabilities and immigration, and collaborates with institutions, foundations, NGOs and non-profit organizations on scientific research, and in the areas of health, culture, education, and sport.

During 2023, 60% of Coesia Group Companies (12 out of 20) supported local communities with donations.

COESIA PARTICIPATED IN THE “HELP FOR EMILIA-ROMAGNA” REGIONAL FUND-RAISING INITIATIVE

In May and June 2023, the Emilia-Romagna region was hit by a devastating flood and landslides, caused by unprecedented rainfall, that left seventeen victims and massive damage.

Coesia supported the emergency fund-raising initiative entitled “Un aiuto per l'Emilia-Romagna” (Help for Emilia-Romagna) by donating € 800,000 to the Emilia-Romagna Territorial Security and Civil Protection Agency.

LEARNING AND GROWTH OF KNOWLEDGE: THE ROOTS OF INNOVATION FOR COESIA

Coesia Companies are committed to innovation, both internally and in the local territories in which they operate. We collaborate with institutions and, in particular, with universities to promote a virtuous cycle that facilitates the growth of knowledge, spreading it within the Group and to our local communities.

Group Companies have always maintained special ties with the University of Bologna. This long-term collaboration has resulted in the development of numerous joint R&D projects, internships and training programs for students, as well as constant academic-industrial interaction that has enriched both parties. For example, Coesia has partnered with the degree courses in Industrial Product Design and Advanced Design, as well as with the degree course in Mechatronics, since their inception.

In addition to continuation of the three-year research doctorates activated in 2022 with the University of Bologna and the Polytechnic University of Turin, further doctorates on various topics were added in 2023. These are consistent with the academic collaboration active in such research areas as advanced engineering sciences, computer science, sustainable processes, and energy transition systems.

We further strengthened our ties and those of the MAST Foundation with the University of Bologna, by signing a framework agreement in 2023.

Specifically, this collaboration is intended to stimulate the development of engineering and patent-related projects, encourage the creation of start-ups and support the training of UNIBO students, as potential future Coesia employees.

This privileged relationship continues to represent a fundamental pillar for innovation and growth, both for our Group - which benefits from the scientific and innovative expertise of the University - and for the University which, in turn, can benefit from our technological know-how and practical experience.

The Istituti Tecnici Superiori (ITS) are Foundations established in Italy in 2008. Their founding members include companies, local authorities, higher technical institutes, universities, and training institutions.

Among our Group Companies, G.D has been a member of the ITS Maker Foundation, the Higher Institute for Mechanics, Mechatronics, Automotive Engineering, and Packaging of Emilia-Romagna, since its establishment. The Company participates actively in the governance of the Institute, contributes to its courses via the work of its engineers and, each year, welcomes at the Group Companies based in Bologna two apprentices on the two-year post-diploma program.

COESIA AND MAST FOUNDATION: A COLLABORATION ALSO FOR THE NEW GENERATIONS

MAST is a model for business-community integration, where spaces and content - from the Nursery School to the Gallery, from the Auditorium to the Corporate Restaurant - are made available as a shared cultural platform to our employees and the community.

The MAST Foundation aspires to be an open place where every citizen has access to learning, the arts, and photography, through a program of cultural activities offered free of charge. It represents a cultural destination that stimulates and attracts, combining the growth and well-being of individuals.

THE GALLERIES OF THE MAST FOUNDATION

The Innovation Gallery is an experiential learning area focused on technology and innovation. Starting from certain technical solutions made available by the Coesia Group, the interactive and multimedia itinerary offers visitors to various exhibits an opportunity to experiment and develop new knowledge.

The MAST Photo Gallery is an exhibition space that hosts temporary photographic exhibitions on the themes of industry and work. The exhibition program alternates thematic and monographic projects, historical exhibitions, and proposals from contemporary authors, drawn from the MAST collection, which counts about 10,000 photographs and works, or from other archives, international institutions, and private collections. Each exhibition is accompanied by a program of talks, meetings with protagonists from the world of photography, and film reviews hosted in the MAST Auditorium, as well as

by workshops for children and young people, that are free and open to the public.

