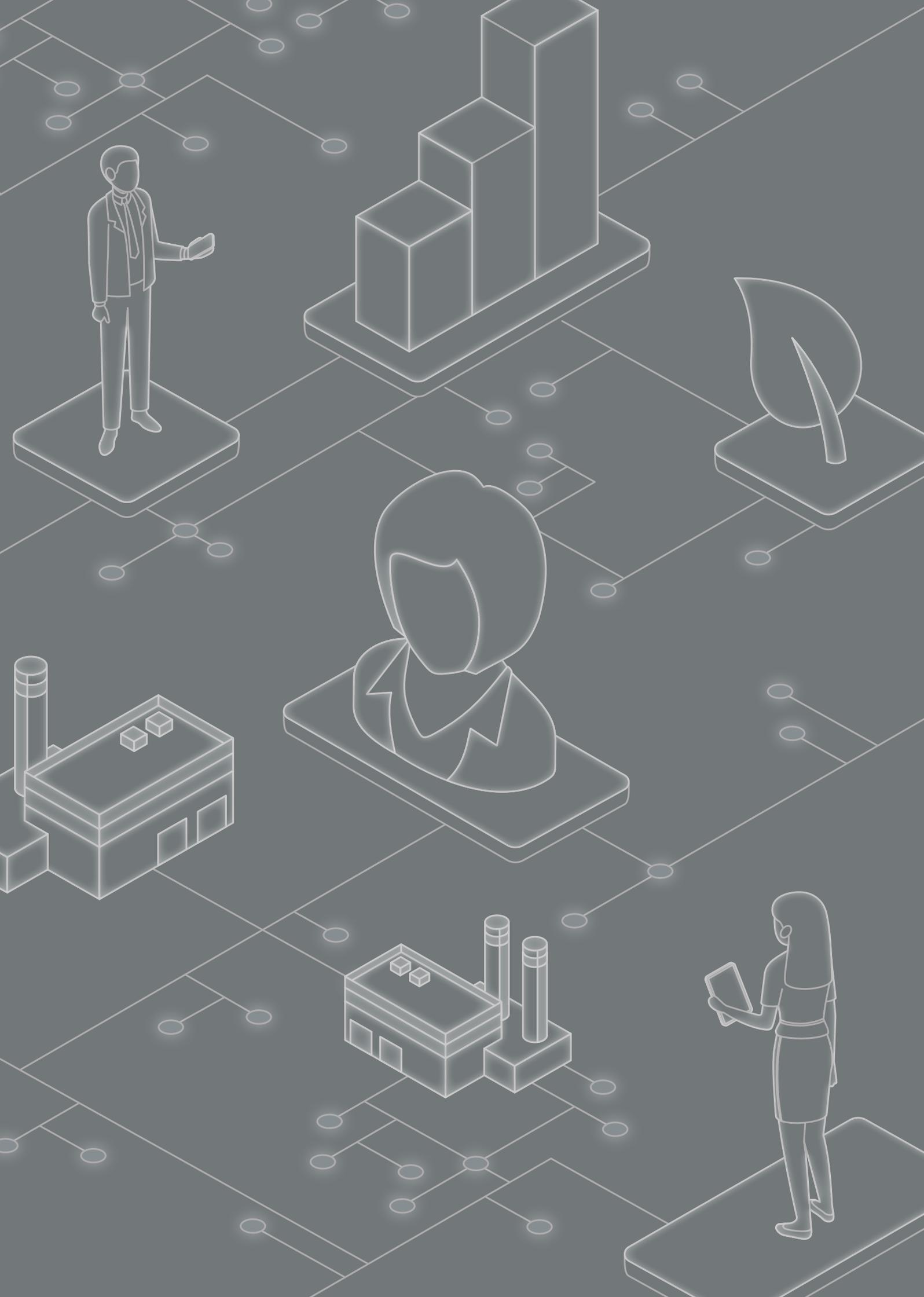




Sustainability Report
2021

coesia



Bologna, November 2022

Coesia's 2021 Sustainability Report, in continuity with previous ones, illustrates the Group's commitment to creating sustainable economic, social, and environmental value for all our stakeholders in a year of partial recovery after the shock caused by the 2020 pandemic crisis.

Coesia confirms the desire to pursue a long-term sustainable growth model, focused on health and labor protection, on the promotion of a shared sense of responsibility on social and environmental issues also in this complex socio-economic context, which was made more uneven by the consequences and impacts of Covid. The objective of the Group Companies' activities is, first and foremost, to bring value to the territories and communities in which they operate.

This edition of the Sustainability Report is also aligned with the *Global Reporting Initiative (GRI) Sustainability Reporting Standards*. As such, the data collected in this report describe the Group and its 21 Companies' active participation, as well as the results achieved in terms of development and, at the same time, cohesion.

With over 8,000 employees from 73 nationalities in 35 countries, Coesia is a productive and social ecosystem of which every person is an integral part. In fact, our people, with their talent, passion, and commitment, are the innovative core that has always been at the center of the Group's success.

Thanks to all the collaborators, partners, and stakeholders who in this year of highs and lows have continued to work nonstop with dedication and professionalism, in order to support the large multifaceted community to which we belong.

The President
Isabella Seràgnoli

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creating value for
sustainable growth

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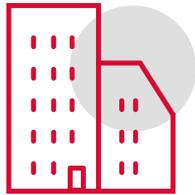
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GROUP HIGHLIGHTS 2021

COESIA PROFILE



1,876 mln euro
revenues



21 companies



83 production facilities



35 countries

PEOPLE



8,193 employees
73 nationalities



+602 new hires



17.3% women
in the Group



1,563 people employed
in Engineering and R&D

LEARNING AND DEVELOPMENT



6,319 employees
participating in the People
Performance Dialogue



165,000+ hours of
learning and development



20.2 hours of learning
and development per
employee

HEALTH AND SAFETY



0 incidents with severe
or fatal injuries



4 is the frequency index
of incidents



46.8% of people covered
by OHSAS 18001
and ISO 45001

SUSTAINABLE INNOVATION



8.6% revenues invested
in Engineering and R&D



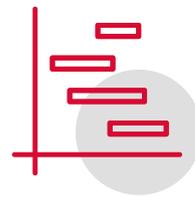
25 new products
launched



1,521 patented
inventions



5% patent applications
related to sustainable
solutions



260 new Lean Six Sigma
projects

SUPPLY CHAIN



~90% direct spending with
local suppliers



~14,500 total suppliers
(direct+indirect)

ENVIRONMENT



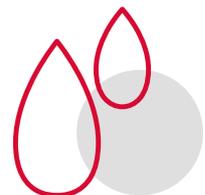
-6% emissions intensity
vs 2020



90% non-hazardous
waste



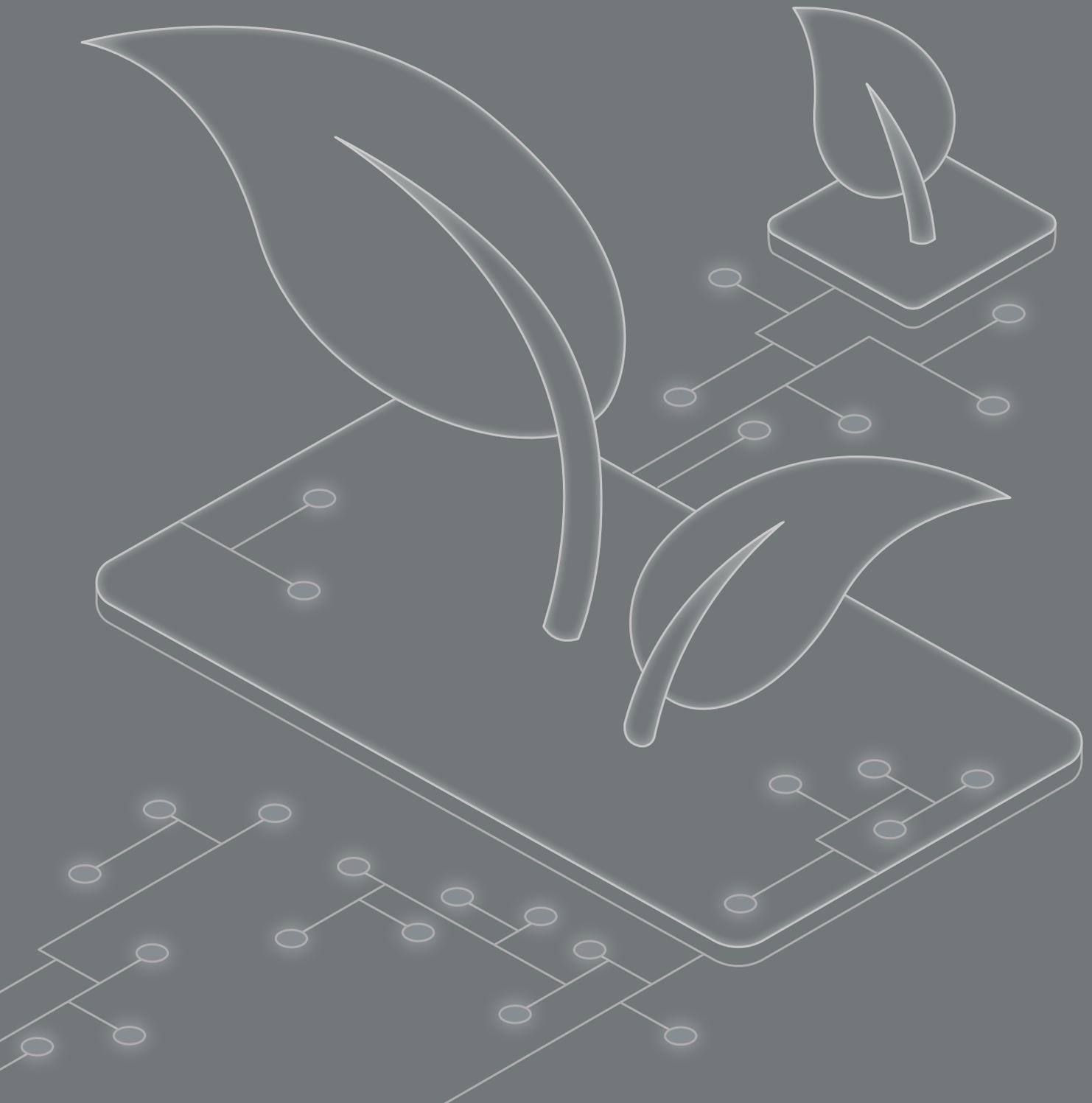
37,878 t CO₂eq emissions
(Scope 1, Scope 2 -
location-based and Scope 3)



-1.3% water consumption
vs 2019

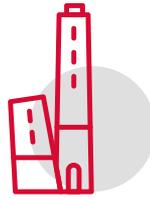
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COESIA:
creating value for
sustainable growth





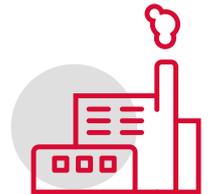
Sole Shareholder
Isabella Seràgnoli



headquarters
in Bologna



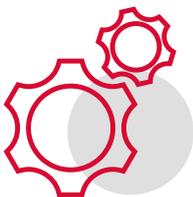
21 companies



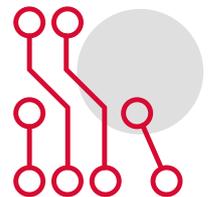
83 production
facilities



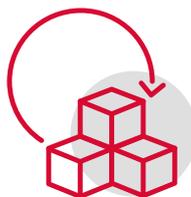
Code of Ethics
and Anti-Corruption
Guidelines



21 industries



18 advanced
technologies



500+ solutions and
full-service packages

1.1

A HISTORY OF EXCELLENCE

Coesia is a private Group and a worldwide leader in innovation-based industrial and packaging solutions. It is fully owned by Isabella Seràgnoli.

Over the years, Coesia has expanded its international presence thanks to organic growth and the acquisition of companies specializing in various sectors, anticipating the demands of the market.

To date, the Group consists of 21 Companies with 83 production facilities in 35 countries, forming a global network of increasingly consolidated relationships. Coesia's head office is located in Bologna and its history dates back about one hundred years.

1923 – 1940

G.D, a motorcycle production company established in 1923, is taken over by Enzo Seràgnoli in the late 1930s.

1940 – 1950

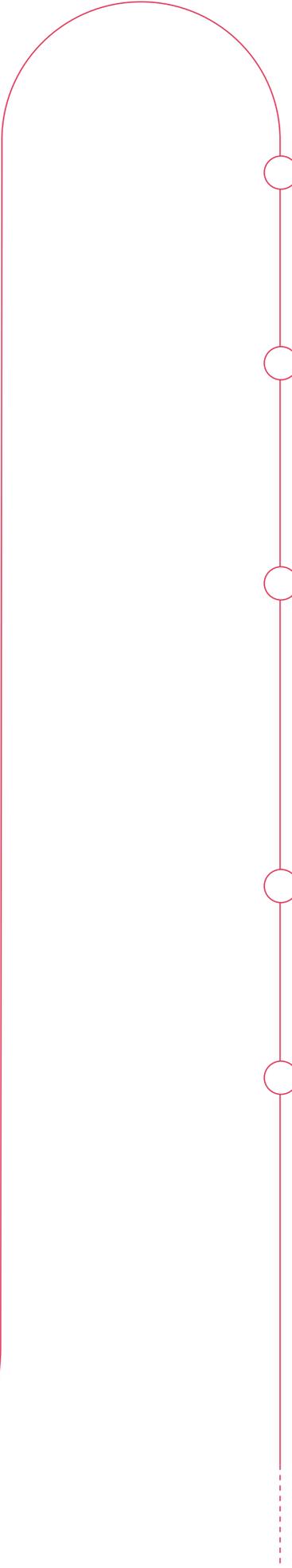
The Company shifts its focus to packaging in the confectionery and soaps sectors. The first automatic wrapping machine is launched with the contribution of Ariosto Seràgnoli.

1950 – 1960

The G.D brand establishes itself at the international level and the Company becomes a worldwide leader in the highly automated industrial machinery sector.

1960 – 1980

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



1980 – 2000

In the early 1980s, the Company begins to diversify its business with the acquisition of CIMA, ACMA, GDM and VOLPAK.

2000 – 2010

In 2002, Isabella Seràgnoli becomes sole shareholder of the Group, which is renamed Coesia in 2005. Further acquisitions strengthen the Company: HAPA, LAETUS, ADMV, CITUS, KALIX, NORDEN and SACMO.

2010 – 2015

Coesia's expansion accelerates with the acquisition of FLEXLINK, SASIB, R.A JONES and IPI. In 2012, the Coesia Engineering Center (CEC), a highly specialized team for the development of strategic innovation projects, is established. In 2015, Coesia publishes its first Sustainability Report.

2016 – 2018

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

2019 - 2021

In January 2019, Coesia acquires 60% of the ceramic business of SYSTEM S.p.A., incorporated in a new company called SYSTEM CERAMICS, and enters the sector of machinery and plants for ceramics. In 2020, negotiations begin for the acquisition of the remaining shares, completed in June 2021.

1.2

COESIA TODAY: A GLOBAL ENTERPRISE

A dynamic and global business: Coesia can count on a solid organization of over 8,000 employees and 21 Companies present in 35 countries with 83 production plants in 138 operating units.

OUR MISSION

“Creating long-term sustainable economic, social and environmental value for our customers, our employees, the shareholder and the communities in which we operate”

Coesia has always striven to create and maintain a stimulating work environment for its people and invests to promote a culture focused on the core values that guide the Group's actions.

OUR VALUES

Respect

Respect for people, rules, local communities, environmental and economic resources.

Respect implies rigor and integrity

Responsibility

Responsibility for the consequences of one's decisions and actions, responsibility to lead by example, practice fair leadership, reward merit, nurture talent, achieve results and to be committed.

Even collective responsibility starts with individual accountability

Knowledge

Knowledge that comes from culture, education, training, research, experience and relationships. Knowledge as professional growth and personal growth.

Sapere Aude: dare to know

Passion

Passion for the product, innovation, excellence, beauty, work and performance.

Passion allows us to envision results even before achieving them

CULTURAL TRAITS

A survey on culture enabled Coesia to identify the six cultural traits that underpin the development of its strategy and ambitions. They are:

Accountability

Promoting accountability by granting trust through delegation.

Collaboration

Achieving in-depth integration by valuing diversity.

Long-term focus

Acting while ensuring the sustainability of the business over time.

Innovation

Investing in innovation, ensuring continuous evolution of products, services and business models.

Outward mindset

Focusing on customers and communities, understanding their point of view.

Open-mindedness and transparency

Sharing knowledge and ideas to grow as a strong and cohesive Group.

LEADERSHIP MODEL

The purpose of the Coesia leadership model is to support the Group's strategy in line with the message of its values. It is a compass pointing to a common language aimed at identifying the key behaviors for the success of the individual and the organization.

As such, the leadership model:

- helps to understand and communicate expected results;
- raises awareness of what is required in the different stages of individual and professional growth;
- focuses on both individual strengths and areas for improvement.

KEY FEATURES OF THE LEADERSHIP MODEL:

- INNOVATE
- BE CUSTOMER-CENTRIC
- MAKE DECISIONS
- DELIVER RESULTS
- INSPIRE OTHERS
- COLLABORATE
- MANAGE COMPLEXITY

THE BUSINESS MODEL AND THE 2021 STRATEGY

The macro-trends that have emerged in recent years, including digitization, the growing need for automation and sustainability are rapidly changing the way we live and creating a scenario characterized by significant new development opportunities.

In this context, Coesia's strategy is founded on customer centricity, with the aim of providing the best solutions in terms of satisfying their needs and innovation, throughout the entire life cycle of the product.

The strategic development of Coesia is based on enhancing people, with a view to fostering a cohesive Group both internally and in the marketplace. Leveraging on its values and DNA, Coesia has embarked on a growth path that will lead it to further strengthen its leadership in the markets traditionally served. Thanks to the skills and technologies acquired in its core sectors, the Group is developing its presence in new industrial sectors that are characterized by a strong expansion phase and a high rate of automation.

To respond with increasing efficacy to the needs of both current and potential customers, Coesia is structured in 3 Divisions: Consumer Markets Solutions, Industrial Markets Solutions, and Regulated Markets Solutions. This organizational structure maximizes the commercial, technological, and operational synergies between the 21 Group Companies and extends the scope of the benefits of the transformations underway. One example is the digital revolution, which both enables the development of smart products and services that simplify customers' operations and, at the same time, minimizes the environmental impact of the Group's activities and products by facilitating internal processes.

COESIA STRATEGIC PILLARS

Growth in traditionally served markets

Accelerate growth and strengthen leadership in the sectors traditionally served by Coesia companies, through continuous innovation, the orientation towards providing solutions and the enhancement of the offer of services and assistance to customers.

Development in new growing markets

Seize business opportunities in new markets that have a growing need for automation and significant growth prospects, leveraging on technologies and competencies developed in Coesia's core markets.

Strengthening the operational model of coesia

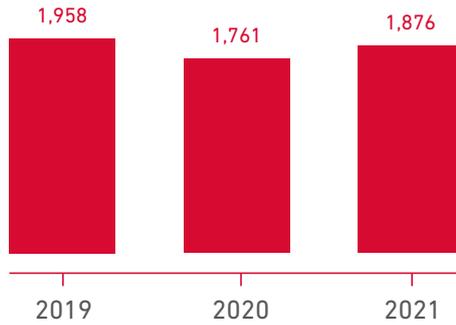
Enhance Coesia's key capabilities and processes, also with a view to fully seizing the opportunities of the Digital and Sustainability trends. Reinforce the Group's culture and values, promoting integration and synergies at all levels of the organization.

OUR BUSINESS AROUND THE WORLD

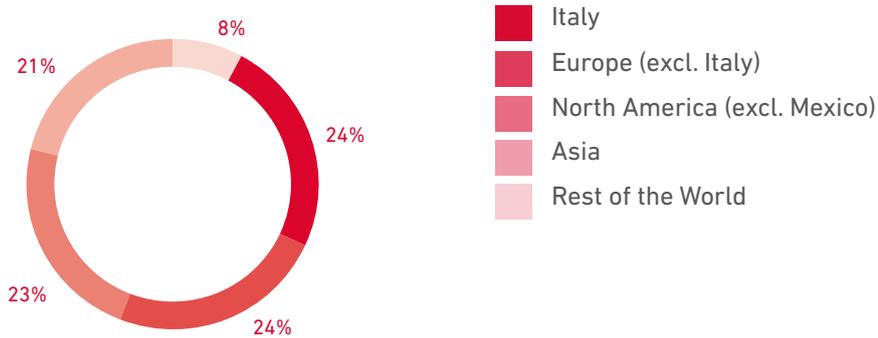
Coesia aims to be a leading global provider of advanced industrial and packaging solutions. Over the years, the Group has continued to consolidate its position on the market. The two-year period 2020-2021 was challenging for the Group due to the Covid-19 pandemic, to which it responded by ensuring solid business continuity and

a strong oversight on health and safety issues. This commitment enabled the Group to record a turnover of Euro 1,876 million in 2021, which serves as evidence of the recovery and of Coesia's commitment to managing its business activities.