Through its activities, the MAST Foundation promotes a cultural process aimed at opening a dialog between generations, investing especially in programs dedicated to the new generations: starting from their early years with the Nursery School, continuing with the Summer Camp and the paths for building transversal skills and orientation, and concluding with the Summer School for high school students in their final years.

During 2023, MAST continued with its initiatives in favor of the socio-cultural development of local communities, focusing efforts on the development of activities strongly oriented towards education and teaching, partly via the sponsorship of new cultural activities, including exhibitions designed for families and children.

MAST NURSERY SCHOOL

The MAST Nursery School is an innovative educational service, open both to the children of Coesia workers based in Bologna and to the wider community, that offers a high-quality pedagogical experience to over 100 children aged between three months and five years. Active since 2012, the Nursery School is a place for meeting, discovery, experimentation and research for children, teachers and families, with cutting-edge educational programs inspired by the Reggio Children Approach. Spread over an area of more than 1,000 square meters and surrounded by a garden with a playground, the Nursery School has been designed as a space where light, colors and the environment are an integral part of the educational project.

COESIA SUMMER CAMP

The Coesia Summer Camp has been organized in collaboration with the MAST Foundation and LGS SportLab for seven consecutive years. It is a project for the children, aged between six and thirteen, of our employees in the Bologna area. The camp offers sports activities and creative workshops to approximately 143 children in order to promote their social and emotional development.

SUMMER SCHOOL

In July 2023, twenty-two third and fourth-year secondary school students drawn from the whole of Italy participated in the seventh edition of the Summer School, a residential educational initiative promoted in collaboration with the MAST Foundation and the Regional School Office for Emilia-Romagna. This project envisages eight days of intensive training and orientation on such cutting-edge topics as Artificial Intelligence and the Internet of Things. It includes laboratory and team-building activities with engineers, managers, and researchers from the worlds of business and the universities, sharing and alternating study sessions with talks from national guests.

EXPEDITIONS

This is a project for building transversal skills and orientation, active since 2015, carried out in collaboration with the MAST Foundation and the Regional School Office for Emilia-Romagna. It is aimed at third-year high school students and proposes an 80-hour learning path focused on technological innovation and practical knowledge of the business world. The program is designed to stimulate interest in the culture of work and entrepreneurship. In 2023, over 700 students drawn from 29 classes were involved in projects ranging from Industrial Automation to Artificial Intelligence, Packaging Design, Product Marketing, and Sustainability.

OUR PARTICIPATION IN FID

FID (Fare Impresa in Dozza – Doing Business in Dozza) is a social enterprise established in 2010 by three of the leading industrial companies in Bologna (G.D, IMA and the Marchesini Group) and Fondazione Aldini-Valeriani, which were later joined by the FAAC Group. FID has operated in the Dozza prison in Bologna since 2012, where activities continued in 2023 after having celebrated the 10th anniversary in 2022. The mission of FID is to offer inmates a real opportunity to return to civil society after having served their sentence.

Around fifteen inmates benefited from this project in 2023. Following their release, three of these found employment with the suppliers of member companies.

The core business of FID is the execution of custom mechanical machining for its members. This allows the workers employed with permanent contracts to acquire the skills needed to find stable employment following their period of incarceration.

The commitment is to ensure that FID, despite operating within the prison, is as similar as possible to other companies in the area.

Activities are carried out under the guidance of retirees from the member companies who act as tutors, providing professional guidance and encouraging personal growth. A total of eight tutors were active in 2023.

During the year, fifteen FID employees participated in a course promoted by the Aldini-Valeriani Foundation. This updated their technical-professional skills in the areas of engineering design and production, and developed their cross-functional skills in the areas of interpersonal collaboration and teamwork.

During 2023, Professor Alvise Sbraccia from the University of Bologna and Valerio Pascali were entrusted with a research project to evaluate the training and work placement program initiated ten years earlier by FID. The research concluded with a publication entitled “La fabbrica in carcere e il lavoro all'esterno: uno studio di caso su Fare Impresa in Dozza,” (The Factory in Prison and Work Outside: a case study on FID - Doing Business in Dozza) that was presented in June 2023 at the MAST Foundation Auditorium.

ASSOCIATIONS TO WHICH COESIA COMPANIES BELONG

To express our interest in the territory, Coesia joins industry associations and other organizations active in the areas in which we operate.

ACMA, the Italian branch of FLEXLINK, G.D and SASIB are members of UCIMA, the Italian Packaging Machinery Manufacturers' Association.

G.D, SASIB, ACMA, CIMA, COMESCA and SYSTEM CERAMICS are members of Confindustria Emilia.

Coesia, G.D, ACMA, CIMA, and SASIB are members of the “Friends of the Museum of Industrial Heritage” Association, which supports the activities of the museum with a view to promoting the historical-industrial culture of Bologna and its territory, from the 14th-century silk mills through to contemporary innovations.

To highlight the importance of sustainability and CSR goals, Coesia is a member of both Impronta Etica, an association that promotes them with companies mainly located in the Bologna area, and Sustainability Makers, which is more active nationwide.

Lastly, in 2023 Coesia joined EUROOPEN, an international NGO that represents the packaging industry and its value chain.



GOVERNANCE





Commitment to responsible conduct

Group Companies operate in conformity with the mission, values and guidelines contained in the Coesia Code of Ethics, complying with the domestic and international laws and regulations applicable in the countries in which they are active. They are exposed to the risks and uncertainties usually faced by those operating internationally.

7.1

Ethical management of the Group

Ethical conduct is a fundamental pillar of entrepreneurial action and plays a central role in corporate responsibility, as a cultural stimulus that fosters and enhances social relations, underpinning the daily work of the Group.

The value of Coesia is founded not only on our ability to work in compliance with laws and regulations, but also on our commitment to go beyond mere compliance, acting in line with the values and principles of conduct embodied in our Code of Ethics.

With the goal of promoting a system that encourages responsible behavior, Coesia has developed numerous tools and processes to ensure the maintenance of high ethical standards by all employees and partners of the Group.

Our commitment to ethical business is rooted in the values of the Group, as defined in our Code of Ethics. This document, together with the Anti-corruption Guidelines, the Organization, Management and Control Model pursuant to Decree 231/2001 (231 Model), the

Whistleblowing Procedure and the training provided on business ethics, creates a solid system for the prevention of crimes and offenses at Group level. As confirmation of our commitment to business ethics, during the three-year period 2021-2023 there were no:

- confirmed episodes of corruption;
- infringements of laws and regulations on social and economic matters;
- legal actions for anti-competitive behavior, anti-trust or monopoly practices;
- cases of discrimination;
- cases reported to the Supervisory Body;
- significant reports about matters governed by the Code of Ethics.

CODE OF ETHICS

Coesia has long adopted a Code of Ethics to promote social and environmental responsibility, and improve the quality of life in the local communities in which we are present. Since 2010, all Italian Group Companies have adopted a Code of Ethics, which was introduced on an experimental basis in 2008. Between 2014 and 2017, this was extended internationally to all Group Companies.

The current Code of Ethics, based on our values and corporate mission, promotes collectively, structurally and continuously, the project and concept of social responsibility at all Group Companies and in our relations with stakeholders. In addition to the Group Code of Ethics, the related Suppliers' Code of Conduct specifies our expectations for the behavior of suppliers, which are required to sign it.

In 2024, Coesia published new versions of the Code of Ethics and the Whistleblowing Procedure in twenty-three languages. The latter will provide the basis for local procedures, as required by domestic legislation in Brazil and, following the adoption of the Directive (EU) 2019/1937, in Italy, Poland, the Czech Republic, Sweden and Spain.

A new Suppliers' Code of Conduct has also been published. Specific training will follow to ensure full understanding and compliance with the ethical and sustainability standards promoted by the Coesia

Group. More details about the Suppliers' Code of Conduct are available in Chapter 5 "Supply Chain Management".

The Coesia Code of Ethics is available on the Group website:

<https://www.coesia.com/it/group/corporate-governance/business-ethics>.