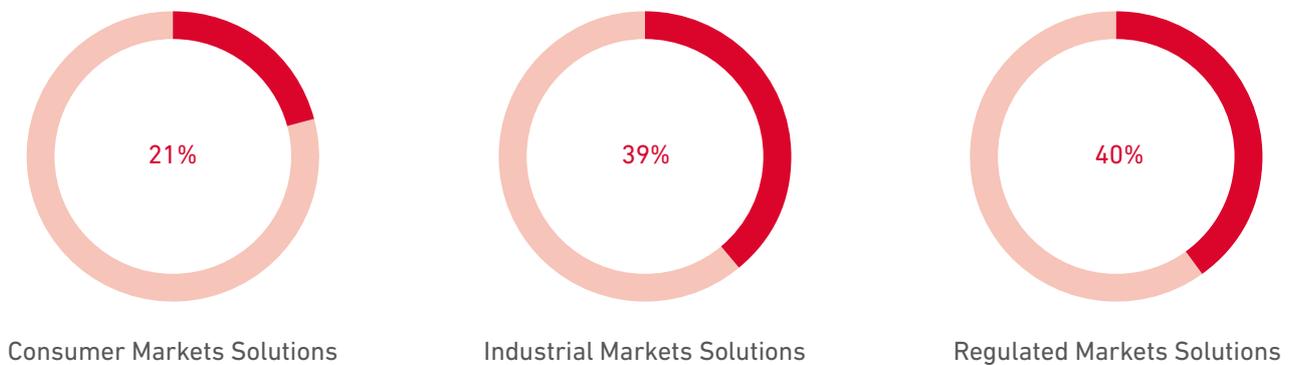
Turnover trend in the three-year period 2019-2021 (million euro)



Breakdown of 2021 turnover by geographical area



Breakdown of 2021 turnover by Division



GROUP PROFILE

To meet the needs of customers in the most diverse sectors, Coesia provides a wide range of technologies developed and produced by its Companies, structured on three Divisions.

TECHNOLOGIES

- ASSEMBLY & COMBINING
- AUTOMATED PRODUCTION FLOW
- CARTONING & EOL
- CUTTING
- FILLING
- GEARS & SPECIAL PARTS
- GREEN LEAF THRESHING
- MAKING & FORMING
- MONITORING & INSPECTION
- PACKING & WRAPPING
- PRESSING & DECORATING
- PROCESSING EQUIPMENT
- POUCHING & BAGGING
- POWDER TREATMENT
- PRINTING
- PRODUCT ANALYSIS
- ROBOTICS
- SOFTWARE & CONTROLS

INDUSTRIES

- AEROSPACE
- AUTOMOTIVE
- BEVERAGE
- CARDS
- CERAMICS
- CHEMICALS
- DAIRY
- ELECTRONICS
- FOOD
- HEMP
- HOME CARE
- INDUSTRIAL GOODS
- LUXURY GOODS
- NEXT GENERATION PRODUCTS
- PERSONAL CARE
- PET CARE
- PHARMA & HEALTHCARE
- RACING
- TEA & COFFEE
- TISSUE & HYGIENE
- TOBACCO

CONSUMER MARKETS SOLUTIONS

This Division deals with the design and construction of automatic making, packing, and wrapping machines. The machines are employed in the food, cosmetic, pharmaceutical, and fast-moving consumer goods sectors: markets in which Coesia faces the fiercest competition.

The main Companies operating in this sector are ACMA, CITUS KALIX, IPI, MGS, NORDEN, R.A JONES, VOLPAK.

INDUSTRIAL MARKETS SOLUTIONS

This Division's activities are focused on the design, manufacture, sale, and servicing of solutions for factory logistics, production automation and assembly, and in-line printing. The Companies in the Division are focused on cutting-edge machines for the production and packaging of disposable hygiene products, machinery for the packaging of premium products, process systems for the ceramic industry and manufacturing high performance gear transmissions for third parties.

The main Companies operating in this sector are ATLANTIC ZEISER, CIMA, EMMECI, FLEXLINK, GDM, HAPA, SYSTEM CERAMICS, TRITRON.

REGULATED MARKETS SOLUTIONS

This Division deals with the design and construction of packaging and wrapping machinery for the tobacco, pharmaceutical and coffee industries. It also provides an extensive sales, distribution and service network.

The main Companies operating in this sector are CERULEAN, COMAS, G.D, GF, MOLINS, SASIB.

ACMA

Manufactures high and medium speed packaging machinery for confectionary, chocolate, soap, tea, coffee, and liquid products.

CITUS KALIX

Produces lipstick filling machines, hot filling machines for creams and foundation, filling machines for deodorant and tubes, cartoners and feeding systems.

IPI

Provides complete solutions for the aseptic packaging in multilayer structure. IPI has two plants in Perugia, one of which is reserved for the production of packaging material.

ATLANTIC ZEISER

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

CIMA

For over fifty years, it has been manufacturing power trains and high-performance gear transmissions. It is a supplier of several Formula 1 racing teams.

EMMECI

Leading provider in the design, production and promotion of automatic machinery for the packaging of premium and luxury products.

FLEXLINK

Leader in industrial automation and supplier of innovative automated solutions to produce goods smarter and safer at a lower operating cost. It manufactures conveyers, material handling systems and industrial feeders and delivers turn-key solutions including controls and standardized robotics.

CERULEAN

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

COMAS

World leading supplier of tobacco primary equipment and processing solutions with over 44 years of experience. Thanks to its flexible approach it is able to offer its customers a broad range of solutions, also for the tobacco Reduced Risk Products.

MGS

Designs and manufactures cutting-edge packaging automation solutions with core competencies in secondary packaging, serialization, and product management. Industries of focus are pharmaceuticals and life sciences, food, and cosmetics.

NORDEN

Leading supplier of high-performance automated tube filling systems, covering all speeds and applications in different sectors: cosmetics, pharmaceuticals, food and personal care.

GDM

Leader in the field of Hygiene Disposables, GDM provides innovative converting and packaging solutions for the production of baby diapers and pants, adult incontinence briefs and lady sanitary napkins.

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, reduce costs and waste.

SYSTEM CERAMICS

An international leader in the development of process systems for the ceramics industry, it guarantees high industrial standards with regards to pressing, decorating, sorting lines and quality control. It also provides advanced packaging, palletizing and handling solutions for the ceramic sector.

G.D

Leader in the supply of high-tech machinery for cigarette making and packing and Next Generation Products.

GF

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

MOLINS

Leader in the tobacco industry for over 100 years, it specializes in the design and development of machinery for cigarette making and packing.

R.A JONES

Manufactures packaging machines for the food and consumer goods industry: 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, beverage, personal and home care products.

TRITRON

Develops and produces high quality inks for industrial digital printing on packaging, for both the pharmaceutical and the consumer goods industries.

SASIB

Manufactures production and packaging lines for the tobacco industry.

Coesia provides over 500 packaging solutions to meet the ever-increasing demands of the market, its products and services being designed with the latest state-of-the-art and innovative technologies.

Coesia's attention to the customer has led the Group to preside over the markets through the opening of production sites and sales branches around the world.

In 2021, Coesia is present in 35 countries, as shown on the map.



OUR SERVICES

For Coesia, investing in customer loyalty means investing in the future. For this reason, the Group is committed to providing excellent after-sales service, an important success factor for all its Companies.

Customer Service is synonymous with global presence, flexibility, simplicity and continuous support.

Nowadays customers do not just want spare parts or on-call technicians. This is why Coesia has expanded its portfolio of customer services in order to offer a unique and valuable experience, based on collaboration and mutual trust.

Parts and materials



Since 2019 the Coesia Webshop e-commerce platform has been updated and enhanced to enable the Group Companies to simplify the supply of spare parts and components for all types of machine models and generations.

The platform offers customers a complete and uninterrupted service with the possibility of ordering spare parts directly from the site anytime and anywhere with real-time access to available parts.

Maintenance services



Coesia's field service technicians are highly specialized and equipped with all the necessary tools to inspect and assess the condition of the equipment, quantify the spare parts needed and determine the level of assistance and/or repairs required. By working closely with customers, the technicians can carry out routine or preventive maintenance to guarantee the ongoing performance and value of the machines over time. With the support of high-quality audio and video tools and the help of augmented reality, Coesia can provide efficient support to customers even from remote locations.

Coesia Remote Assistance guarantees a faster troubleshooting process with consequent reduction in machine downtime and costs.

Equipment modernization



The Group offers a wide range of modernization services to enhance machine productivity and reliability, improve product quality, reduce maintenance costs, meet new regulatory standards and add new features. Modernization services range from standard technical upgrades to the complete overhaul of the machines if they have been disassembled or damaged, in addition to the replacement of obsolete components where necessary.

Regardless of the type of intervention required, the original performance of the machine is fully restored.

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 necessary to maintain high levels of performance, quality and productivity. Training programs can be held either in-house or at the customer's facility or even remotely when required.

Consulting services



Thanks to extensive experience in many applications, Coesia is able to help the customer implement the best industrial practices to achieve world-class levels of productivity and create added value starting from the production activity itself.

Production support

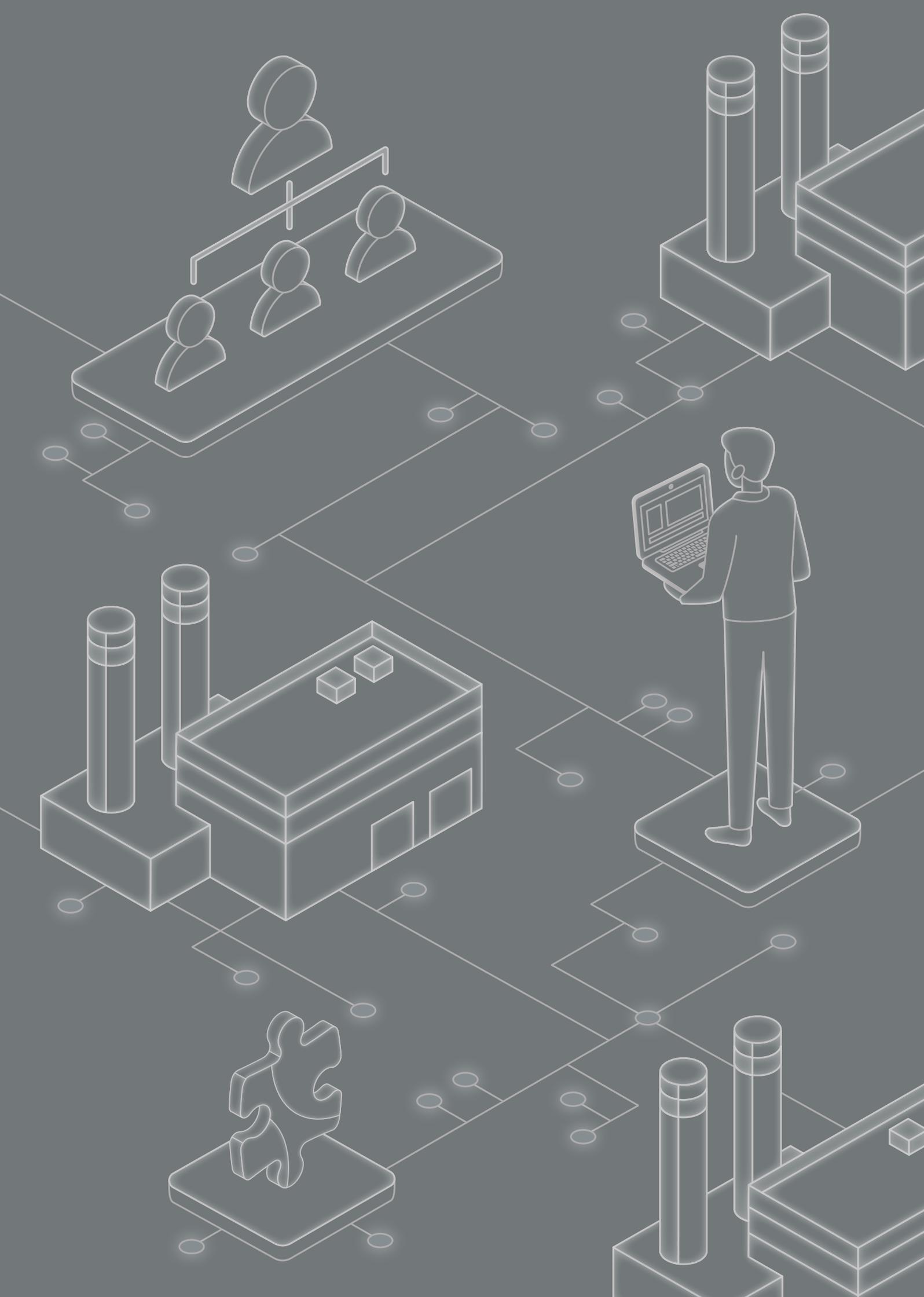


Coesia is committed to providing customers with personalized, fast and effective technical support at all stages, from installation to commissioning and onward.

Technical staff are equipped with remote assistance tools thus guaranteeing maximum coverage worldwide.

REMOTE FACTORY ACCEPTANCE TEST (FAT)

In early 2020, restrictions and stringent prevention and safety measures related to the pandemic made it impossible for customers to travel to the Coesia sites to validate equipment before shipment. Factory Acceptance Tests (FAT) therefore were made virtual and this method of validation continued to prove useful in 2021. Thanks to Remote FAT, it is possible to organize virtual meetings, share information and perform activities, speeding up processes and making the acceptance test procedure easier. Through virtual collaboration tools, video streaming and augmented reality – which guarantee business continuity even in unforeseen circumstances – Coesia provided an all-encompassing experience with excellent results. From Remote FAT to Remote Assistance services, Coesia's technical staff is evolving towards an increasingly efficient collaborative environment with its customers.



1.3

GOVERNANCE AND ORGANIZATION

Coesia's governance structure is based on a solid organizational model focused on achieving long-term strategic objectives, defining roles and responsibilities consistent with the Group's activities and establishing a correct and ethical code of conduct. As such, the purpose is to lay down the guidelines that define business processes and, consequently, generate value for stakeholders.

CORPORATE GOVERNANCE STRUCTURE

Based on the Coesia governance structure, the management of the Group is entrusted to the Board of Directors (BoD), the control and supervision of its work to the Board of Statutory Auditors, and the auditing of the Consolidated Financial Statements to an external audit firm.

Appointed on 26 June 2020, the Board of Directors supports the interests of the Group, defines its strategic guidelines, and promotes its sustainable growth.

The Board of Directors consists of seven members, including the President, Isabella Seràgnoli, and the Chief Executive Officer, Alessandro Parimbelli.

Two members of the Board (28.6%) are women belonging to the 30-50 and over-50 age groups. The other five (71.4%) are male and all are over 50 years old. The overall breakdown of Board of Directors by age group shows 14.3% in the 30-50 age group and the remaining 85.7% in the over-50 age group.

The Board of Statutory Auditors is composed of one woman, Nicoletta Sandri, and two men, Giorgio Loli and Giampaolo Galletti, all belonging to the over-50 age group.

The Supervisory Body is composed of three members: two women, Iole Anna Savini and Alessandra Montanari, and one man, Giovanni Ponti, all belonging to the over-50 age group.

BOARD OF DIRECTORS¹

PRESIDENT

Isabella Seràgnoli

CEO

Alessandro Parimbelli

DIRECTORS

Aldo Bisio

Francesco Gatti

Lorenza Guerra Seràgnoli

Maurizio Petta

Stefano Proverbio

¹As of March 9th, 2022, Marcus Weldon has been appointed member of Coesia's Board of Directors

ORGANIZATION OF THE GROUP

Activities within the Group are managed by the President and the Chief Executive Officer.

On 23 February 2021, Mr. Alessandro Parimbelli was appointed Chief Executive Officer of the Coesia Group.

The Corporate Identity & Communications function directly reports to the President while the Group Internal Audit function reports to the Board of Directors and the President. All other activities are organized in Divisions and Central Functions.

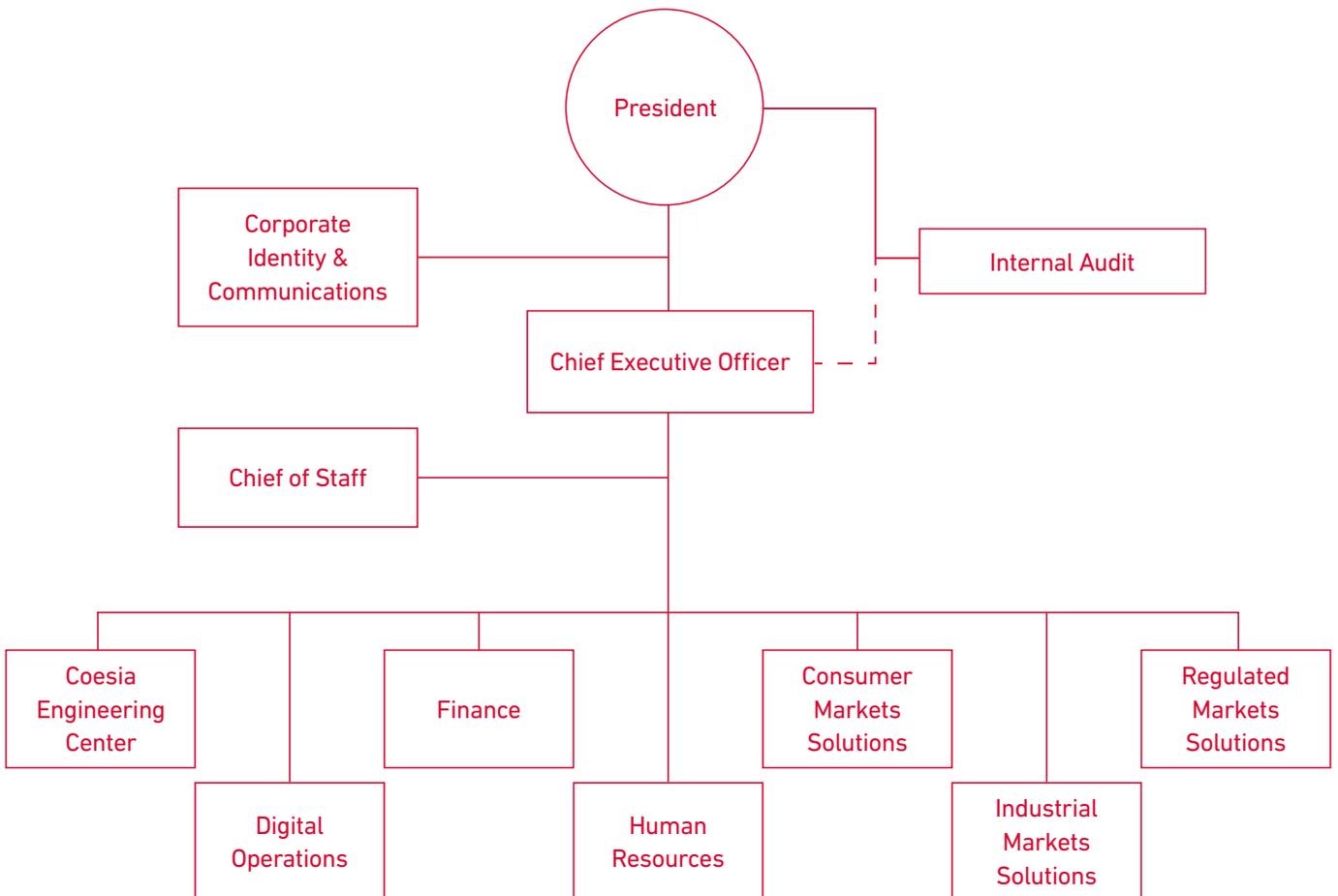
Central Functions include Digital Operations, Human Resources, Finance and Coesia Engineering Center (CEC) which constitutes the Group's Research and Development center.