Anti-corruption Guidelines and Organization, Management and Control Model

Considering the different economic, institutional, social and cultural contexts in which Coesia operates, the Group is responsible for acting in compliance with the laws and regulations applicable in the various countries in which it operates. Our commitment to fight corruption is a reflection of Group values, our conduct and the Anti-corruption Guidelines, which have been translated into 12 languages to promote the highest standards in all business relations and are included in our employment contracts.

The Coesia Companies based in Italy have adopted an Organization, Management and Control Model (231 Model), which is overseen by the Supervisory Body (SB) to ensure that the Group complies with Italian Decree 231 dated June 8, 2001.

We updated our own 231 Model in 2022, together with those of all other Italian Group Companies, following an increase in the types of offense identified in the legislation, including tax crimes and those related to adoption of the PIF (Protection of Financial Interests) Directive. This update also took into account the evolution of case law on corporate responsibility and the most recent guidelines on the subject issued by Confindustria. In particular, the main objectives of the measures adopted were to:

- update and identify, based on the provisions of Italian Decree 231/01, the theoretical offenses of relevance to the Group;
- revise the areas at risk that are potentially applicable, based on the nature of our activities and the characteristics of our business processes;

- adjust the current list of protocols/controls to cover the offenses identified in Italian Decree 231/01;
- update the Organizational Models of Group Companies, in line with the latest best practices (Confindustria guidelines, updated in 2021).

Prior to the update, a comprehensive review of the risk assessment was performed. This involved analysis of the theoretical offenses of relevance and the main potential ways in which they could be committed, as well as the identification of sensitive activities and related preventive controls. The resulting information was then used to update the 231 Model.

The SB plays a central role in implementing the 231 Model by ensuring an appropriate flow of information to the competent corporate bodies, so that the established management and control measures can be implemented properly. Specifically, the SB sends periodic reports to the Board of Directors and the Board of Statutory Auditors. Additionally, the SB reports all significant events promptly, such as possible infringements of regulatory or procedural instructions that might result in the commitment of offenses identified in Italian Decree 231/2001. The SB was not informed about any issues during the reporting period.

The whistleblowing procedure

Many years ago, Coesia established a whistleblowing procedure for the communication of alleged infringements of the Code of Ethics, domestic and international legislation, and Italian Decree 231/2001. In 2023, Coesia also adopted a specific whistleblowing procedure, required by Italian Decree 24/2023, for Group Companies based in Italy.

The purpose of this procedure is to govern the receipt, assessment, analysis and management of reports, defining the related roles and responsibilities. Report management is entrusted to an Ethics Committee, which assesses reports independently, guaranteeing impartiality and confidentiality.

Communication of business ethics and training

Coesia strongly supports a system of communications that raises awareness throughout the organization about corporate ethical standards. For this reason, everyone who joins the Coesia world receives the Code of Ethics and the Anti-Corruption Guidelines.

All Group managers and those who play key roles in this field follow a training program on anti-corruption principles. Additionally, Coesia disseminates this program to all new hires via the e-learning platform.

EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING IN 2023

PROFESSIONAL CATEGORY	NUMBER OF EMPLOYEES
Senior Management	13
Middle Management	62
Professionals	375
Technical Roles	306
TOTAL	756

Coesia plans to develop new projects that provide comprehensive training on a wide range of topics, including those related to anti-corruption and whistleblowing procedures. Following issue of the new Group Code of Ethics and Whistleblowing Procedure, Coesia intends to provide training on whistleblowing to all employees. Those working for Italian Companies will also receive a refresher on the concepts behind the administrative responsibilities of legal persons pursuant to Italian Decree 231/2001.

7.2

Internal control and risk management

Risks and opportunities

We actively seek to identify potential risk factors related to its activities, not only to minimize their impact, but also to focus on the opportunities arising from such assessments, in order to consolidate and even increase our competitive advantage.

Coesia manages risks and opportunities using an integrated strategy in the operational model that applies to all Group Companies. This approach ensures that

the impact of all types of risk, both internal (strategic, financial, operational, compliance) and external, is identified and minimized.