In terms of organization, the 21 Group Companies operate in three Divisions:

- **Consumer Markets Solutions:** includes 7 Companies operating in the consumer goods sectors;
- **Industrial Markets Solutions:** includes 8 Companies that provide automated solutions to enhance the efficiency of production systems, as well as those operating in the ceramics sector;
- **Regulated Markets Solutions:** includes 6 Companies operating in the regulated markets sector.

Coesia also leverages on a global footprint strategy supporting its growth in emerging markets and improving its ability to customize products to meet the needs of different local and regional markets.

Most of the 21 Coesia Companies are based in Europe.



1.4

PREVENTING AND REDUCING RISK

Coesia's Companies, operating in the design, production and sale of high-tech durable solutions, are exposed to the same risks and uncertainties faced by similarly global companies.

RISKS AND OPPORTUNITIES

The Group is actively committed to identifying potential risk factors in its operations, not only to minimize their impact, but also to focus on the opportunities deriving from these assessments with a view to increasing its competitive advantage.

Coesia manages risks and opportunities through a strategy integrated into the operating model of all Group Companies. This strategy ensures that the impact of operational and strategic risks – which are closely related, for example, to the cost of raw materials, mergers and acquisitions, as well as to financial, legal, security and human resources issues – is assessed and minimized.

Coesia evaluates specific sustainability risks and opportunities at both company and asset level, taking account of aspects that could have a direct impact on the Group's business, such as the introduction of new energy regulations, but also reputational risks and opportunities that could affect the way Coesia is perceived by customers or suppliers.

INTERNAL AUDIT

While the Companies and the different Corporate Functions have primary responsibility over the identification and the management of risks, Internal Audit plays a key role in assisting the organization in these activities through a systematic approach which includes assessing and improving risk management as well as the controlling and corporate governance processes. In this context, Internal Audit is responsible for objectively and independently assessing the overall risks to which the Company is exposed, reviewing the internal control system, verifying the effectiveness and efficiency of operational and financial processes, and ensuring

compliance with applicable laws, regulations, and legislation, also in the HSE area.

In order to constantly monitor risks in a global organization like Coesia, Internal Audit carries out about 20 audits per year on the Group Companies, adopting a risk-based approach.

In 2021, the Internal Audit carried out 20 audits, leading to a total of nearly 200 recommendations for improvements and corrective actions, which are being implemented and whose implementation currently stands at around 80%. Also in 2021, the Group created the role of Data Protection Officer (DPO) to provide further oversight in managing customer data and protecting against cyber-attack.

An integral part of the Internal Audit is the Privacy Office, which is tasked with managing privacy-related issues.

Beginning in 2020, the challenges of the Privacy Office have multiplied in the face of transforming working methods and limitations imposed at the national level. In fact, the department had to broaden the range of issues it addresses both as a result of offering new services and providing services in non-traditional ways, opting for solutions that guarantee privacy and, at the same time, the effectiveness of the Group's activities.

Finally, Coesia's close attention to the management of privacy is reflected in the fact that, during the three-year period 2019-2021, there were no breach incidents of privacy rules nor any leak of sensitive data of the Group's clients. The Group works tirelessly to ensure full compliance with current data security regulations, which is also achieved by updating websites' cookie policies, guaranteeing maximum transparency to all stakeholders.

CYBER SECURITY

The global pandemic has led to major changes in terms of organization and working methods with the widespread adoption of remote working. As a result, Cyber Security has been strongly impacted, with cyberattacks increasing by up to 300% worldwide since the beginning of the pandemic, as published in the FBI's IC3 - 2020 Internet Crime Report.

"Coronavirus" issues have been exploited by attackers to mask numerous attempts at phishing and sending of malware. These attacks exploit the widespread fear, uncertainty, and doubt among the workforce, leveraging, on the one hand, on the emotional reactions of workers to extort and disseminate confidential information and, on the other, on the cyber vulnerabilities inherent in remote working activities.

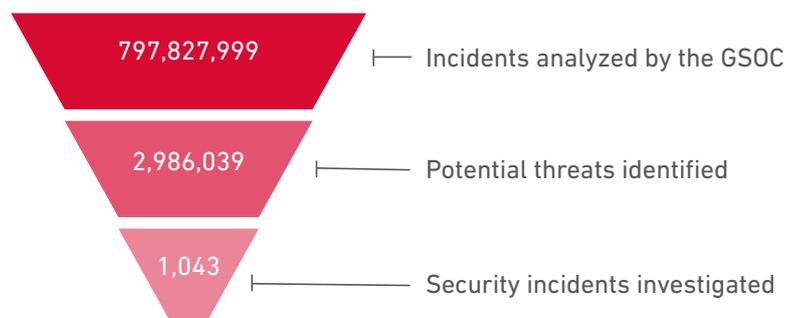
To protect the Group from this new wave of attacks, the functionalities and investigative capabilities of the Global Security Operation Center (GSOC) have been further enhanced to constantly monitor cyberattacks and digital threats on a 24-hours basis.

Particular attention has also been paid to

communication systems, such as e-mail, by implementing measures to automatically detect malicious messages and by simplifying the ways in which workers can report suspicious communications and receive support from the Cyber Security team.

To support the ongoing digitalization process, which will see the increasingly widespread use of mobile devices and remote connections in carrying out work activities, training sessions have been provided in order to raise awareness among the corporate workforce of the specific risks associated with these new modes of interaction. In 2021, Coesia implemented guidelines for protecting devices and company information, addressing in particular a correct use of e-mail and internet browsers on the part of employees.

THE NUMBERS OF THE GLOBAL SECURITY OPERATION CENTER IN 2021



1.5

COMMITMENT TO BUSINESS ETHICS

Ethics is a fundamental cornerstone of business and plays a central role, as part of corporate responsibility, in providing a cultural stimulus to foster and enhance social relations, inspiring the daily conduct of the Group. Coesia's value is based not only on its ability to carry out its activities in compliance with environmental, social, and economic laws and regulations, but also on the ability of the Group to go beyond compliance and act in accordance with the expectations of its stakeholders.

With the aim of promoting a system geared towards fostering responsible behavior, Coesia has put in place numerous tools and processes to ensure high ethical standards among all employees and partners of the Group.

Coesia's commitment to ethical business is based on the Group's values, as set out in its Code of Ethics which – together with the Anti-Corruption Guidelines; the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (MOG 231); the grievance mechanism; and the training on ethics and anti-corruption issues – creates a solid structure aimed at ensuring a system of crime prevention at Group level.

CODE OF ETHICS

Coesia, having long ago adopted its own Code of Ethics to promote social and environmental responsibility and to improve the quality of life of the communities in which it operates, has decided to undertake a process of updating the document to encompass the new issues and changes that have become relevant in recent years. The current document, based on Coesia's values and mission, is an effective tool for promoting, in a shared, structured and continuous way, the project and the concept of social responsibility in all Group Companies and in their relations with their stakeholders.

Coesia's Code of Ethics has been shared on a global scale to ensure that the Group's commitment is clear and transparent to all stakeholders.

The Coesia Code of Ethics is available on the Group's website: <https://www.coesia.com/en/group/corporate-governance/business-ethics>

ANTI-CORRUPTION GUIDELINES AND THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

As an international organization operating in different economic, institutional, social, and cultural contexts, it is the responsibility of the Group to act in compliance with the laws and regulations applicable in the countries in which it operates. Coesia's commitment to fighting corruption is expressed in the values of the Group, and in the guiding principles such as loyalty, fairness, transparency, honesty, and integrity, which underpin its daily actions.

The Group has adopted Anti-Corruption Guidelines to promote the highest standards in all its business relations and a suitable

Organization, Management and Control Model, overseen by the Supervisory Body (SB) and the Anti-Corruption Committee, a body appointed for this specific purpose, to ensure the Group's compliance with Italian Legislative Decree 231 of 8 June 2001. In 2020, all the procedures relating to the Organization, Management and Control Model were updated and completed, pursuant to Legislative Decree 231/2001, by all the Group's Italian Companies.

The Group's Code of Ethics and Anti-Corruption Guidelines, available in more than 10 languages, define the way in which Group employees operate.

Finally, over the years, various guidelines have been drawn up to help foster a spirit of partnership with suppliers, promoting innovation in compliance with the Group's values and code of conduct. These guidelines are contained in a single document: the Supplier Code of Ethics which is currently being updated.

This document represents an opportunity to strengthen the relationships that the Group Companies have with their stakeholders, starting from the main values that underpin Coesia's actions. The pillars on which the Code of Ethics is based guide the relationships between Coesia and its suppliers and outline the standards required so that they are complied with worldwide.

GRIEVANCE MECHANISM

As in previous years, the grievance mechanism was active again in 2021, enabling any violations of the Anti-Corruption system, including potential ones, to be reported while protecting the privacy of the individual and explicitly prohibiting any form of retaliation.

COMMUNICATION AND TRAINING ON BUSINESS ETHICS

Coesia is strongly engaged in supporting a cascading communication system that aims to raise awareness of

business ethics standards throughout the organization. For this reason, it undertakes to distribute the Anti-Corruption Guidelines and the Code of Ethics to all people joining the Coesia world.

All Group managers and those who may play a key role in this area must also follow a training program on anti-corruption principles. Through the e-learning platform, Coesia has also been able to extend the dissemination of the program to all new employees.

Confirming the Group's commitment to business ethics, in the three-year period 2019-2021 there have been:

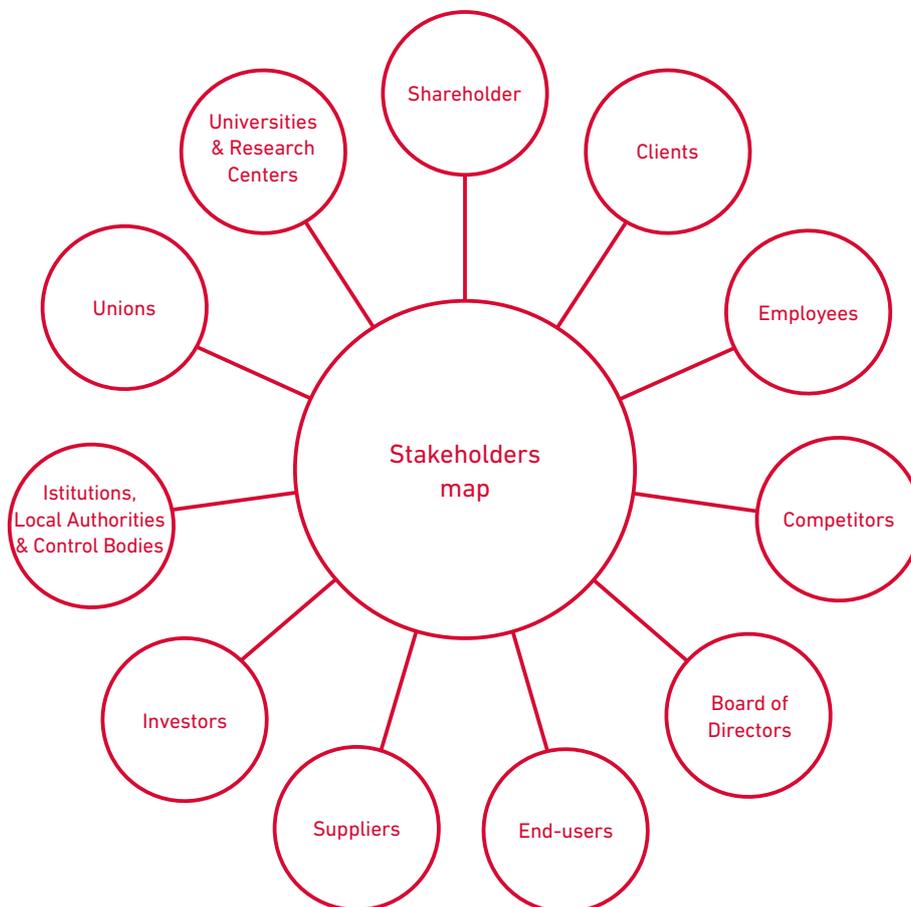
- no confirmed incidents of bribery;
- no significant violations of social and economic laws and regulations;
- no legal actions related to anti-competitive behavior and violations of antitrust regulations, or monopolistic practices.

1.6

STAKEHOLDER ENGAGEMENT

For Coesia, engaging its stakeholders in an active and constant dialogue means identifying their expectations and responding promptly to changes in the market and the communities in which Coesia operates. For this reason, in order to create long-term sustainable value and successfully implement its strategy, the Group is committed to establishing and maintaining a relationship of transparency and trust with its stakeholders.

Coesia strives for continuous improvement of technologies, products, solutions, and processes with a view to exceeding stakeholder expectations. A structured engagement process is essential for Coesia to be able to assess its stakeholders' level of satisfaction and thereby identify any areas of improvement on which to focus the Group's priorities. At the same time as updating the materiality analysis, Coesia has involved the company management in a workshop aimed at identifying the main stakeholders, classifying them based on criteria of dependence on Coesia and their influence on the Group. This analysis has led to the identification of the categories of stakeholders considered most relevant and with which Coesia undertakes to provide regular discussion opportunities and appropriate dialogue channels.



With the goal of securing mutual benefits and continuous value generation, Coesia is committed to the constant engagement and empowerment of its stakeholders.

The table below summarizes the main listening and engagement tools for the Group's key stakeholders.

LISTENING AND ENGAGEMENT OF THE STAKEHOLDERS

Stakeholder	Engagement frequency	Activity
Shareholder	Ongoing	<ul style="list-style-type: none"> • Shareholders' Meetings • Active engagement in the Group's management
Clients	Ongoing	<ul style="list-style-type: none"> • Product catalogues • Partnerships for the development of new products • Trade show events • After-sales services • Website
Employees	Recurrent	<ul style="list-style-type: none"> • Collective bargaining • Corporate Climate Survey • Newsletter
	Ongoing	<ul style="list-style-type: none"> • Training • Website • Performance evaluation
Competitors	Recurrent	<ul style="list-style-type: none"> • Trade show events
Board of Directors	Recurrent	<ul style="list-style-type: none"> • Board meetings
End-users	Ongoing	<ul style="list-style-type: none"> • Customer feedback • Market analysis • Website
Suppliers	Ongoing	<ul style="list-style-type: none"> • Relations with the reference company functions • Website
Investors	Recurrent	<ul style="list-style-type: none"> • Press releases • Periodic meetings • Website, Investor Relations section
Institutions, Local Authorities and Control Bodies	Ongoing	<ul style="list-style-type: none"> • Meetings with Public Administration • Relations with local institutions
Unions	Recurrent	<ul style="list-style-type: none"> • Scheduled meetings with Unions
Universities and Research Centers	Recurrent	<ul style="list-style-type: none"> • Collaborations and partnerships • Meetings with Universities and Research Centers

Confirming the importance of stakeholders for the Group and to facilitate dialogue among the main companies in the sector, Coesia is a member of trade associations and other organizations active in the territories in which it operates.

In particular, ACMA, the Italian headquarters of FLEXLINK, G.D and SASIB are members of UCIMA, Unione Costruttori Italiani Macchine Automatiche per il Confezionamento e l'Imballaggio [Union of Italian Manufacturers of Automatic Machines for Wrapping and Packaging]. The Companies G.D, SASIB, ACMA, CIMA, COMESCA and SYSTEM CERAMICS are members of Confindustria Emilia.

FOCUS ON THE COMMUNITY

All Coesia Companies are committed to promoting the well-being of the communities in which they operate, creating collaborations, relationships and partnerships with local authorities, institutions, and associations. The Group also encourages corporate volunteering initiatives at all Companies.

Coesia supports projects focused on social inclusion, disabilities, refugees, and climate change. Furthermore, it finances foundations and institutions active in the fields of scientific and medical research, sports, arts, and culture as well as aiding regions affected by natural disasters.

With the ongoing commitment to support local communities with measures against the pandemic, also in 2021 the Group has donated personal protective equipment and medical devices to various non-profit organizations, hospitals, and health centers.

FARE IMPRESA IN DOZZA (FID) – THE PRISON-BASED COMPANY TO CONTINUE BUILDING A BETTER FUTURE

For FID, 2021 was a year still marked by the Covid-19 pandemic and, at the same time, a year of resuming production and training activities for new potential workers. As a precaution, work resumed with fewer pensioner tutors, while two individuals still actively working in partner companies were brought on as new tutors.

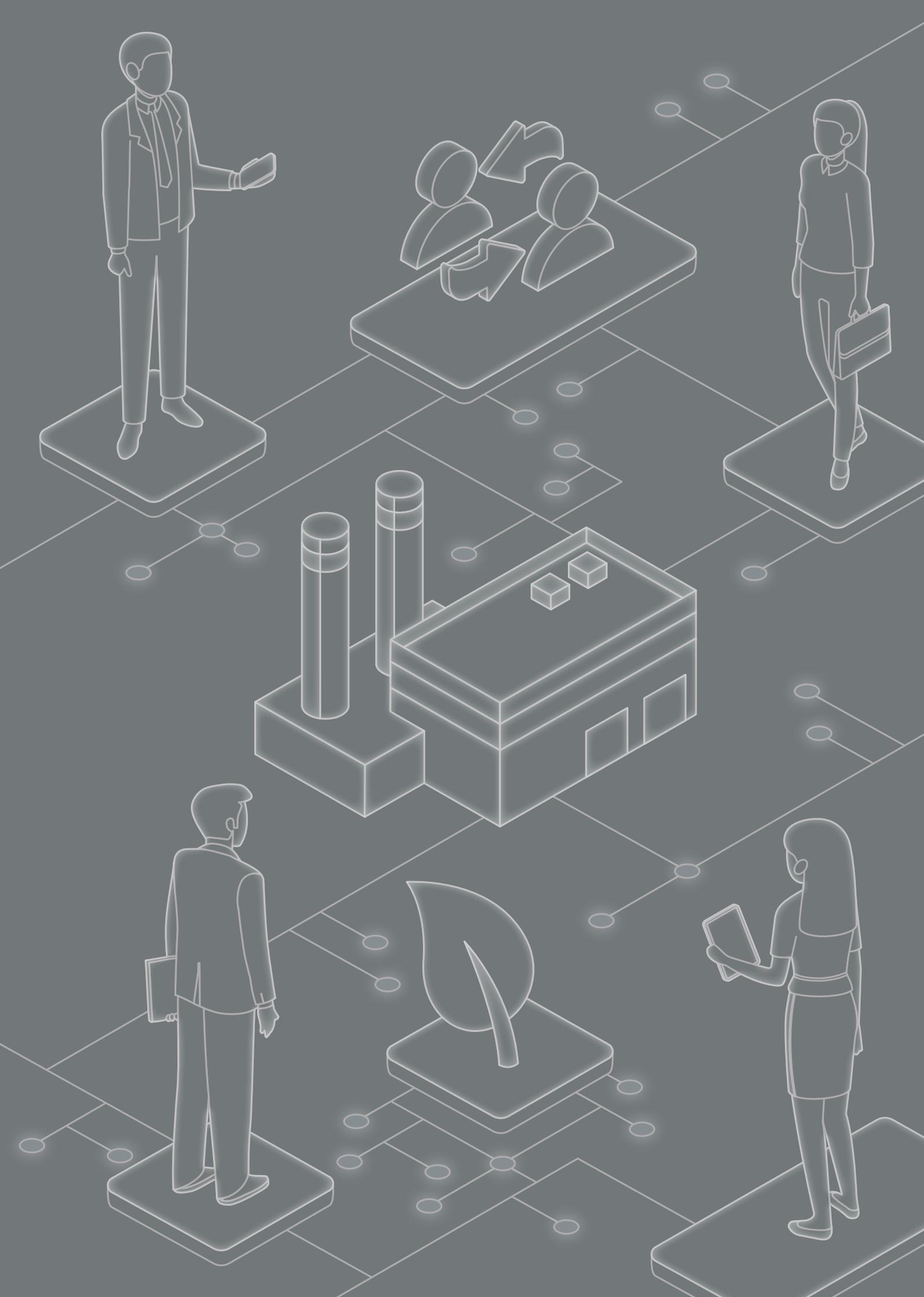
The support role played by the tutors has proven to be an essential part of the project both with the transfer of skills and for the human relationship with people who, despite having committed a crime, are working hard to build a better future, using work as a path to freedom and personal dignity.

Over the course of the year, thirteen prisoners have participated in the program in addition to two interns. A new employee was hired and three workers who finished their prison sentences were helped to find employment with suppliers of the member companies.

By establishing two new coordination roles, the program has encouraged the professional growth of two employees, entrusting them with increasing responsibility. One coordinator is responsible for particularly complex assembly activities and the other for logistics and warehouse tasks.

In autumn, thirteen new inmates have been admitted to a professional course conducted by the Aldini-Valeriani Foundation. With the help of a team of psychologists from the Mood center in Bologna, the selection process verified their technical competencies, level of motivation and social skills. The eleven individuals who successfully completed the course will have the possibility of being hired at FID when the conditions exist.

Located in the Bologna prison, this social organization was established by G.D, IMA, Marchesini Group and recently joined by FAAC, together with the Aldini-Valeriani Foundation. FID carries out carpentry works and assembles mechanical components for its member companies. At the end of their prison sentence, workers leaving the prison are helped to find stable employment with suppliers of the same member companies. The project offers an experience that is unique in Italy, and its most telling impact on the participants is seen in the low rates of recidivism.



1.7

MATERIALITY ANALYSIS

To define the structure and content of the Sustainability Report, Coesia carried out a structured “materiality analysis” in accordance with the GRI Standards drawn up by the Global Reporting Initiative. Through this analysis, the Group identified the economic, environmental, and social issues that have a significant impact on the organization and that can influence the opinions and the decisions of the main stakeholders.

The process of updating the 2021 materiality analysis, the purpose of which is to identify the material issues, was carried out by an internal work team with the involvement of the company management and was broken down into three phases:

Identification of potentially relevant topics

In the first phase, potentially relevant topics were identified based on the results of the context analysis that included the study of the following sources:

- analysis of global sustainability macro-trends;
- analysis of trends for the different industries in which Coesia operates;
- benchmark analysis among companies comparable to Coesia;
- analysis of press reviews relating to Coesia and its business sector;

Assessment of topics

Subsequently, the relevance of the potentially significant topics previously identified through the context analysis was assessed.

In order to assess the issues in terms of Coesia’s environmental, social and economic impacts, managers were asked to express their opinion during a workshop, on the basis of their knowledge of the Group, starting from the results achieved through the workshop held for the 2020 Sustainability Report.

The materiality assessment with regard to the influence on stakeholder evaluations and their decisions was carried out on the basis of the results that emerged from the context analysis and subsequently validated by management.

Materiality Matrix Validation

Based on the phases described above, the materiality matrix was validated by the Group’s management.

1

2

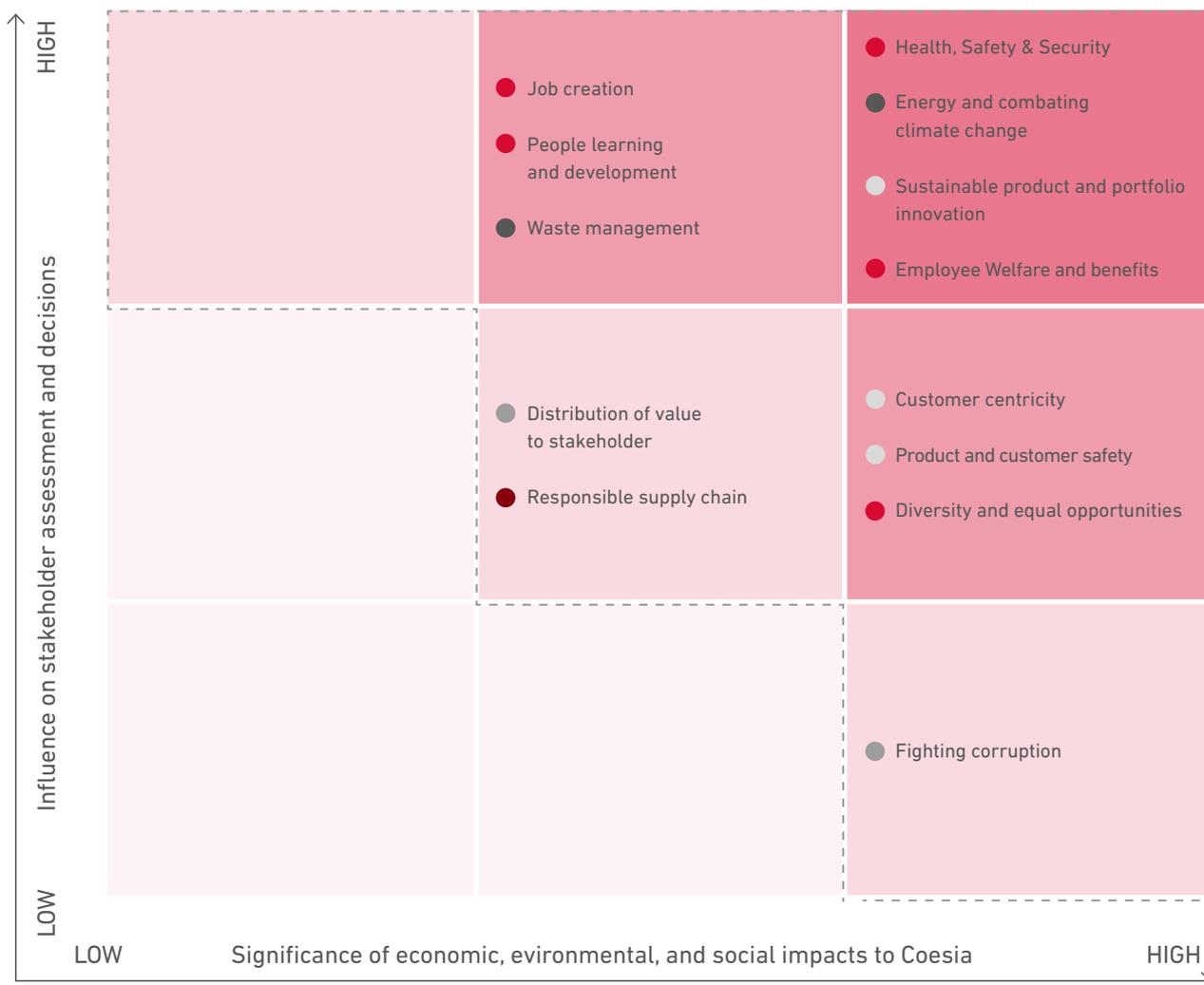
3

The materiality matrix, which is the result of the process described above, is shown in the diagram below, in which the 13 most significant topics are positioned along two axes:

- the x-axis represents the relevance of Coesia's economic, environmental and social impacts;
- the y-axis represents the significance of the aspects identified for the Group's main stakeholders.

Based on the above evaluations, the topics in the top right of the graph represent the most significant issues for the Group and its stakeholders.

During the materiality analysis, the topics "Protection of Human Rights" and "Compliance with economic, social and environmental regulations" were considered a prerequisite for the responsible management of the Group; these areas were therefore not included in the materiality matrix and are addressed qualitatively in this report.



Scope:

- People Management
- Supply Chain
- Customers and Products
- Business Ethics
- Environment

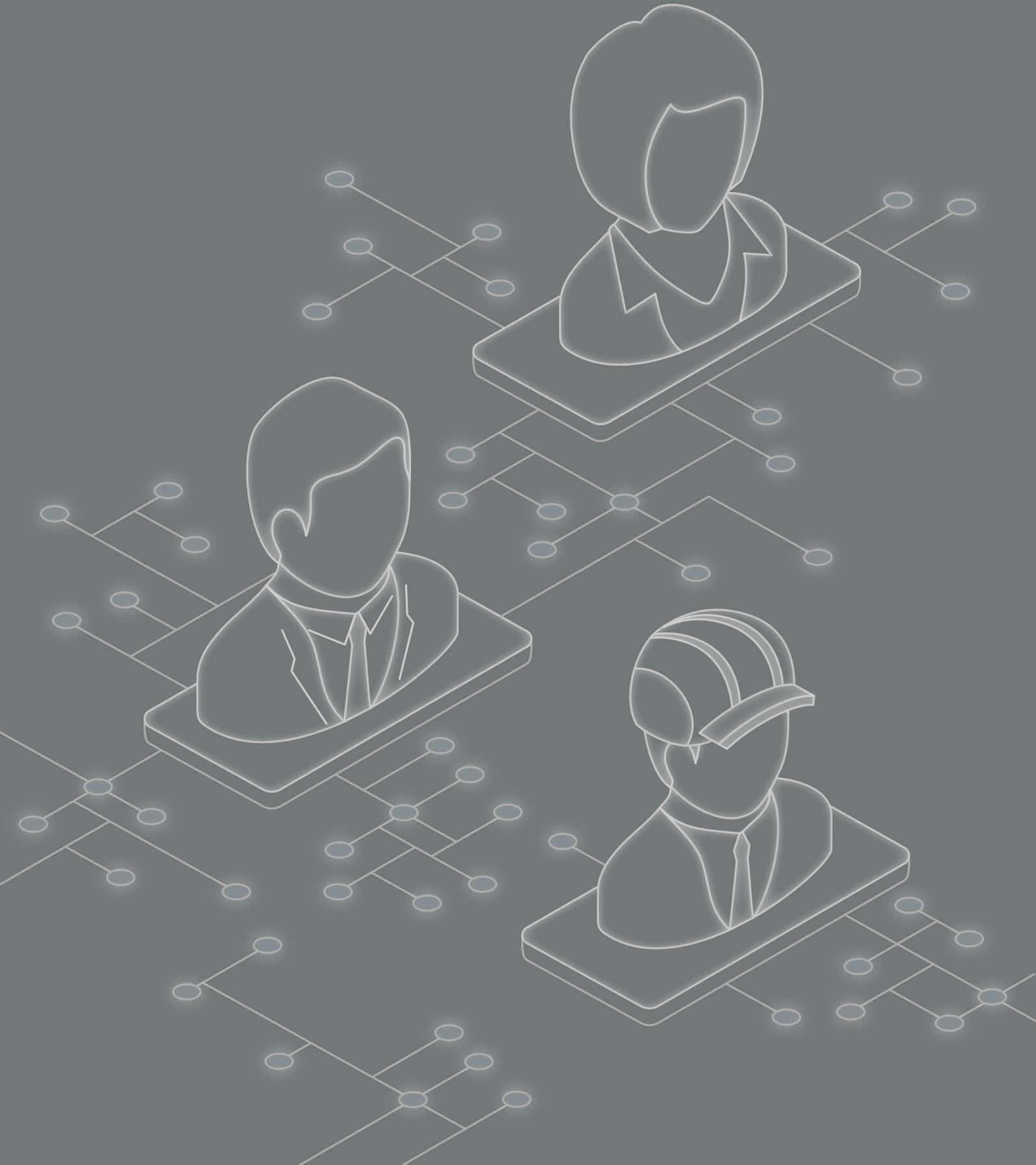
[] Materiality Threshold

Compared to the 2020 matrix, the material topic "Energy and GHG Emissions" has been renamed "Energy and combating climate change", highlighting Coesia's commitment to mitigate its impact on the environment by reducing emissions generated by its production processes.

Refer to the table in the Methodological Note section for more information on the correlation between the material topics and the GRI Standards as well as their impact boundary.

2

OUR PEOPLE: passion and expertise





8,193
employees



73 nationalities



100% workforce covered by human rights self-assessment survey



+602
new hires



17.3% women
in the Group



165,000+ hours
of learning and
development



20.2 hours of learning
and development per
employee

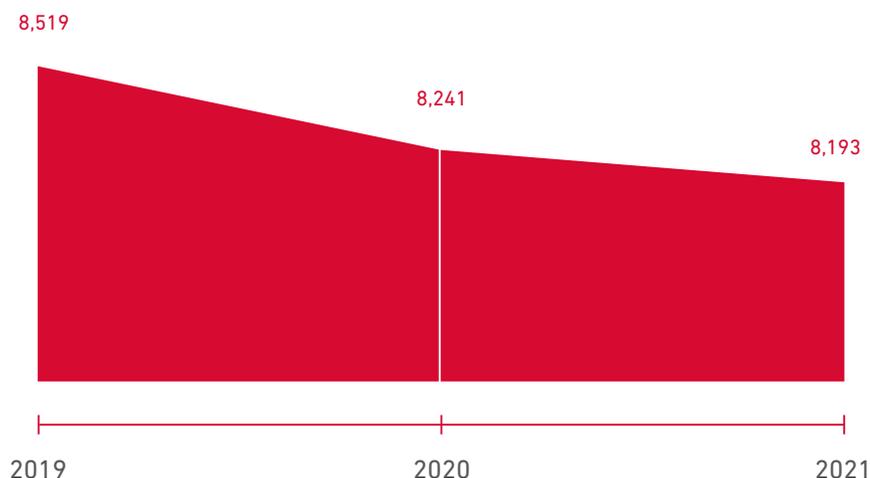
2.1

OUR EMPLOYEES: THE TRUE DRIVING FORCE

At the heart of the organization's growth and development, Coesia places the more than 8,000 people who work within it. Talent, passion and commitment characterize the employees' daily activities and constitute the true asset of the organization.

Thanks to its employees, Coesia has had the opportunity to expand over the years and confirm itself as a leader in the several sectors in which it operates, demonstrating its ability to create sustainable and lasting value over time.

COESIA EMPLOYEES IN THE THREE-YEAR PERIOD 2019-2021



The Group strives to attract and retain the best talents by investing in their potential and guaranteeing them the opportunity to live and work in a stimulating environment, in which they are assured recognition of merit and have the possibility to expand their professional horizons. Coesia's strong growth over the years and the maintaining of its leadership position in the sectors in which it operates are the result of its employees' ability to offer customers innovative and quality solutions. The growth trend enjoyed up to 2019 has suffered a slight decrease in the last two years, which have been characterized by the spread of the Covid-19 pandemic.

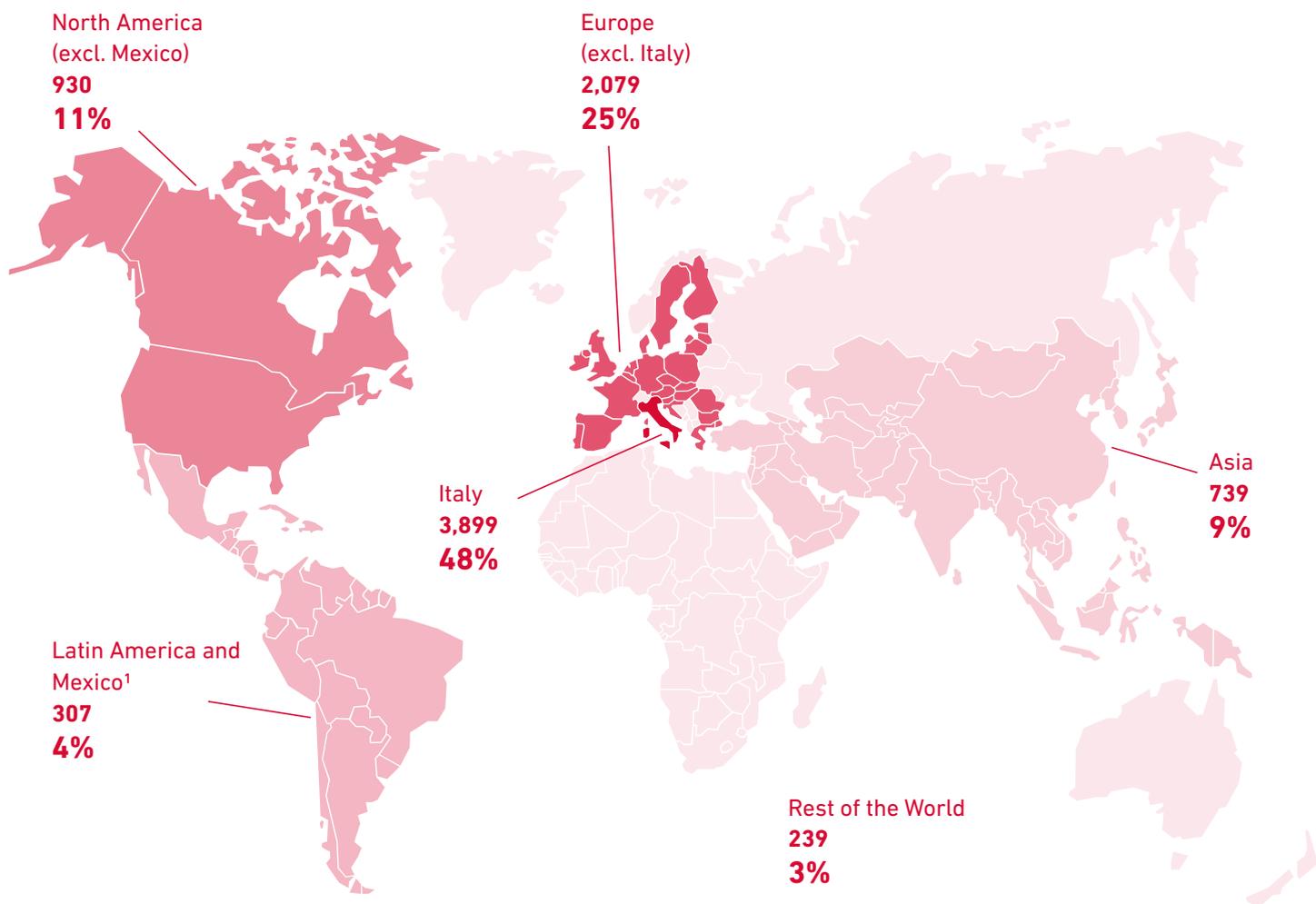
Coesia's employees as of 31 December 2021 stood at 8,193.

Against a voluntary turnover rate of 5.3% in 2021, calculated as voluntary terminations on the average headcount, there were 602 new hires, 57.6% more than in 2020 and in line with pre-Covid-19 levels. Despite the complexities of the pandemic context, Coesia has maintained its leadership position in the market, ensuring the continuity of all processes.

Given Coesia's international footprint, its people are spread worldwide, with higher concentrations in Italian and other European sites, which account for almost 73% of the total workforce.

With over 8,000 employees in 35 countries, Coesia is truly a manufacturing and social ecosystem, where each person is an integral part of the success of the organization and its business.

NUMBER AND PERCENTAGE OF EMPLOYEES BY GEOGRAPHICAL AREA IN 2021

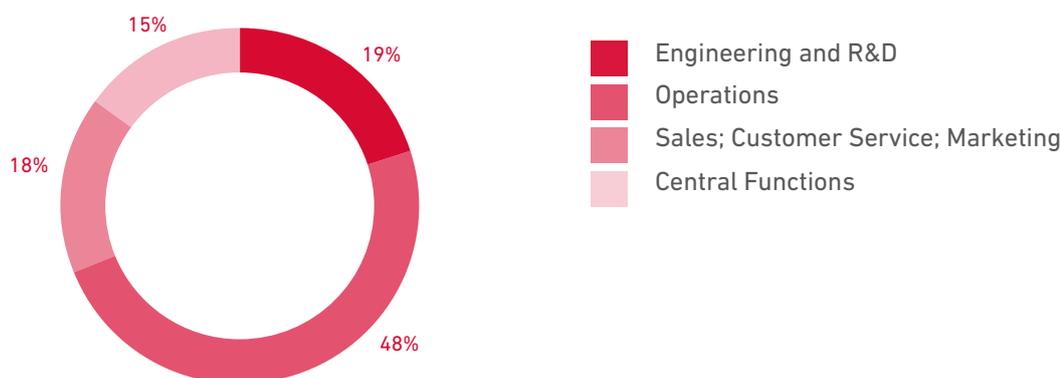


¹In order to provide a greater level of detail, in this chapter the geographical area “Latin America and Mexico” is represented separately, while in the rest of the document it is included in “Rest of the World”.

In terms of activities carried out, almost 1,600 people in Coesia work in the Engineering and the R&D departments, where ideas and numerous innovative projects are designed and implemented. Around 50% of employees work in the Operations area, which includes a wide range of tasks including purchasing management, quality control, planning and machine testing.

Lastly, 18% of the company workforce is employed in Sales, Customer Service and Marketing, and 15% in the Central Functions, which include Human Resources, IT, Administration, Finance and Control.

EMPLOYEES BY FUNCTION IN 2021



Coesia also promotes establishing lasting relationships with its employees. In fact, the most widespread form of contract used in all geographical areas is the permanent contract, which is guaranteed to 99.3% of employees.

Over 99% of employees had permanent contracts in 2021.