When managing sustainability issues, Coesia evaluates the risks and opportunities relating to the business, our operating environment, global trends, and financial, reputational and social factors, as well as the external risks linked to natural events.

Internal control system

Coesia has implemented an Internal Control System (ICS) that ensures adequate control over business risks, the effectiveness and efficiency of operational processes, the safeguarding of assets, the completeness, reliability and timeliness of accounting and operational information, and compliance with laws, regulations, directives and procedures. To achieve this, the Group has adopted and implemented a set of rules, procedures and organizational structures that provide reasonable assurance about the achievement of our

objectives. Application of the “segregation of duties” principle, which assigns the various phases of a process (authorization, execution, and control) to different persons, in order to prevent errors or infringements and ensure mutual control, is an essential element of the ICS. The reporting system and the assignment of decision-making responsibilities based on a system of delegated powers and mandates are additional core elements of the control structure.

Internal Audit

Although complete understanding and management of the risks faced by Group Companies is required by them and the various business functions, Internal Audit assists the organization in these activities with a systematic approach designed to assess and improve our risk management, control and governance processes. In this light, Internal Audit objectively and independently evaluates the overall risks at each Company, reviews the adequacy of the internal control system, verifies the effectiveness and efficiency of operational and financial processes, and ensures compliance with laws, regulations, and applicable standards, including those in the HSE field.

Coesia conducted 22 audits in 2023: no significant matters were identified and most were of a formal nature. A total of 28 audits are planned during 2024. Between the end of 2022 and the start of 2023, Coesia defined a

three-year plan (2023-2026) for internal audit activities, based on the results of a risk assessment of the various legal entities within the Group. This plan includes three activities aimed at redefining certain procedures that govern internal business processes.

The activities addressed by the three-year plan focus on the following areas:

- management of the investment in R&D;
- measurement and management of work in progress;
- definition and management of the risk associated with sales and credit control;
- development and administration of a Group Enterprise Risk Management system, covering ESG risks as well, via periodic self-assessment activities.

Sanctions

We conduct our business activities in accordance with ethical principles and in compliance with all national and international laws and regulations.

Given our global reach, the Group operates in compliance with the various export control regulations and international sanctions, and has established a set of procedures to prevent infringements or irregularities in the conduct of our business.

In general, the Group:

- prohibits business transactions with natural or legal persons on asset freeze lists, with the specially designated nationals and blocked persons identified by OFAC, and with persons subjected to sanctions by the EU or any competent authority;
- prohibits business transactions with entities owned or controlled by entities included on the above lists;

- prohibits or restricts business transactions with certain countries or territories: for example, EU companies and citizens are subject to restrictions when carrying out business transactions with Russia, Belarus, etc.;
- prohibits transactions or, more generally, conduct designed or intended to avoid applicable sanctions or other restrictive measures, or to facilitate the infringement of such measures.

To prevent or mitigate the risk of sanctions and ensure compliance, the Group applies specific controls that include screening and due diligence work on counterparties and the goods to be exported.

Privacy

From 2023, the responsibilities of the Legal function include the management of privacy-related matters.

Our attention to privacy management is evidenced by the fact that there were no privacy breaches, or losses of sensitive customer data, during the three-year period

2021-2023. The Group works constantly to comply in full with the latest data security regulations, even updating our policies on website cookies to ensure maximum transparency for all stakeholders.

Cyber Security

The complexity of the current environment exposes organizations to new risks, whose effects might be severe: economic losses, reputational damage, loss of sensitive data, penalties, and suspensions of service.

In a global landscape where organizations focus on digital transformation and the management of services and remote activities, cyber attacks have become ever more sophisticated, exploiting a high degree of vulnerability in distributed IT infrastructures.

Against this background, Coesia recognizes the need to protect information adequately and minimize potential harmful effects on our activities, adopting a structured and uniform approach globally, based on cutting-edge security processes and standards.