BREAKDOWN OF EMPLOYEES BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT

	2019			2020			2021		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Italy	4,019	48	4,067	3,939	29	3,968	3,879	20	3,899
Europe (excl. Italy)	2,046	141	2,187	1,990	114	2,104	2,057	22	2,079
North America (excl. Mexico)	875	1	876	875	1	876	928	2	930
Latin America and Mexico	332	-	332	310	-	310	305	2	307
Asia	789	4	793	731	5	736	729	10	739
Rest of the World	262	2	264	245	2	247	236	3	239
Group Total	8,323	196	8,519	8,090	151	8,241	8,134	59	8,193
	97.7%	2.3%	100%	98.2%	1.8%	100%	99.3%	0.7%	100%

The use of part-time contracts accounts for 2.6% of the total workforce and is preferred by the Group's female employees.

Coesia constantly strives to embrace the needs of its employees, by amongst other ensuring a healthy work-life balance.

BREAKDOWN OF EMPLOYEES BY GENDER AND TYPE OF CONTRACT: FULL-TIME/PART-TIME

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	1,285	7,026	8,311	1,261	6,764	8,025	1,276	6,703	7,979
Part-time	158	50	208	156	60	216	145	69	214
Group Total	1,443	7,076	8,519	1,417	6,824	8,241	1,421	6,772	8,193

Moreover, for Coesia, putting people first means to respect, include and value every individual, regardless of age, gender, religion, ethnicity and nationality. Diversity, in fact, means wealth in terms of skills, ideas, and perspectives, elements that allow for constant improvement in the ability to respond to the demands of different and dynamic markets.

Coesia is therefore committed to promoting diversity within the organization by carrying out intense and concrete awareness raising activities on the positive effects that gender diversity brings to global organizations.

Globally, there are 1,421 women in the Group, accounting for 17.3% of the total workforce. This trend is in line with the automatic machinery industry, which is traditionally characterized by a high incidence of male employees.

Women and men joining the Group take part in the same training processes and have the same opportunities for professional growth

17.3% of Group employees are women.

BREAKDOWN OF EMPLOYEES BY GENDER AND TYPE OF CONTRACT: PERMANENT/ FIXED-TERM

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	1,398	6,925	8,323	1,386	6,704	8,090	1,406	6,728	8,134
Fixed-term	45	151	196	31	120	151	15	44	59
Group Total	1,443	7,076	8,519	1,417	6,824	8,241	1,421	6,772	8,193

2.2

A PROFESSIONAL DEVELOPMENT PATH FOR GROWING DAY TO DAY

Coesia strives to attract, develop and retain the best talents internationally to ensure long-term managerial and economic continuity in line with best market practices.

Recruitment is centrally coordinated and includes both the selection process and employer branding initiatives. This allows Coesia to maintain its attractiveness and competitiveness in the labor market and to consolidate the brand worldwide.

The entry of new resources is facilitated by the Induction process, which is already active in many Companies and is being implemented in the rest of the Group. The Induction aims to promote integration in Coesia from the very first days of work, fostering an awareness of the business within each employee and encouraging them to bond with their new colleagues. New employees are provided with:

- Enboarder, the automatic e-mail system for collecting the necessary information for the recruitment and placement procedures;
- Welcome Kit, which includes welcome materials for the new hire;

- Welcome Book, a guide with useful information about Coesia and the specific Company to which the new employee belongs;
- e-Learning platform, which provides in-depth information about the Group and access to the mandatory learning content.

Each employee is provided with learning and development programs designed to enhance their potential, skills and vocation for leadership, in line with Coesia's strategic inputs and with individual and collective needs. In addition, Coesia has a people development system that includes a performance management process (People Performance Dialogue). The goal is to enhance the merit, potential and skills of employees to ensure not only opportunities for professional growth, but also to fortify motivation and commitment through the definition and monitoring of performance and individual development plans.

A system of remuneration, evaluation and attribution of professional titles has been activated worldwide, with the aim of attracting and retaining talent, while ensuring both internal impartiality and external competitiveness.

OUR PRIORITIES



Unlocking employees' potential



Supporting professional growth



Enhancing merit and skills



Constantly improving development processes and tools

BEGINNING THE JOURNEY

The global recruiting strategy targets different categories of stakeholders with a focus on students, high school graduates, university graduates and professionals.

As for students, high school and university graduates, the goal is to provide them with educational experience in the field so they can put academic knowledge into practice and apply it in a real business setting. Initiatives of this type include curricular internships, research projects and thesis papers at the Group Companies, as well as selection and development programs for technicians and young engineers (for further information: Chapter 2, paragraph 2.2, section "Strategic Hiring Initiatives"). Experienced professionals are offered new opportunities in a challenging, global and growing organization as is Coesia.

To identify and select the best candidates, Coesia has created a specialized internal team by combining diverse skills on a local and global scale.

This approach provides Coesia with a competitive advantage in acquiring new talent worldwide by intertwining the Group's needs with the specific abilities of candidates, thus gaining access to key skills and competencies.

Every selection is managed using the very same evaluation methods and tools in order to ensure greater visibility and transparency at all stages of the recruitment process:

1. Application
2. Search and recruitment process
3. Preliminary interview
4. Technical interview
5. Job proposal

Each of these steps is of crucial importance because, on the one hand, it allows Coesia to tap into a database of profiles from all over the world and improve the candidates' experience and, on the other hand, allows Human Resources to manage the selection process in a structured way (in terms of communication, outcome, etc.). In 2021, there was an increase in placements, returning to pre-pandemic levels, which aligns with Coesia's will to continue investing in its strategic asset: people.

The Group also carries out employer branding activities, both at trade fairs for professionals and companies, as well as at universities. During 2021, as with the previous year, these activities were held virtually.

For more information about Coesia recruiting activities: <https://www.coesia.com/en/career-opportunities>

HIRES AND HIRING RATE BY GENDER AND GEOGRAPHICAL AREA

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy									
Employees			4,067			3,968			3,899
Hires	41	122	163	26	73	99	31	105	136
Hiring rate	1%	2.9%	4%	0.7%	1.8%	2.5%	0.8%	2.7%	3.5%
Europe (excl. Italy)									
Employees			2,187			2,104			2,079
Hires	60	198	258	27	106	133	35	141	176
Hiring rate	2.7%	9%	11.7%	1.3%	5%	6.3%	1.7%	6.8%	8.5%
North America (excl. Mexico)									
Employees			876			876			930
Hires	21	79	100	21	73	94	28	154	182
Hiring rate	2.4%	9%	11.4%	2.4%	8.3%	10.7%	3%	16.6%	19.6%
Latin America and Mexico									
Employees			332			310			307
Hires	6	21	27	2	4	6	5	16	21
Hiring rate	1.8%	6.3%	8.1%	0.6%	1.3%	1.9%	1.6%	5.2%	6.8%
Asia									
Employees			793			736			739
Hires	20	42	62	18	30	48	18	53	71
Hiring rate	2.5%	5.3%	7.8%	2.4%	4.1%	6.5%	2.4%	7.2%	9.6%
Rest of the World									
Employees			264			247			239
Hires	2	6	8	2	-	2	4	12	16
Hiring rate	0.8%	2.3%	3%	0.8%	-	0.8%	1.7%	5%	6.7%
Totale Gruppo									
Employees			8,519			8,241			8,193
Hires	150	468	618	96	286	382	121	481	602
Hiring rate	1.7%	5.4%	7.2%	1.2%	3.5%	4.6%	1.4%	5.9%	7.3%

Considering the hiring trends with respect to age groups, the number of new hires in 2021 aged between 30 and 50 years (52.2% of total new hires) and young people under the age of 30 (34.7% of total new hires) are relevant.

Approximately 35% of new hires in 2021 were under 30 years of age.

The data confirm that Coesia attributes great value to knowledge acquired by people during their previous work experiences, as well as on the empowerment of new generations, who are driven by a desire to grow professionally and contribute to the Group's

development. Bringing together professionals with different experiences and establishing a constructive inter-generational dialogue are one of the organization's strengths which further bolsters the Group's leadership.

In 2021, over 23,500 CVs were received, and 602 new employees were hired.

HIRES AND HIRING RATE BY GENDER AND AGE GROUP

		2019 ¹			2020			2021		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30	Hires	54	201	255	30	84	114	25	184	209
	Hiring rate	3.7%	2.8%	3%	2.1%	1.2%	1.4%	1.8%	2.7%	2.6%
30-50	Hires	82	221	303	55	156	211	82	232	314
	Hiring rate	5.7%	3.1%	3.6%	3.9%	2.3%	2.6%	5.8%	3.4%	3.8%
> 50	Hires	14	46	60	11	46	57	14	65	79
	Hiring rate	1%	0.7%	0.7%	0.8%	0.7%	0.7%	1%	1%	1%
Total hires		150	468	618	96	286	382	121	481	602
Total Group employees		1,443	7,076	8,519	1,417	6,824	8,241	1,421	6,772	8,193

¹ The 2019 data of total Group employees, women and men as well as the hiring rates have been updated and therefore they do not match the data published in the Sustainability Reports 2019 and 2020.

A self-assessment survey on respect for human rights is offered globally to all Companies joining the Group. To date, the survey has covered 100% of the workforce. The aim of this initiative is to ensure that respect for human rights – such as freedom of association, as well as the absence of child labor, forced labor and discrimination – is preserved and guaranteed in all countries where the organization operates.

It is also important to underline that, in countries where the Group is present, all employees are over 18 years of age and all employment relationships comply with the national and local laws in terms of legal working age. Some exceptions, in compliance with the law, are permitted in countries where young students are offered non-hazardous job opportunities within specific training courses that are in collaboration with educational institutions.

PERFORMANCE EVALUATION

Performance management allows Coesia to invest in the contribution of people and create a link between performance, reward systems and development paths. The performance evaluation process is gradually extended to the employees of the most recently acquired Companies, with the aim of reaching all the people in the Group.

PEOPLE PERFORMANCE DIALOGUE

The People Performance Dialogue (PPD) is a process that aims to strengthen the link between business performance and the contribution of each employee. Through the PPD, Coesia guides people towards the achievement of individual, team and company objectives while promoting ongoing professional growth. Furthermore, thanks to the PPD, Coesia provides a large number of people with an objective and structured process that rewards merit and guarantees, as a result, internal equity. The name itself summarizes the content and three main objectives of the process:

People	Leading people in their professional growth within the organization.
Performance	Aligning individual goals with the Group's strategy so that overall performance is the result of clear and measurable objectives.
Dialogue	Facilitating and promoting dialogue between employees and supervisors.

The PPD includes qualitative and quantitative objectives in line with both the needs of the business and the conduct that reflects Coesia's leadership model. There is a constant investment in communication and in the engagement of employees and supervisors. Indeed, the entire process is based on the continuous dialogue between supervisor and employee and includes a feedback session at the end of each year to promote self-awareness and define an adequate development plan.

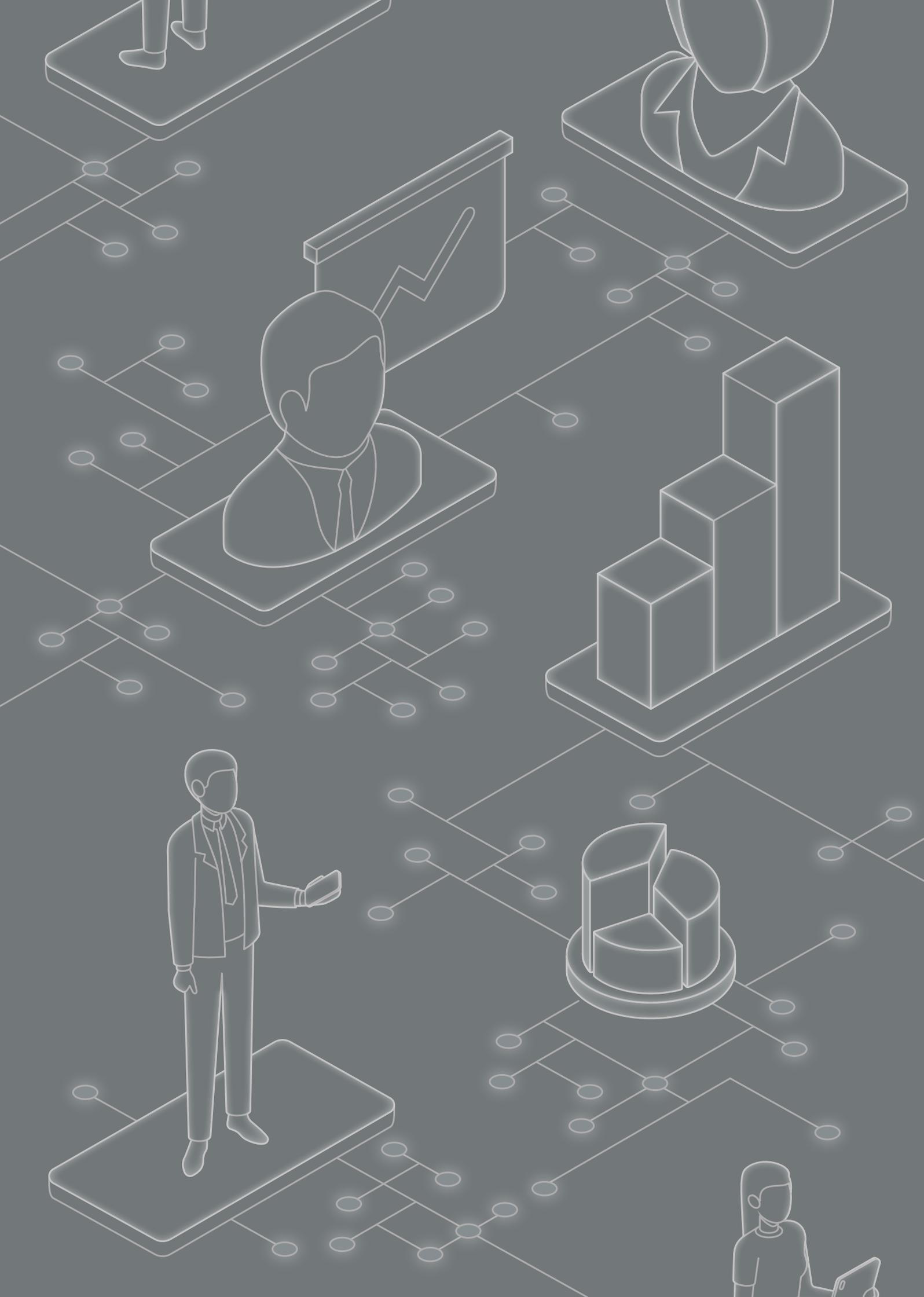
The coverage of PPD is constantly increasing aiming at gradually involving the entire workforce, regardless of position and role. In its first year, 2013, PPD involved about 900 people whereas in 2021 6,319 employees or 77.1% of the workforce took part in the process.

In absolute terms, the process involved over 200 additional people than in 2020, an increase of 3.5%. Moreover, since 2018, the "PPD Easy" has also been implemented, a process dedicated to employees in more operational roles. The "PPD Easy" is currently being extended to all Group organizations and, in 2021, it saw the involvement of around 1,300 employees.

Over 77% of employees took part in the PPD in 2021.

NUMBER AND PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE EVALUATION

	2019			2020			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	973	4,803	5,776	1,033	5,071	6,104	1,067	5,252	6,319
Percentage	64.8%	68.4%	67.7%	72.9%	74.3%	74.1%	75.1%	77.6%	77.1%



PEOPLE DEVELOPMENT

Coesia has always been keen to strengthen the link between business results and the contribution of each employee to the organization.

In 2021, to ensure the continuity of the employee's professional growth, even in the face of the complex pandemic context, the virtual methods that had been launched in 2020 were consolidated and new hybrid opportunities were evaluated. An agile approach has led to flexible management of synchronous and asynchronous training experiences, in line with global needs and scenarios as well as local ones.

The reflections and feedback from the 2020 classes made it possible to fine-tune the courses that had already been virtualized in the first pandemic period and to introduce new ones, evolving the methods, contents and tools to guarantee effectiveness and continuous updating.

These evolutions, in addition to ensuring the training and development of people in different scenarios, have made it possible to cross geographical boundaries, thereby promoting integration and a sense of belonging to an international Group.

Although physically distant, the employees had the opportunity to meet and share new knowledge and learning, creating paths for growth with a new multicultural reverberation.

Great importance is given to technical and professional training programs, IT training, language courses, business organization, and management and leadership development programs also through important partnerships with leading Business Schools, Universities and Consulting Companies.

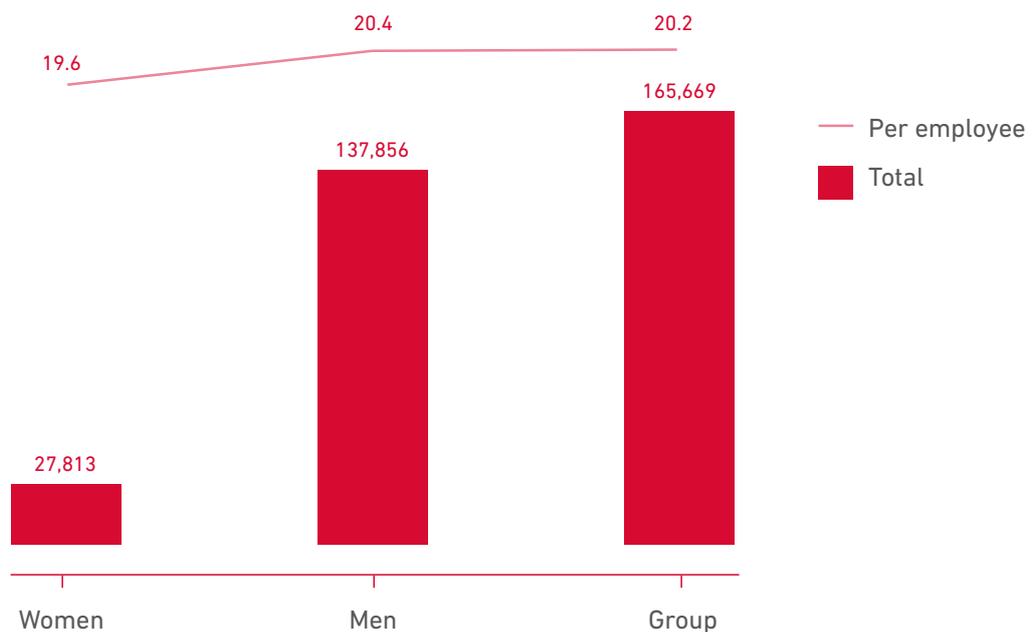
The ongoing dialogue with the market favors the introduction of innovative learning methodologies and approaches in line with the reference framework and business strategy.

Thus, the training needs of employees are met in such a way as to promote professional growth, the creation of a positive working environment and a collective participation in achieving business objectives.

165,000+ hours of learning and development provided in 2021.

Despite the challenging scenario, Coesia has upheld its strong commitment to providing a suitable and complete process of training and development to its people. In fact, in 2021, over 165 thousand hours of learning and development were provided, for a total of 20.2 hours per employee.

HOURS OF LEARNING AND DEVELOPMENT PROVIDED IN 2021





STRATEGIC HIRING PROGRAMS

Tech Academy

The Tech Academy is a Strategic Hiring program designed to recruit recent high school graduates in mechanical and electronic disciplines, selected worldwide.

The course seeks to develop the technical, process and organizational skills necessary for effectively performing the role of Field Technician in Coesia. With the aim of promoting the sharing of skills as well as of professional life experiences, the Group's managers and professionals are entrusted with training participants throughout the entire course.

The Tech Academy consists of two phases, for a total duration of 15 months.

During the first phase, which lasts three months, participants have the opportunity to acquire the first basic technical knowledge, which is then verified with a final exam.

The training is mainly organized through concrete experiences on G.D technologies, overseen at the Coesia headquarters in Bologna.

In addition, there are in-depth sessions on "non-technical" role skills, from problem-solving courses to reflections on multicultural working environments. The following 12 months proceed with on-the-job activities at the specific company of reference: a different training focus is defined for each participant who is mentored by a local expert tutor.

In 2021 the fifth edition of the Tech Academy was implemented, reaching a total of 36 participants since the launch of the program in 2018.

Engineering Graduate Program

The Engineering Graduate Program is a Strategic Hiring program that includes an in-depth selection process and a development path lasting about one year that is aimed at recent university graduates from the best engineering faculties on the international scene.

The program endeavors to:

- select talented recent university graduates for effective placement in Coesia Companies and Functions;
- ensure consistency and thoroughness in learning the Group's tools, processes and technologies;
- provide a global culture in the field of automation and industrial process solutions;
- facilitate the placement of university graduates in the various business areas, in line with their interests, aptitudes and skills.

The program is an opportunity to build relationships within the Group and to learn something about oneself and others through field experiences and international assignments.

Throughout the entire program, Group managers and professionals are put at the disposal of participants in their role of internal faculty and as tutors, sharing with them concrete work experiences in the various Companies and business functions, as well as perspectives and success stories.

In addition, the program offers the opportunity to approach different cultures, even over great distances as the global context remains complex and unpredictable.

In 2021, the fourth edition of the Engineering Graduate Program was implemented, reaching a total of 63 participants since the launch of the program in 2012.

LEADERSHIP DEVELOPMENT PROGRAMS

Lead Change Program

Program created in collaboration with the IMD Business School and aimed at Coesia's top management. It strives to develop the skills needed to drive change, reflect on leadership dynamics within a constantly evolving organization, and strengthen the ability to identify market and customer demands. In 2021, the second edition of the Lead Change Program was commenced in virtual mode.

Innovation Mindset

Initiative dedicated to the development of technical potential that aims to promote the personal growth of employees and to create engaging experiences that allow people to encounter new approaches, tools, behaviors and actions. The next edition of Innovation Mindset is scheduled for 2022, once again in person.

Learning Bites

"Learning bites" have been hatched in recent years to support leaders and supervisors; they are spaces for reflection that take place completely online within a limited time frame (maximum 4 hours each). In particular, during "Leading yourself in uncertain times", "Leading teams virtually in a VUCA world" (Volatility, Uncertainty, Complexity and Ambiguity), and "Managing Teams Virtually", the participants have the opportunity to discuss issues such as resilience, remote work group management, and employee development. The methodological approach is based on the exploration of the principal relational dynamics and of people management; it reconciles theoretical models with real experience and aims to identify concrete actions for working on self-efficacy and the most functional methods in team management.

Leadership Sandbox

Initiative targeted at developing Coesia's junior workforce. Participants are involved in activities focused on creativity, relationship management, diversity management and teamwork. The next edition of the Leadership Sandbox is scheduled for 2022, once again in person.

Coaching

Individual development path for junior and senior profiles with managerial potential. The path is personalized to specific leadership and behavioral needs. Certified coaches with solid experience provide support to the participants, offering an outside point of view to help address new professional challenges.

Mentoring

Individual development path for junior profiles with managerial potential that is based on the voluntary relationship of trust between a less experienced person (the Mentee) and a more experienced manager (the Mentor). The Mentor offers guidance, vision, support, and encouragement with the purpose of developing the Mentee's skills and professional career.

Be A Supervisor

BeASupervisor@Coesia strives to strengthen the managerial skills of the Group's supervisors, supporting them in the effective interpretation of their role. The objective is to foster a common and recognizable management culture by sharing the behaviors and tools of people management. The program supports the theoretical and behavioral consolidation of the main areas of responsibility in employee management. By following a perspective that is well-structured and guided by a steady vision, resources are enhanced through actions such as (including but not limited to) motivation and delegation.

LEARNING PROGRAMS

Programmi Behavioral

All the content, tools and methodologies of the learning activities are consistent with the Group's leadership models, culture, and values and are in line with the challenges and market scenarios that our Companies face. Nurturing the development of transversal skills and abilities enables people to "live" their role in the best possible way and to grow professionally within the Group.

Programmi per Job Family

Coesia promotes the skill development of key job families to allow its employees to work their best and contribute to the achievement of the Group's business objectives.

The programs are personalized and take into account both individual competences and those specific to professional roles. Together with the best international training firms, the Group employs the most effective tools and methodologies consistent with the business challenges.

2.3

HOW WE TAKE CARE OF PEOPLE

We take care of our people and their well-being by promoting initiatives at all sites to maintain optimal health and work-life balance, offering welfare services that exceed legal requirements.

WELFARE

The initiatives promoted by Coesia, targeted at all employees, differ from country to country to respond to the specific needs of each; they include social healthcare services, prevention plans, insurance (defined as reimbursement of medical expenses) and regular medical examinations. To encourage a proactive approach to psycho-physical well-being, some Group Companies offer access to gyms or sports centers, as well as prevention programs (food education programs, anti-smoking programs, etc.), flexible working hours and smart working.

In addition, they offer educational support (such as scholarships and reimbursements for textbooks) for both employees and their children, and assistance services (subsidies for support services for those facing challenges or problems, leave for anniversaries and childbirth, and legal and tax advisory services), discounts and other agreements.

In addition to these services, there are also meal vouchers or internal catering services provided. The guarantee of equal opportunities in matters of maternity, paternity and adoption is a further demonstration of the Group's commitment to support their employees in reconciling parental responsibilities with professional challenges. In accordance with local regulations, Coesia also guarantees parental leave to all employees.

The pandemic situation, which has strongly characterized the last few years, has not been an obstacle to Coesia's welfare policy and the way in which it takes care of its employees.

During that period, the Group maintained services for its people in line with the previous years and to the standards of an international company, such is Coesia.



Healthcare

- Financial coverage for specialist medical examinations, hospitalizations, diagnostic examinations and dental care.
- Over 95% of the company workforce is covered.



Life insurance

- Financial coverage in the event of death as a result of occupational accidents, non-occupational accidents and illness.
- Over 74% of the company workforce is covered.



Invalidity and disability coverage

- Financial coverage in the event of invalidity and permanent disability as a result of occupational accidents, non-occupational accidents and illness.
- Over 68% of the company workforce is covered.



Business travel

- Insurance coverage for business travel is also guaranteed even in countries where it is not a legal obligation.
- 100% of the company workforce is covered.



Pension plans

- Supplementary pension plans for social pensions.
- Over 86% of the company workforce is covered.

Coesia's commitment to the well-being of its employees translates into, for example, the welfare services of the MAST Foundation which stands for Manifattura di Arti, Sperimentazione e Tecnologia (Arts, Experience and Technology).

An international cultural and philanthropic institution focused on arts, technology and innovation, the foundation coordinates a multifunctional center in Bologna, adjacent to the headquarters of G.D and Coesia.

In addition to the several projects and community-targeted activities that create osmosis between the Group and the city, The MAST Foundation provides welfare services to all Coesia employees.

The **MAST Nursery School** welcomes children from three months to five years of age. These are largely the children of Coesia employees but also include a quota of local children as in agreement with the Municipality of Bologna.

The **Company Restaurant** offers Coesia employees meals prepared with selected ingredients that are of local origin, organic, PDO, PGI and fair trade, with free-flow service.

The culinary preparation respects the specialist guidelines and indicators agreed upon with nutritionists from the Gruber Center in Bologna who collaborate with the MAST Foundation and ensure that the meals are balanced and easy to digest.

MAST.Wellness, managed by OneonOne (a Technogym company, leader in fitness equipment), offers sports activities and services based on a holistic and integrated wellness model.

The services offered by the Corporate Restaurant and MAST.Wellness are designed as part of a single project wherein nutrition and physical activity are closely connected.

The **Academy** is a training center for the development of the technical and managerial culture.

The Group's employees also contribute by actively supporting training projects for young people in local schools, thus spreading technological and managerial know-how outside the company.

The **MAST Foundation Galleries**

The **MAST Innovation Gallery** is an area of experiential learning centered around technology and innovation. Starting from some of Coesia Group's technical solutions, the interactive and multimedia itinerary offers visitors, through various exhibits, the opportunity to experiment and develop new knowledge.

The **MAST Photo Gallery** is an exhibition space that hosts temporary exhibitions of photography of industry and work. The exhibition program alternates between thematic and single-subject projects, and between historical exhibitions and the proposals of contemporary artists. They draw on works from the MAST collection, which boasts over 5,000 pieces, or from other archives, international institutions and private collections. Each exhibition is accompanied by a program of talks, meetings with the protagonists of the photography world, screenings, film festivals, hosted in the MAST Auditorium, workshops for children and young people.

EXPEDITIONS

Expeditions is a high school internship project founded in 2015, created, promoted and managed by the MAST Foundation, in collaboration with Coesia and the Emilia Romagna Regional Education Department. The project is targeted at students in the third year of high school and offers a learning path focused on innovation within the mechanical industry for a total of 80 hours, of which 48 are spent within the MAST Foundation and the Coesia Companies. The goal is to help participants discover the world of business by highlighting the main aspects of technological innovation, thus boosting motivation for a “can-do” culture and entrepreneurship.

Expeditions allows students to enjoy a practical experience within the corporate world and to carry out a final project, led and supported by university professors and Group employees in the role of trainers and mentors. The project topics include Industrial Automation, Artificial Intelligence, Packaging Design, Product Marketing and Sustainability. The latest edition, held again in person in the month of November, saw the involvement of about 150 students from 4 classes of the Aldini Valeriani Institute in Bologna.

ENTER/PRISE

After the success of the 2020 pilot edition, the first edition of ENTER/PRISE was held from January to May 2021. This distance learning internship project was promoted and managed by the MAST Foundation, in collaboration with Coesia and the Emilia Romagna Regional Education Department. Enter/PRISE is an initiative that builds upon the experience of the Expeditions project and endeavors to offer students an engaging program complete with team projects. The project is targeted at students in the third year of high school and offers a learning path focused on innovation within the mechanical industry for a

total of 80 hours, of which 36 are spent online within virtual spaces of the MAST Foundation and the Coesia Companies. The initiative has a marked orientation toward innovation and is strongly characterized by experiential learning, group experimentation and development of communication skills. ENTER/PRISE also provides for the completion of a final project on Industrial Automation, Artificial Intelligence, Packaging Design, Product Marketing or Sustainability.

In 2021, about 1,100 students from 19 schools in Emilia Romagna were involved.

SUMMER SCHOOL

In July 2021, the fifth edition of the Summer School was held: a residential training initiative targeted at students in the third and fourth years of high school that provides six days of intensive training and guidance on cutting-edge subjects related to the topics of Artificial Intelligence and Internet of Things. Promoted and managed by the MAST Foundation, in collaboration with Coesia and the Emilia Romagna Regional Education Department.

In the 2021 edition, the project saw the participation of 35 students from different schools throughout the country. Participants had the opportunity to carry out laboratory and team-building activities with engineers, managers, and researchers from the business world and from the university, sharing and alternating study sessions with keynote speeches by international guests.

SUMMER CAMP

In collaboration with the MAST Foundation and LGS SportLab, Coesia confirmed the Summer Camp again in 2021. Addressed to the children of employees in the Bologna area, the camp offers workshops, creative laboratories, and sports

activities that foster social, creative, and emotional development in the new generations. The activities, held during the pandemic period, have been revisited to ensure full compliance with safety regulations.

HEALTH, SAFETY AND ENVIRONMENT

In 2021, the Group centered their decisions around the safety of their people and guaranteed the Health, Safety and Environment (HSE) programs, which reflect Coesia's values and which concern not only employees, but also customers, suppliers, and numerous stakeholders. To confirm their commitment on the matter, Coesia has adopted an HSE Policy: that is, guidelines for the definition and implementation of the HSE management system at all Coesia Companies. In the case of acquisitions, the new Companies are likewise accompanied in the process of integrating the Policy within their organization. Structured around the following four domains, the HSE Policy defines the primary aspects for effective prevention:

- **system:** provides information on the structure of the management system implemented by Coesia and the related management aspects;
- **safety:** defines the health and safety requirements that Group Companies adopt and the prevention and protection aspects that must be taken into account;
- **environment:** includes the requirements relating to the prevention of pollution and reduction of environmental impacts that Coesia adopts in the performance of its business activities;
- **programs:** considers a number of cross-cutting aspects, including procedures for the review of the HSE system, the management of supplier safety aspects and the safety of the vehicle fleet.

The Group's HSE auditing program proceeded throughout 2021, the purpose of which is to support continuous improvement, to ensure compliance with laws and reference standards, and to increase the awareness and involvement of all company functions in risk prevention and protection activities. Moreover, in an effort to strengthen the self-awareness of Group Companies as to environmental and social issues, an annual self-audit is required to verify compliance with the requirements of the HSE Policy.

The Group also encourages and promotes the application of international standards: in 2021 the certified safety management systems OHSAS 18001 and ISO 45001 (Occupational Health and Safety Management System) covered 46.8% of the total workforce.

The Group's attention to issues related to health, safety and the environment is not limited only to employees, but also includes the prevention and mitigation of potential impacts deriving from trade relations.

For that reason, the HSE Policy includes a set of requirements ensuring that contractors, consultants and suppliers do not constitute a hazard for safety or for the environment and operate in accordance with applicable laws and regulations and with internal procedures.

By way of example, Coesia works hard to define appropriate procedures at its Companies to ensure that its partners are informed about any risks present at the Group's sites. Coesia's dedication to taking care of its own people was even more evident starting in 2020 with the spread of the pandemic.

From the onset and throughout 2021, Coesia promptly organized itself to manage the situation within the Group and to dictate guidelines to effectively address issues relating to the protection of employees' health and safety: redesigning workspaces, adopting appropriate safeguards, ensuring greater air exchange and giving employees the opportunity, depending on the type of job, to work remotely in order to limit the spread of the virus as much as possible.

At the individual Company level, dedicated committees were established to address the challenges deriving from Covid-19 and to implement safety measures in accordance with specific local legislation.

At the first signs of the pandemic, Coesia established a Group Committee composed of management figures, technical experts and the Presidency, in order to centrally coordinate the supervision of activities, promoting prevention initiatives and employee support.

PROTECTED PRODUCTION PLANTS AND MACHINERY

Coesia works in the design and production of highly technological machinery and therefore pays particular attention to the use of safe equipment and machinery within its Companies. Throughout the life cycle of the machines, specific measures are implemented in line with the HSE Policy and with international and national regulations.

STRUCTURE OF THE HSE POLICY

SYSTEM		
HSE responsibilities, resources and organization	Competency and training	Emergency preparedness and response
Legal compliance	Improvement programs	Communication and consultation
Risk evaluation and management	Monitoring and measurement	Self-audit
Management of change	Incident management and root cause analysis	
SEFETY	ENVIRONMENT	PROGRAMS
General facility design and operation	Waste management	Management of contractors, consultants and suppliers
Life safety	Air emissions management	Acquisition and divesture of assets and business
Fire prevention and protection	Waste water management	Car fleet safety
Workplace safety	Fresh water management	HSE corporate system review
Ergonomics	Management of energy and natural resources	
Physical hazards		
Chemical substances and dangerous materials		
Asbestos		
Radiological hazards		
Personal protection equipment		
Safe storage and handling of materials and substances		
Work equipment safety		
Electrical safety		
Confined space entry		
Lock-out/Tag-out		
Occupational hygiene, medical surveillance and first aid		

The HSE management system described above considers risk assessment as a central and fundamental element for its proper functioning. Indeed, for Coesia risk analysis is a continuous process, periodically updated according to the Group Companies' operations, changes, technological evolution, monitoring results and incident events. As defined in the Policy, analysis must be based on a consolidated and structured methodology and must consider all elements of danger and risk to people and to the environment, under normal, abnormal and emergency operating conditions. The aim is, therefore, to develop a formalized program of continuous and progressive risk reduction that results in risk elimination or minimization.

To ensure the effectiveness of the HSE management system, the Group has also dedicated itself to promoting communication and to training its employees. For this purpose, an HSE coordinator is appointed by each Company, whose function is to implement and manage an effective program on such matters.

To enable adequate internal and external communication, there are several channels that allow any person to submit reports, suggestions and observations aimed at eradicating any dangerous situations.

In the countries where it is required by law, management-employee committees are established to facilitate employee participation in health and safety issues; in the other countries, the Group encourages the creation of suitable processes aimed at ensuring occasions for employee participation and consultation.

As far as training is concerned, Coesia has always been committed to developing comprehensive programs for its people. In fact, each Company endeavors to ensure training programs to guarantee its employees are aware of the potential health and safety risks related to the tasks performed. The program includes different types of training:



Induction training: for new recruits, covers HSE issues related to the workplace, the tasks they perform and related specific risks.



Specific training: provided to employees based on the specific tasks they perform, it is focused on the peculiar risk and the management of residual risk.



Continuous training: necessary for keeping employees updated on regulatory changes, policy updates, and organizational and technical changes.



Mandatory Corporate courses: cover several topics that Coesia considers relevant in ensuring the proper functioning of the HSE management system. These include the HSE Policy course, training on first aid, emergency plans, machine safety and many others.



Information on risks: all employees are guaranteed a basic level of understanding of the risks associated with the workplace, including the results of monitoring activities, compliance on the HSE regulations and any planned risk reduction and improvement actions.

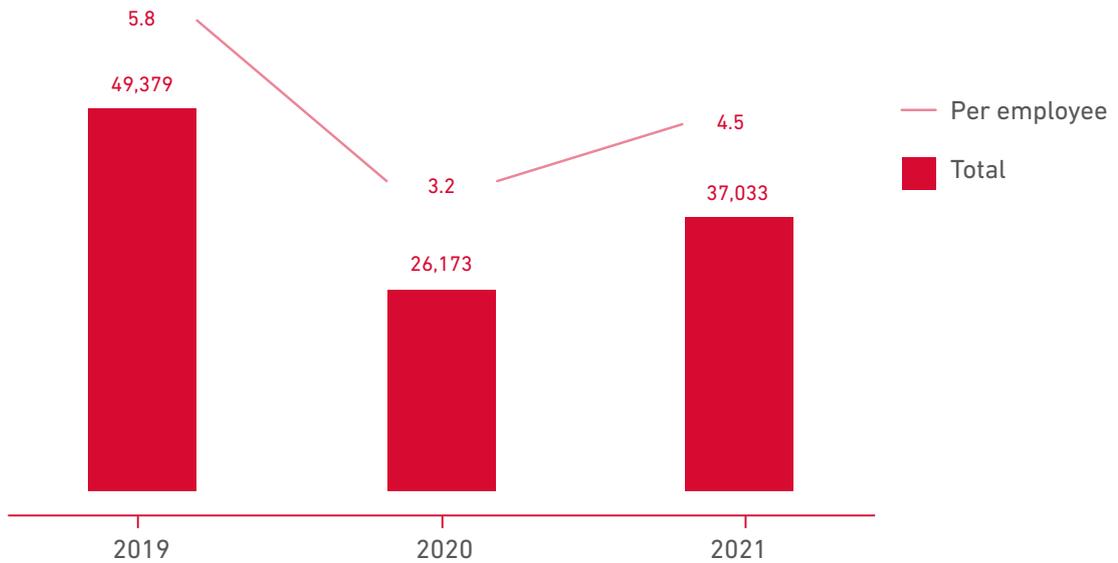
Over the years, the Group has invested more and more resources into training its people in HSE. During 2021, Coesia ensured the same level of attention to health and safety issues, providing most of the training courses remotely.

In absolute terms, in 2021 more than 37,000 hours of HSE training were provided, equal to 4.5 hours per capita. This represents an increase of 41.5% compared to 2020 due to

having transitioned to a hybrid mode of training, thereby maintaining compliance with the requirements of the law and the Group's HSE Policy.

Ensuring continuous improvement is an integral part of the Group's business model, as well as the continuous involvement of its people as enablers of business growth.

HOURS OF HSE TRAINING PROVIDED



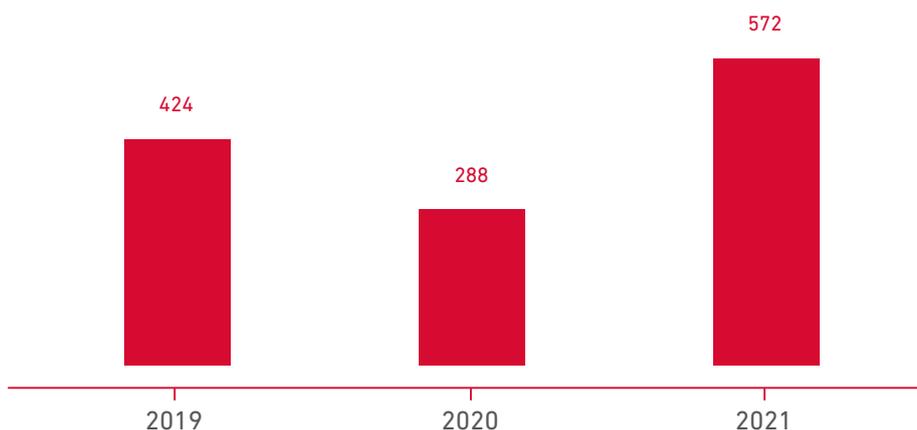
In fact, the numerous programs implemented in recent years have made it possible to increase the participation and involvement of all functions into the evaluation system.