In this regard, a supporting Cyber Security strategy backed by the NIST Cyber Security Framework (CSF) has been defined to help us achieve our business objectives, while maintaining an acceptable level of risk. This strategy consists of four main elements:

- embedding security controls into digital product development processes, in line with the principle of security by design;
- enhancing the protection of corporate IT assets, especially our intellectual property rights;
- establishing effective event management, in order to ensure the continuity of business operations;
- creating and maintaining a culture of security within the Group.

Operationally, this strategy translates into a long-term roadmap for initiatives designed to increase the cyber security maturity of the Group.

The Group Information Security Policy, adopted in 2019, defines a set of information security principles that respected and adopted by all Group Companies. The objective is to ensure a consistent level of protection against threats related to the use of information technologies and industrial systems for business support purposes.

An Information Security Committee was established in 2023, bringing together various departments, including Cyber Security, Internal Audit, Corporate Governance, IT and HR, with the task of issuing security policies and procedures, keeping them updated, and supporting the development of the programs envisaged in the evolutionary roadmap. The first activities will include updating of the Information Security Policy.

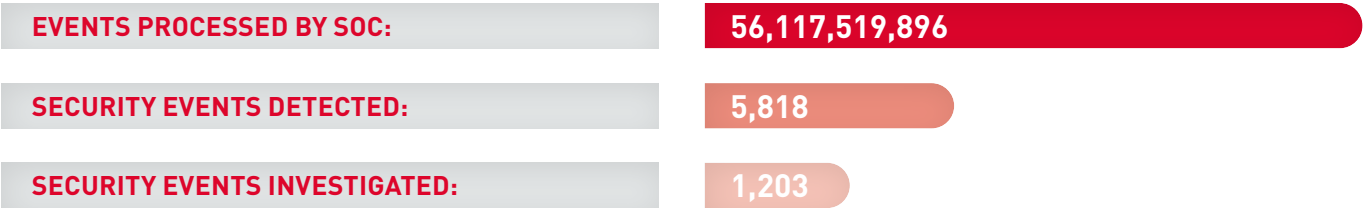
The activities of the Global Security Operation Center were consolidated during 2023 by streamlining the existing services and optimizing the technology used to track and manage security events in an optimal manner, as required by the reference standards.

With respect to the GRI indicators, Coesia has implemented policies and procedures to manage security events and include reference to them in published reports, where possible.

GLOBAL SECURITY OPERATION CENTER
(SOC) STATISTICS IN 2023

The number of events processed by the SOC increased to 56,117,519,896 in 2023, due to expansion of the monitoring perimeter, while the number of security events detected fell by 10% compared to 2022. This decrease is explained by the work carried out to streamline reporting, and the

detection of false positive events. There was a 26% rise in the number of security events investigated in 2023, consistent with the expansion of the global operating environment.



PREVENTION OF CYBER ATTACKS

In order to protect our IT assets, new protection technologies have been implemented to identify attacks not only by viruses or malware, but also by the advanced persistent threat (APT) techniques employed by organized criminal groups.

Since not all attacks can be prevented, it is crucial to invest in event response capabilities, improving the

ability of our organization to mitigate threats and restore service continuity.

Accordingly, an evolutionary path has been devised to expand the functionality of the Global Security Operation Center, enabling the SOC not only to detect security events on a timely basis, but also to employ automated procedures that actively counter cyber attacks.

GRI CONTENT INDEX

Declaration of use

Coesia has reported in accordance with the GRI Standards for the period from 01.01.2023 to 12.31.2023.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
GRI 2: General disclosures 2021					
The organization and its reporting practices					
2-1	Organizational details	20-22			
2-2	Entities included in the organization's sustainability reporting	10; 20-21			
2-3	Reporting period, frequency and contact point	10			
2-4	Restatements of information	10			
2-5	External assurance	10			
Activities and workers					
2-6	Activities, value chain and other business relationships	23; 106-111			
2-7	Employees	72			
2-8	Workers who are not employees		a) b) c)	Not reported, since unavailable at the report preparation date. The Group is developing a more precise data collection process so that this information can be provided in future reports.	
Governance					
2-9	Governance structure and composition	28-29			
2-10	Nomination and selection of the highest governance body	28-29			
2-11	Chair of the highest governance body	29			
2-12	Role of the highest governance body in overseeing the management of impacts	28			
2-13	Delegation of responsibility for managing impacts	28			
2-14	Role of the highest governance body in sustainability reporting	28			
2-15	Conflicts of interest	29			
2-16	Communication of critical concerns	125			
2-17	Collective knowledge of the highest governance body	28			
2-18	Evaluation of the performance of the highest governance body	28			
2-19	Remuneration policies		a) b)	omission due to data confidentiality	Coesia is not a listed company, so this information is omitted for privacy reasons and to protect the confidentiality of the parties involved.
2-20	Process to determine remuneration		a) b)	omission due to data confidentiality	Coesia is not a listed company, so this information is omitted for privacy reasons and to protect the confidentiality of the parties involved.
2-21	Annual total compensation ratio		a) b) c)	omission due to data confidentiality	Coesia is not a listed company, so this information is omitted for privacy reasons and to protect the confidentiality of the parties involved.

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	3			
2-23	Policy commitments	94-97; 112; 124-125			
2-24	Embedding policy commitments	8-9; 112			
2-25	Processes to remediate negative impacts	36-39			
2-26	Mechanisms for seeking advice and raising concerns	125			
2-27	Compliance with laws and regulations	124-125			
2-28	Membership associations	119			
Stakeholder engagement					
2-29	Approach to stakeholder engagement	34-35			
2-30	Collective bargaining agreements	90			
Material topics					
GRI 3: Management of material topics (2021)					
3-1	Process to determine material topics	36			
3-2	List of material topics	37-39			
3-3	Management of material topics	37-39			
MATERIAL TOPIC: Economic performance					
GRI 201: Economic performance (2016)					
3-3	Management of material topics	37-39; 116			
201-1	Direct economic value generated and distributed	116			
MATERIAL TOPIC: Sustainability of the supply chain					
GRI 204: Procurement practices (2016)					
3-3	Management of material topics	37-39; 107			
204-1	Proportion of spending on local suppliers	107			
GRI 308: Supplier environmental assessment (2016)					
308-1	New suppliers that were screened using environmental criteria	110			
GRI 414: Supplier social assessment (2016)					
414-1	New suppliers that were screened using social criteria		a)	No new suppliers were screened using social criteria during the reporting period	
MATERIAL TOPIC: Ethics, integrity and anti-corruption					
GRI 205: Anti-corruption (2016)					
3-3	Management of material topics	37-39; 124; 126			
205-2	Communication and training about anti-corruption policies and procedures	126			
205-3	Confirmed incidents of corruption and actions taken	124			

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
GRI 206: Anti-competitive behavior (2016)					
3-3	Management of material topics	37-39; 124			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	124			
MATERIAL TOPIC: Data protection and Cyber Security					
GRI 418: Customer privacy (2016)					
3-3	Management of material topics	37-39			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			During 2023, no reports were received concerning breaches of customer privacy or losses of sensitive data.	
MATERIAL TOPIC: Climate change					
GRI 302: Energy (2016)					
3-3	Management of material topics	37-39; 56-63			
302-1	Energy consumption within the organisation	58			
302-3	Energy intensity	7; 59			
302-4	Reduction of energy consumption	57			
GRI 305: Emissions (2016)					
305-1	Direct (Scope 1) GHG emissions	61-62			
305-2	Indirect (Scope 2) GHG emissions from energy consumption	61-62			
305-3	Other indirect (Scope 3) GHG emissions	61-62			
305-4	GHG emissions intensity	63			
MATERIAL TOPIC: Waste management					
GRI 306: Waste (2020)					
3-3	Management of material topics	34-40; 64-65			
306-1	Waste generation and significant waste-related impacts	64-65			
306-2	Management of significant waste-related impacts	64-65			
306-3	Waste generated	64-65			
306-4	Waste diverted from disposal	64-65			
306-5	Waste directed to disposal	64-65			
MATERIAL TOPIC: Circular Economy					
GRI 301: Materials (2016)					
3-3	Management of material topics	37-39			
301-1	Materials used by weight or volume		a)	Not reported, since unavailable at the report preparation date. The Group is developing a more precise data collection process so that this information can be provided in future reports.	