The increase in safety improvements notifications, which came to 572 in 2021, can be attributed to the Group's continuous attention and to the gradual resumption

of normal activities. These reports make it possible to mitigate risks and the occurrence of events related to employee health and safety.

Lastly, each Group Company implements a process of detection, registration and analysis of accidents or injuries, in order to detect and remove their determining causes.

NUMBER OF SAFETY IMPROVEMENTS NOTIFICATIONS



Safety in the workplace is monitored using accident indicators at the Company level and centrally through quarterly reporting.

In 2021, the absolute number of registered accidents increased to 57, as did the frequency index (i.e. the ratio between the number of accidents and the hours worked), which stands at 4, higher than 2.9 in 2020 but still lower than 4.7 in 2019. This outcome is the consequence of relaunching production activities and returning to working in person in the offices and plants. Since the beginning of the pandemic, Coesia has paid even greater attention to health and safety matters, increasing control measures and raising awareness among its employees. Lastly, part of the reduction can be attributed to the increased use of smart working, which, by its nature, implies a lower level

of risk than some tasks traditionally carried out in person or which involve work trips.

The main types of injury for 2021 were lacerations and bruises.

Within the Group, there are also personnel not directly employed by Coesia who perform work activities, such as employees with an outsourcing contract. For this category of employees, the types of accidents that occurred in the workplace were also monitored, logging 27 accidents in 2021.

During the year there was one accident with serious consequences.

NUMBER AND RATE OF EMPLOYEE ACCIDENTS

	2019	2020	2021
Hours worked per year	14,177,870	12,773,275	14,354,278
Number of incidents recorded per year	67	37	57
of which in progress	-	-	-
of which with serious consequences ¹	-	-	1
of which fatal	-	-	-
Frequency index²	4.7	2.9	4
Frequency index of incidents with severe injuries³	-	-	0.1
Fatality rate⁴	-	-	-

¹ Incidents with severe injuries include incidents that have resulted in injuries from which the employee cannot recover, does not recover or is unlikely to fully recover and return to the state of health prior to the incident within 6 months.

² The frequency index was calculated as (number of incidents/hours worked) x 1,000,000.

³ The frequency index of incidents with severe injuries was calculated as (number of incidents with severe injuries/hours worked) x 1,000,000.

⁴ The fatality rate was calculated as (number of fatalities/hours worked) x 1,000,000.

Environmental issues are more extensively dealt with in Chapter 4.



SECURITY

The Security function is committed to regulating the aspects regarding the protection of persons and Coesia's material and immaterial resources. This is accomplished by defining the operational rules for all security activities and identifying the roles and responsibilities of the individuals involved in this process.

Misconduct and/or negligence can cause the loss of tangible, intangible and organizational assets, cause harm to employees, as well as compromise the competitiveness of the company in the short, medium and long term.

Through the study, development and implementation of strategies, policies and operational plans, the Coesia security function has developed a risk management model based on a logical sequence of actions that aim to:

- identify the context and threats, determining the possible calamitous/harmful events and their frequency;
- outline vulnerabilities and situations that may evolve into dangerous situations;
- estimate the losses/damages in relation to the value of the assets at risk;
- define the prevention priorities according to the expected damage and the importance of the different components of the system at risk;
- determine the effectiveness/cost of the different possible measures and select the prevention strategy to be adopted.

The following are part of the Security management procedure: Physical Security, which deals with the protection of people and company assets; Travel Security, which provides for the management of people's security when they are traveling for work-related reasons; Cyber Security, which supervises the protection of data and the monitoring of any cyber attacks and which was discussed in Chapter 1, section 1.4 "Preventing and reducing risk".

PHYSICAL SECURITY

Physical Security is often the primary concern in asset-intensive facilities, especially those used in systems critical to company processes.

The purpose is to protect people, data, confidential information, networks, software, equipment, facilities and corporate assets.

To do this, multiple countermeasures are adopted, including:

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

In 2021, the Group introduced the VAT (Vulnerability Assessment Test) software, used to calculate the vulnerability of sites, both in Italy and abroad. The objective is to identify the plants' physical and technical vulnerabilities, in order to develop and prepare effective and timely countermeasures.

Regularly running Physical Security assessments is also critical to safeguarding company resources and improving existing security measures.

TRAVEL SECURITY

People are Coesia's most important resource and therefore their safety, especially when travelling for work in high-risk countries, is of paramount importance.

In order to keep staff up to date on any potential issues that could jeopardize their safety abroad, Coesia is engaged in a range of heterogeneous activities including:

- daily risk assessment for the countries in which it operates, in view of different variables (terrorism, crime, ethical and socio-political risk);
- intelligence gathering and analysis;
- media monitoring;
- on-site investigations;
- the implementation of security countermeasures in the highest risk areas.

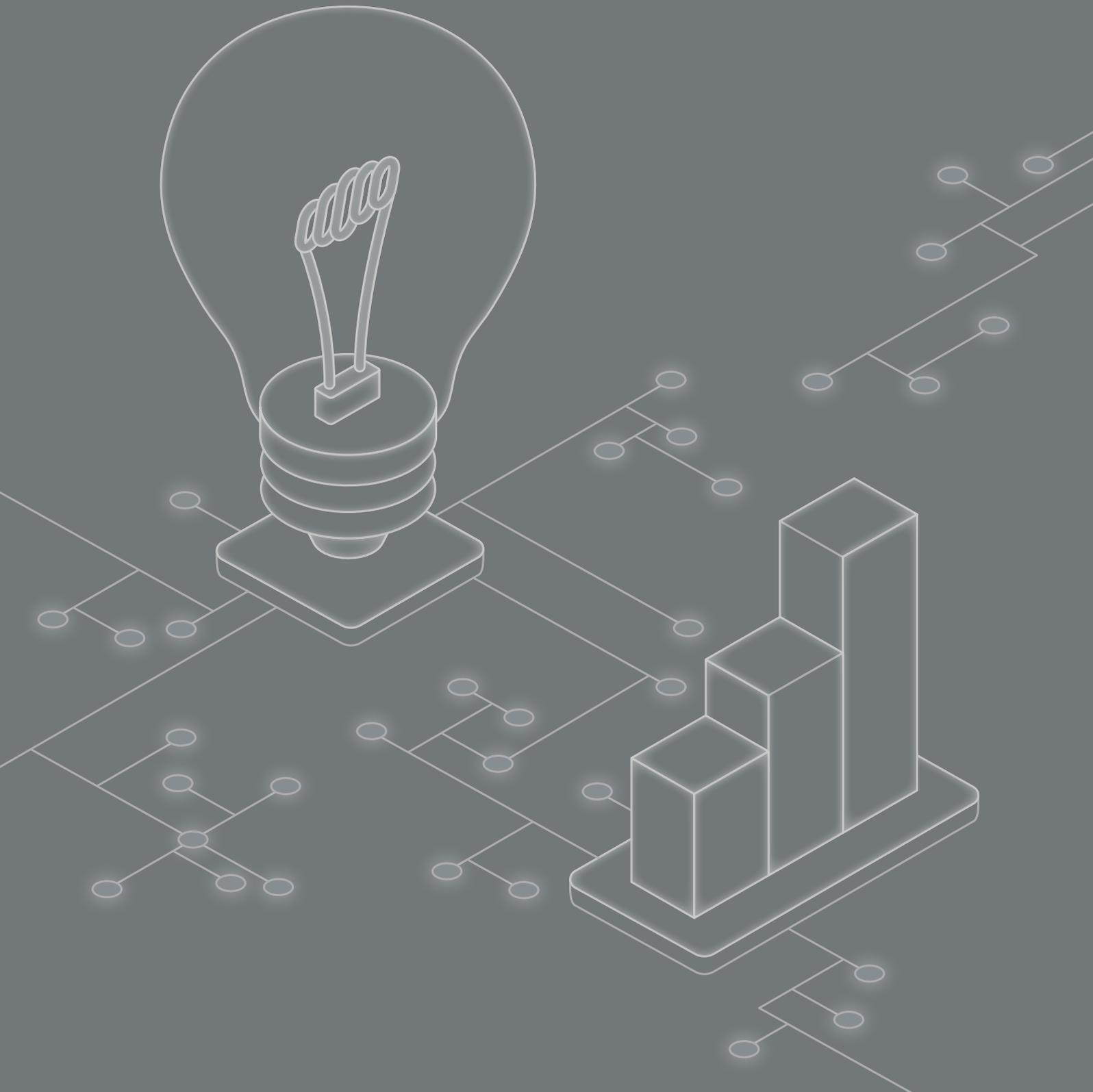
In addition, the Group introduced the Travel Medical Assurance policy in 2021, which provides constant support to employees through a point of contact for information, alerts and immediate 24-hour assistance during business trips.

With the onset of the Covid-19 pandemic, Travel Security has been engaged in multi-level crisis management, becoming a point of reference for the assessment of health risk, the analysis of complex national and international anti-Covid-19 regulations and the determination of travel feasibility.

Thanks to a combination of skills, sources and trusted partners, it has been possible to develop a solid mechanism that prevents threats, minimizes exposure to potential risks and, wherever necessary, provides adequate security measures.

3

OUR SOLUTIONS:
innovate to exceed
customer expectations





8.6% of revenues invested in Engineering and R&D



1,563 people employed in Engineering and R&D



1,521 active Coesia patent families



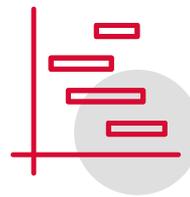
25 new product launches



5% patent applications directly related to sustainable solutions



933 active belts in the Lean Six Sigma program



1,654 Lean Six Sigma projects launched in the last 7 years



100% of marketed machines safety tested

3.1

GENERATING SUSTAINABLE INNOVATION

Innovation is part of Coesia's genetic heritage and culture and consists not only in the development of new technologies, products and solutions, but also in the creation of an environment that actively involves stakeholders, customers and the numerous Companies of the Group.

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

Industrial research and innovation have always been a priority for Coesia and its Companies: the Group aims to constantly improve its technologies, products, solutions and processes in order to be always ready to meet the needs of stakeholders and customers and to exceed their expectations.

The way innovation is generated has changed over the last few decades. Today the market is driven by both customers and consumer needs, and innovation cannot be separated from sustainability and digitization. These two elements, the main drivers on which Coesia today bases its strategic vision, enable the Group to maintain competitiveness within the market and generate value with full respect for environmental and social dynamics, establishing a continuous and consolidated collaboration with all players on the value chain.

INNOVATION AND SUSTAINABILITY FOR COESIA

The Concept of Innovation

In Coesia, innovation is a truly creative and interactive process that involves multiple players: customers, suppliers, marketing, research and development and engineering.

It is an integrated process that starts with the development of the concept, is refined in the design phase and ends with the "delivery" of the finished product or service requested.

This process applies to all projects called NPD, New Product Development, which involve:

- **disruptive innovations**, which essentially create a new market;
- **new product lines**, which allow a manufacturer to enter an already consolidated market for the first time;
- **line extensions**, that supplement an existing product line;
- **product improvements**, which improve the performance of existing products;
- **customer-specific projects**, that develop innovative concepts addressing specific needs, making the Group's wide range of competencies available to the customer;
- **cost reduction**, that provide comparable performance at a lower cost;
- **repositioning**, which takes existing products and targets them to new markets or segments.

Every year this process results in the launch of new products on the market.

OUR STRATEGY



PROVIDING INCREASINGLY SUSTAINABLE SOLUTIONS

Coesia is strongly committed to integrating sustainability at every stage of design and production, providing increasingly efficient solutions with a lower environmental impact.

This multidisciplinary approach is of great value to the Group and represents an important catalyst for the effective use of all resources within the Group's Companies.

For Coesia sustainable innovation means acting consistently with its principles in terms of:

- **increasing the efficiency of the machines:** generating less waste and scraps, lower energy consumption per unit of product in order to contribute to a lower ecological footprint of the machines;
- **expanding the range of sustainable solutions:** developing technological solutions capable of managing new packaging materials with a lower environmental impact, new packaging formats that optimize material consumption and logistics costs by reducing volumes, all the while paying attention to the development of innovative solutions for format and brand changeovers to optimize time and consumption, making our portfolio even more flexible.

Coesia is also committed to launching life cycle assessments (LCAs) of its solutions - both machinery and proprietary packaging - in order to assess their potential impacts on the environment and identify areas for improvement. This methodology comes used with the aim of supporting customers in the overall assessment of the environmental impact of their final products, while at the same time offering ideas for the development of alternative solutions, thus transferring the know-how acquired over the years by the Group to all the players involved in the value chain.

In fact, the Group's Companies invest in the search for more efficient solutions and products in relation to the materials used, transport and packaging, aimed at redefining the concept of sustainability within the production process.

To strengthen the definition of environmental strategies in the Group's Companies and accelerate the implementation of existing initiatives, the Coesia Center of Expertise Environmental Sustainability performs, inter alia, the important function of monitoring market trends, new policies related to environmental sustainability and the launches of new materials and products by suppliers and customers, centralizing the collection of data on projects underway within the Group.

Organized as a working group that sees the participation of about 50 marketing and R&D staff from Central Functions and individual Companies, the Center of Expertise Environmental Sustainability enables the

constant sharing of updates on initiatives related to the development of sustainable solutions by Companies to foster greater internal awareness and trigger new synergies.

The Group's Companies, side by side with customers and suppliers and with the support of the Center of Expertise Environmental Sustainability, dedicate the maximum commitment to creating new sustainable products and solutions, as well as updating the installed base to enable the processing of more environmentally friendly materials.

About 5% of the patent application field by Coesia in 2021 protect technological solution directly connected to sustainability issues.

In this context, the following technological solutions have been developed:

- Patented machine composed of corrugator and wrapper for manufacturing and packaging recyclable paper straws. The project is aimed at reducing scraps and minimizing the impact on the environment resulting from plastic straws largely polluting the oceans.
- Design of a kitchen of only two square meters in size that allows the preparation of fresh food in space, personalizing the diet of the astronauts and minimizing the consumption of energy and water. The project stems from the Group's participation in a call for tenders for NASA, in which the goal is to understand how to grow groceries in greenhouses and transport them to a non-terrestrial environment, providing recipes and crops that ensure balanced proteins and calories for astronauts who need specific nutrients. The kitchen is equipped with special cooking systems that enable preparing long-life nutritious foods.
- Design of an innovative attached bottle cap aimed at avoiding its dispersion into the environment after use and protecting the quality of the product, ensuring high standards of efficiency and a lower environmental impact.

Research and innovation form the core of the Coesia culture and for this reason various functions of the organization collaborate in the innovative process: from Marketing, which provides strategic inputs on market demands, to the research and development centers of the Group Companies and the specialized Corporate functions including the Coesia Engineering Center.

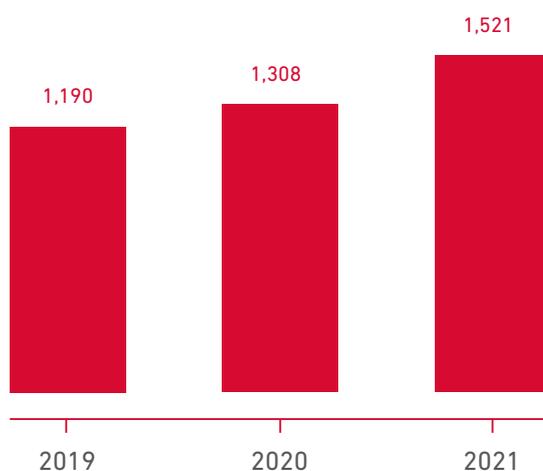
In 2021, the 1,563 people working in the Engineering and R&D departments contributed to major achievements including the launch of 25 new products.

To continue to guarantee customers the development of cutting-edge products, Coesia annually invests a significant budget in engineering and research and development activities which, in 2021, amounted to around 8.6% of the Group's turnover (in line with 2020). Further confirming the Group's commitment in this respect, in 2021 the number of inventions patented by Coesia (active patent families) shows an upward trend compared to the previous year, recording an increase of 16.3%.

The overall patent portfolio also shows an increasing trend: the number of total patents active in the Coesia's areas of interest in 2021 stood at 4,461, an increase of 13.7% compared to 3,922 in 2020. This significant increase, recorded in a year like 2021 shows, once again, how innovation and the quest for continuous improvement are essential drivers behind the solutions proposed by Coesia.

+16.3% growth in active Coesia patent families compared to 2020.

COESIA'S PORTFOLIO OF PATENT FAMILIES



SPECIALIZED RESEARCH AND DEVELOPMENT CENTERS

In Coesia each Company has its own research and development center with specific expertise in the sectors in which it operates, in line with the peculiarities of each individual Company.

Companies are autonomous in developing machines and processes for the technologies they oversee, encouraging individual growth and the commitment of their collaborators.

At central level, a review of the projects classified as New Product Development (NPD) is carried out in order to strengthen synergies, with a view to optimizing costs and portfolio solutions. The Group's Companies are constantly in contact with each other and work together to develop common approaches, sharing specific technological knowledge.

COESIA ENGINEERING CENTER (CEC)

The Coesia Engineering Center (CEC) is a Corporate function established in 2012 with the important objective of supporting the Group's Companies in strategic and highly innovative projects.

The organizational structure of the CEC ensures flexibility and focus on objectives. The work teams are in contact with all the Companies of the Group to promote innovative methodologies, transfer technological know-how and support them in the execution of projects that require a high use of resources and have a high innovative content.

The Coesia Engineering Center also devotes a lot of attention to the issue of sustainable packaging in order to satisfy both market trends and the needs of customers, for the most part companies operating on international markets and showing a strong sensitivity on environmental issues.

The team works on packaging solutions with a lower environmental impact and on technological solutions to be implemented on the machines.

Given the strategic role of the CEC, the number of its employees has significantly increased in recent years going from 12 to 72 people between 2012 and 2021, including an executive manager, project managers, mechanical and electronic engineers and testing technicians.

COESIA'S INNOVATION FIGURES IN 2021



1,563

People employed in Engineering and R&D



25

New products successfully launched



8.6%

Of revenue invested in Engineering and R&D



1,521

Active Coesia patent families

COESIA DIGITAL

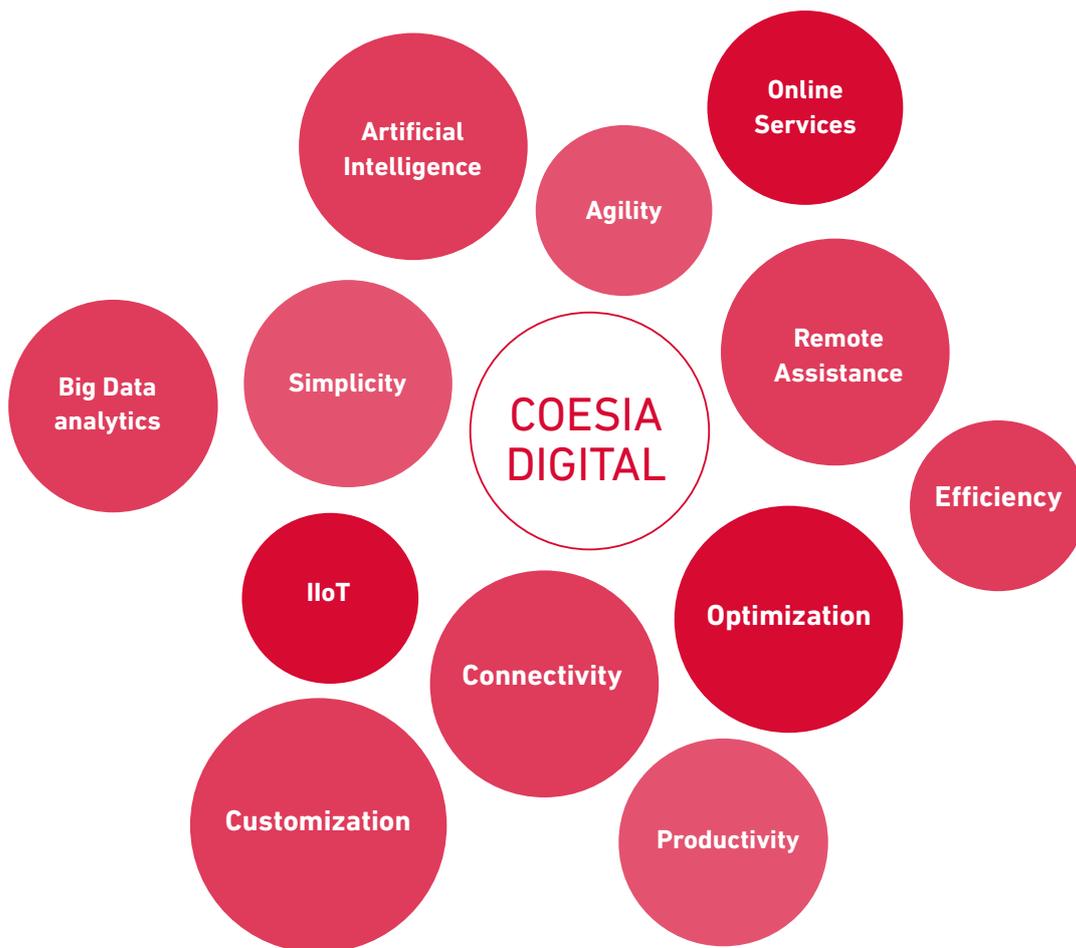
More efficient and reliable solutions can be achieved using the most innovative digital technologies.