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
MATERIAL TOPIC: Employment					
GRI 401: Employment (2016)					
3-3	Management of material topics	37-39; 80-83			
401-1	New employee hires and employee turnover	81-83			
MATERIAL TOPIC: Occupational health and safety					
GRI 403: Occupational health and safety (2018)					
3-3	Management of material topics	37-39; 94-99			
403-1	Occupational health and safety management system	94			
403-2	Hazard identification, risk assessment, and incident investigation	96			
403-3	Occupational health services	99			
403-4	Worker participation, consultation and communication on occupational health and safety	96			
403-5	Worker training on occupational health and safety	96-97			
403-6	Promotion of worker health	94			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	96			
403-8	Workers covered by an occupational health and safety management system	96			
403-9	Work-related injuries	99			
403-10	Work-related ill health	99			
MATERIAL TOPIC: Learning and professional growth					
GRI 404: Training and education (2016)					
3-3	Management of material topics	37-39; 85; 89			
404-1	Average hours of training per year per employee	85			
404-3	Percentage of employees receiving regular performance and career development reviews	89			
MATERIAL TOPIC: Employment conditions, well-being and welfare					
GRI 401: Employment (2016)					
3-3	Management of material topics	37-39; 90-92			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	90-92			

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
MATERIAL TOPIC: Diversity, equal opportunities and inclusion					
GRI 405: Diversity and equal opportunity (2016)					
3-3	Management of material topics	34-40; 74-76; 118			
405-1	Diversity of governance bodies and employees	74-76			
GRI 406 Non-discrimination (2016)					
406-1	Incidents of discrimination and corrective actions taken	124			
MATERIAL TOPIC: Social dialog and union relations					
GRI 402: Labor/management relations (2016)					
3-3	Management of material topics	37-39			
402-1	Minimum notice periods regarding operational changes			In the event of significant operational changes, Group employees are granted the minimum notice period envisaged in collective labor agreements and corporate regulations.	
MATERIAL TOPIC: Value creation for the community					
GRI 413: Local communities (2016)					
3-3	Management of material topics	37-39; 117-119			
413-1	Operations with local community engagement, impact assessments and development programs	117-119			
MATERIAL TOPIC: Respect for human rights					
GRI 407: Freedom of association and Collective bargaining (2016)					
3-3	Management of material topics	37-39; 79; 112			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	79; 112			
GRI 408: Child labor (2016)					
408-1	Operations and suppliers at significant risk for incidents of child labor	79; 112			
GRI 409: Forced or compulsory labor (2016)					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	79; 112			
MATERIAL TOPIC: Sustainable product and portfolio innovation					
GRI 416: Customer health and safety (2016)					
3-3	Management of material topics	37-39; 100			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	100			

GRI Standard	Disclosure	Location / notes	Omission		
			OMITTED REQUIREMENT(S)	REASON	EXPLANATION
MATERIAL TOPIC: Product safety					
GRI 416: Customer health and safety (2016)					
3-3	Management of material topics	37-39; 100			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	100			
OTHER MATERIAL TOPICS					
MATERIAL TOPIC: Security					
3-3	Management of material topics	37-39			
MATERIAL TOPIC: Customer satisfaction					
3-3	Management of material topics	37-39			
MATERIAL TOPIC: Energy efficiency					
3-3	Management of material topics	37-39			
MATERIAL TOPIC: Professional development and talent management					
3-3	Management of material topics	37-39			
MATERIAL TOPIC: Digitalization					
3-3	Management of material topics	37-39			

Thank you to everyone who contributed to the preparation of our Sustainability Report 2023.

All information and data were collected, managed and combined centrally.

Consistent with our environmental sustainability policy, this document is only available in digital format.
Printed copies will be made available on request.

All feedback from readers is most welcome in our constant pursuit of sustainability.

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Sustainability Report
2023