With the aim of offering cutting-edge products and services, Coesia is exploring the fields of IIoT - to connect machines and systems - Big Data analytics, Artificial Intelligence applied to machines and lines, augmented reality and digital assistance, keeping Cyber Security at the forefront of the Group's priorities.

To accelerate the digital transformation plan and develop even stronger relationships with customers and suppliers, a cross-functional team that leverages internal skills, know-how and synergies has been set up.

There are four main areas of intervention:

- **online services, such as remote assistance**, remote FAT (Factory Acceptance Test) and Webshop (the online platform for ordering spare parts, tracking orders and shipments status);
- **new digital services**, to meet customer requirements in terms of customization, optimization, efficiency, simplification and agility;
- **edge analytics and Artificial Intelligence**, to improve machine productivity and optimize maintenance;
- **content marketing**, to communicate our competencies and share them with customers.



To allow customers to adapt to a rapidly changing environment, where speed, agility and flexibility are essential, in 2021 Coesia has enhanced the development of digital services and platforms to access them, significantly improving the customer experience. Among these platforms:

- a new human-machine interface, with an intuitive user experience, providing connectivity and smart functionalities, and designed to optimize the performance of our machines. This platform has been developed to facilitate access to wizards and digital documentation (reports, statistics, etc.) directly on the machine, and to speed up operations such as format changeover, troubleshooting, maintenance, training;
- an integrated IIoT platform aimed at allowing real-time monitoring of connected machines, to improve their performance, thanks to a smart interface and customized dashboards.
- the aggregation of production data allows a global understanding of productivity trends and a faster reaction in case of need;
- a digital platform for predictive analysis and Artificial Intelligence, to detect anomalies in process variables, improve machine productivity, and adopt a smart and predictive approach to maintenance.
- an end-to-end solution for the management of production operations which, thanks to its ability to adapt to customer needs, improves the quality of operations by scaling the automation model from the machine to the factory level.



SUSTAINABILITY LABS

The growing demand for sustainable packaging solutions, also supported by a constantly evolving legislative landscape on environmental issues, guides Coesia in the development of new technologies and in the study of eco-compatible packaging formats. In this sense, the Group has developed various innovative solutions to meet the needs of change and modernization coming from the market.

Among these, VOLPAK has given life to the PouchLab project. This is an area within the Company that serves as an R&D center of excellence for the development of sustainable packaging solutions. Since its opening, the space has been made available to customers and suppliers to test new materials with a lower environmental impact for new products to be launched on the market or to replace materials currently used in packaging. Specifically, the activities of the PouchLab mainly concern:

- use of innovative materials;
- tests and measurements;
- proposal of new solutions;
- pilot runs.

In 2021, the main test machine underwent an upgrade, to allow the PouchLab to offer even more advanced systems, especially in terms of welding.

Other Group Companies have followed Volpak's example. These include ACMA, which in 2021 inaugurated its Sustainability Lab with the aim of offering customers consulting services regarding the use of new sustainable materials for fold wrapping and flow packing. The service includes a phase of preliminary analysis and laboratory tests, followed by performance tests directly on the machinery.

NORDEN has also implemented a laboratory, with the aim of supporting its customers in the ecological transition. The TubeLab, in fact, offers customers and partners of the Company the opportunity to test in the machine new tubes made of sustainable materials (for example, paper-based tubes) or more easily recyclable (mono-plastic materials). The impact of sustainable materials for tube filling machines is often linked to the welding of the tube itself after filling, as the sealing process must be adapted to new materials, with different chemical/physical properties than the standard ones. A similar possibility is also offered by CITUS KALIX to its customers in the world of tubes for cosmetics and personal care.

PRIMARY PACKAGING

Sustainability represents, today more than ever, one of the key challenges for Coesia and the Companies of the Group. Recyclability and the impact of packaging on the environment are increasingly a parameter of choice by consumers, as well as a point of interest for the legislator, especially in Europe.

With this in mind, Coesia offers a wide range of primary packaging solutions with a reduced environmental footprint, also thanks to the competencies acquired in the world of paper packaging by virtue of the Group's many years of experience in the tobacco sector.

With specific reference to paper, ACMA offers its customers EcoShell, a cardboard package with an original design, which allows not only to replace plastic, but also to innovate the product dosing system compared to traditional packages. EcoShell is available in different formats and finds application not only in confectionery (candies, chewing gum, chocolate nuts), but also in other sectors, such as the parapharmaceutical for supplements or tablets with active ingredients, and cosmetics.

In 2021 ACMA patented a 100% paper package for laundry pods. Developed in collaboration with the CEC, this package has unique features (it is tamper-proof even by children and resists leaks), as well as having a lower impact on the environment and greater recyclability thanks to its composition. In terms of packaging materials, many brand owners

are abandoning multi-material films (composed of layers of plastic and other materials, such as aluminum) to move towards mono-materials (100% paper or plastic). These can be treated into the same waste stream, for greater and easier recyclability of the packaging by consumers. The Companies of the Coesia Group are ready to meet this demand thanks to increasingly flexible machines, capable of handling sustainable materials in addition to traditional ones. The path to more sustainable packaging solutions also involves the use of raw materials of non-fossil origin.

Among the novelties of 2021 in terms of sustainability for primary packaging, it is worth mentioning reVIVO. reVIVO is the brand that identifies the range of IPI solutions for the aseptic packaging of liquid foodstuffs which, thanks also to the use of polyethylenes of vegetable origin, offers a higher rate of renewability and a reduced environmental impact compared to the same solutions made with plastics of fossil origin.

The reVIVO range consists of packaging materials for aseptic cartons, straws and closures.

In addition to ACMA and IPI, GDM also pays great attention to the sustainability issues of its primary packaging, investing in the creation of bags made from recyclable, recycled and organic materials. In addition to these options, GDM is studying the possibility of managing the paper packaging.

SECONDARY PACKAGING

Alongside the great commitment and attention to primary packaging issues, the Group also dedicates a lot of attention to secondary packaging,

One of the most concrete examples of this commitment comes from NORDEN. The new NTP80 machine allows NORDEN's customers to manage secondary packaging in cartons or trays with the same machine, switching from one configuration to another very quickly.

The use of trays, instead of cartons, for the display and sale of tubes allows a reduction in the use of packaging material by 85%, offering benefits from both an environmental and market perspective, deriving from the transport phase.

Another concrete example is the one offered by R.A JONES, who works and is working with various companies producing beverages and other canned products (such as seafood) supporting the transition

to more sustainable packaging.

R.A JONES case packers handle multi-packs in paper-based packages - more sustainable and recyclable - in replacement of thermo-formed plastic-based films.

Another key player of this change in secondary packaging is EMMECI. Composed of paper and cardboard, the packaging made with EMMECI lines is already green by its nature. Thanks to the possibility of using protein glues, water-based glues, paper and cardboard, the production of luxury boxes becomes eco-friendly and respects the three Rs of Sustainability: Recycled, Recyclable and Re-usable. The range of solutions achievable with the EMMECI lines is constantly expanding.

THE COESIA SHELF OF SUSTAINABLE SOLUTIONS

During 2021, Coesia continued to work on the creation of a virtual shelf of sustainable solutions: the Coesia Shelf of Sustainable Solutions.

Initially designed for the display of physical models at trade fairs, following the outbreak of the pandemic, the project has evolved in a virtual version so it can also be used for online meetings.

Today this repository offers over 70 solutions that can be implemented by the Group's Companies.

Designed with the support of the Coesia Packaging Innovation Center (PIC), the shelf presents sustainable solutions sorted by industry, allowing users to easily identify products of interest and clarifies product sustainability credentials.



3.2

THE GROUP'S PATHWAY TOWARDS EXCELLENCE

A systematic approach to continuous improvement is essential to ensure the sustainability of the business over time and the high-quality standards required. For this reason, Coesia has introduced a multigenerational program under the umbrella of Operational Excellence which is based on the Lean Six Sigma methodology and featuring the InCo (Indirect Costs), Core Business Process Redesign and Data Science programs.

THE COESIA WAY TO OPERATIONAL EXCELLENCE



LEAN SIX SIGMA (LSS)

Since 2014 Coesia has launched the Lean Six Sigma program which works on activities, functions and processes in order to create a common platform and language to enable operational excellence globally. The deployment strategy of the program is led at corporate level by the Lean Six Sigma team and locally by the so-called Champions (the heads of the organizations) who, together with the Black Belts and the Sponsors, are responsible for defining a program development plan for their organization and identifying both the improvement initiatives to be launched and the people to be involved as project leaders (the so-called Belts). All LSS projects have a Sponsor (responsible for the processes to be improved) who is called upon to act as a change agent within his/her business area, speeding up the process of implementing improvements and ensuring that the necessary resources are made available.

Based on the LSS training received and the time dedicated to improvement activities, the Belts are divided into:

- Master Black Belt (MBB)
- Black Belt (BB)
- Green Belt (GB)
- Yellow Belt (YB)

The number of Belts is increasing year after year, thanks to the spread of the program within the organization and to the Coesia LSS Academy which, since the beginning of 2016, manages all LSS training sessions directly delivered by the MBBs and BBs. In 2021 the LSS Academy involved all Coesia Companies and Regions, reaching a total of 933 Belts (they were 849 in 2020) consisting of 4 Master Black Belts, 22 Black Belts, 397 Green Belts and 510 Yellow Belts.

By completing the LSS training course and the development and implementation of two LSS projects, each Belt can obtain a certification issued by the Academy or, in the case of Black Belts, also by an external partner company.

THE COESIA LSS COMMUNITY



Furthermore, the introductory courses to the principles of the LSS methodology are continuing. Since 2015, 1,363 collaborators not directly involved in the LSS program have been enrolled to LSS Awareness trainings. During 2021, 260 Lean Six Sigma projects were launched (thus totaling 1,654 projects in 7 years). These improvement initiatives aim to strengthen internal operational efficiency while maintaining a strong and shared customer-centric and customer needs-driven vision.

Following the Covid-19 pandemic, the LSS Academy, as part of Operational Excellence, had to review and convert all courses from in-person mainly held in the classroom trainings to distance learning sessions. The LSS Academy has therefore undergone a remarkable process of change and innovation with the aim of preserving the same effectiveness and level of involvement of the participants as in the training sessions provided in the classroom. To address this challenge, all the activities planned for the training were re-designed and revised, introducing new tools, new online platforms and new remote communication systems.

During 2021, the LSS Academy introduced four new courses aimed at training collaborators on digital topics:

- **LSS Agile**, aimed at providing competencies and tools to support the Company in creating profit in an ever-changing world, based on an approach that provides for faster and more frequent deliveries of quality software, products or processes to the customer;
- **Data Science Awareness**, aimed at providing general knowledge about Data Science and how it is applied in Coesia;
- **Intro to Shape practices**, aimed at providing knowledge on processes, roles and responsibilities in the Data Science projects;
- **Fundamentals of Data Shape**, aimed at providing an overview of Data Science and basic notions of the Shape methodology.

Providing the LSS Academy courses remotely made it possible to involve a greater number of employees than in previous years, especially from the Middle East, Asia and North America.

SUCCESSFUL RESULTS WITH E-LEARNING AT LSS



INDIRECT COSTS - INCO

InCo is a global initiative targeted at supporting Company growth by leveraging on the control, analysis and reduction of indirect costs. Given the competitive and constantly evolving context of the business, the main objective is to free up resources for the evaluation and implementation of new investments, innovative projects and process improvements throughout the Group. In this stimulating context, the InCo program aims to eliminate or reduce activities that do not generate added value by acting on those expenses that do not effectively contribute to the sustainability of the business and to incentivize the Group's purchasing strategies also through the possible introduction of ad hoc policies to be adopted by the various Companies of the Group. To maintain and expand InCo's success, Coesia promotes improvement projects and provides continuous support to Companies and Regions by sharing competencies and best practices to facilitate local initiatives. Developing a cost-efficient culture within the Group and encouraging the generation of new ideas are the main objectives of the program to tackle new challenges with determination and energy.

CORE BUSINESS PROCESS REDESIGN (CBPR)

CBPR supports the Group in the implementation of robust processes that aim to maximize and safeguard the "Value Proposition" towards the customer.

In 2021, CBPR continued the review of part of the internal Contract Management processes in a Company of the RMS Division, acting in coordination with the reorganization team and in order to readjust the existing Operating Model to the current corporate strategy. For example, the Company now has processes, roles and responsibilities that allow the optimal use of the pool of engineering and innovation skills and competencies on orders from different business lines as well as a reinforced supervision on the execution of the order of each business.

DATA SCIENCE

Data Science is the Coesia initiative for the application of Artificial Intelligence (hereinafter AI) to internal processes. A dedicated center of expertise provides a Big Data learning algorithm development service to all Group Companies.

The intelligent systems created contribute to:

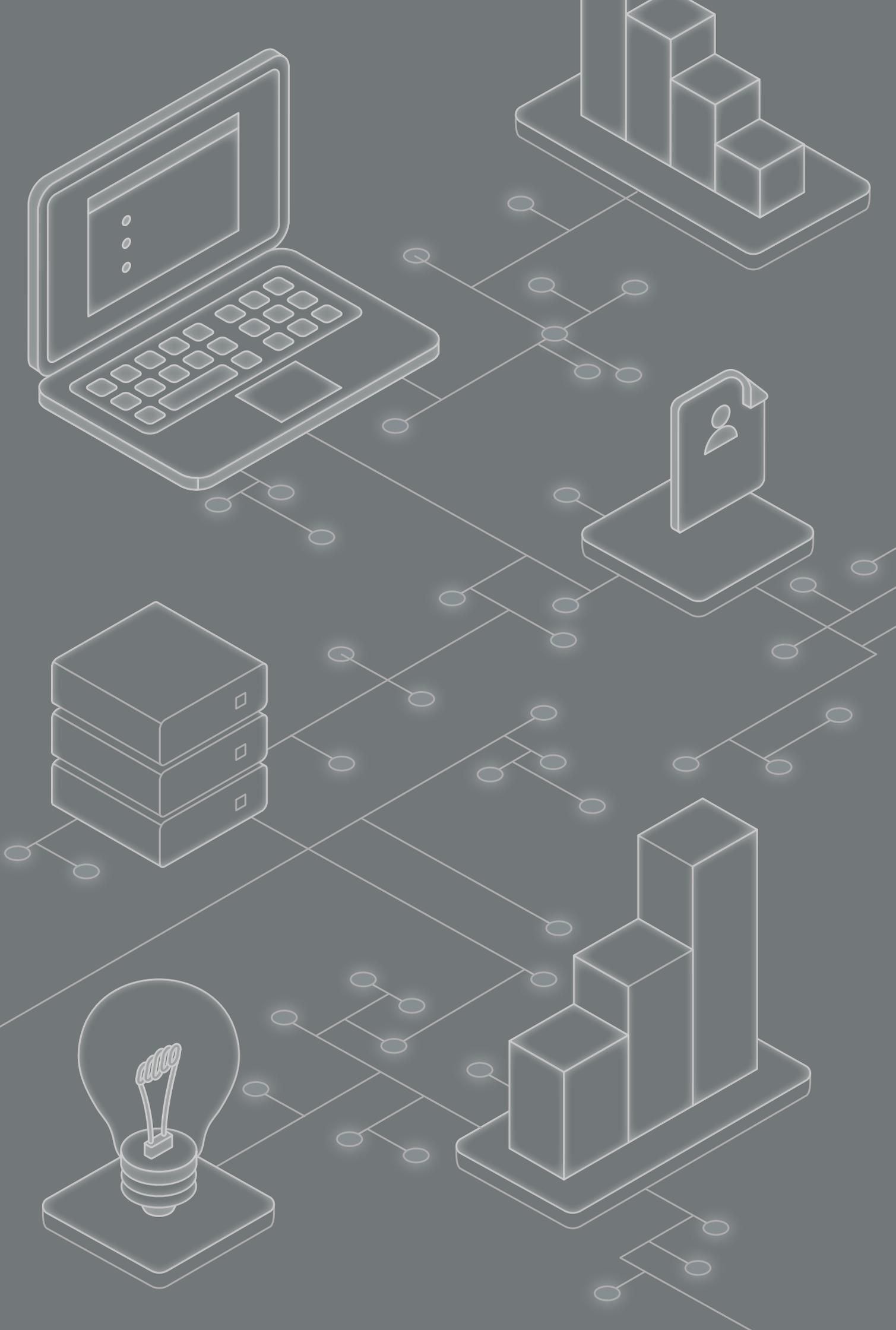
- empower decision-makers with data-driven support tools capable of giving directions and suggestions;
- automatize and/or speed up lower value-added operative tasks so as to fully employ people in higher value-added activities.

In 2018 the Data Science team devised SHAPE, a Coesia proprietary methodology to generate customized AI solutions and tools starting from carefully analyzed information requirements. The fundamentals of Data Science and SHAPE have been disseminated throughout the organization through specially designed training sessions.

Starting from 2018, an annual training session is dedicated to the Group's BBs to give them the tools to identify possible domains in which the potential of Artificial Intelligence can be used effectively in the internal processes of the Group's Companies.

In 2020, Data Science expanded its training offer to disseminate knowledge and awareness of the potential of AI to the rest of the Group's employees interested in the topic.

In 2021, the Data Science team also spearheaded development projects in collaboration with the Group Companies and the Central Functions. For example, the logistics and Customer Service processes of multiple Group Companies are now supported by an application that uses spare parts order data in predictive models and edge analytics that help understand and predict customer demand and size of inventory levels accordingly.



3.3

SAFETY AT THE CORE OF OUR MACHINES

To ensure the safety of its solutions, Coesia's strategy provides for detailed analyses and specific tests in the design, construction and installation phases, in order to ensure the best safety conditions for all machines placed on the market for both operators and maintenance personnel.

During the design phase, the risk analysis is performed for all the machines manufactured by the Group in compliance with applicable regulations, taking into account all safety aspects defined by the product regulations, the purpose of which is to eliminate or minimize potential risks. All the machines manufactured by the Coesia Companies are, in fact, made in compliance with the regulations in effect in the countries in which the product is marketed (e.g., the Machinery Directive 2006/42 / EC in the European Union, the NR 12 directive in Brazil, the EAC for Russia, the OSHA for the United States and the KC in Korea).

A Technical Construction File (FTC) is specifically drawn up to certify the conformity of the machine with the set requirements regarding design, manufacture and operation. The file contains the evaluation of the risks

associated with the use of the machine throughout its life cycle and the measures taken to eliminate or minimize them.

Furthermore, since 2010, the Group has been monitoring any non-conformities found during the use of its machines that have an impact on safety, immediately proposing technical solutions to end users that further improve safety.

Special attention is also paid during the construction phase to ensure that the machine is safe for both the Group employees and customers.

In fact, Coesia's technicians carry out testing on the manufactured machine both in the production plants of the Group Companies, where the machine is made, and at the customer's premises with the aim of ensuring a safe and efficient product.

In 2021, the machine validation process called Safety Security Report was introduced, carried out through the approval of third-party bodies on machinery destined for the foreign market and characterized by stringent regulations that are very different from those in force in the EU.

The main construction phases of the machine in which safety is assessed and tested are the following:

1

running-in, the machine is tested at low speed without the feeding materials (boxes, products, hot liquid glue) to ensure that all the mechanisms work correctly and to avoid breakages, process interruptions or failures;

2

quality tests, in this testing phase quality tests and checks on open actions are carried out to achieve the highest quality standards. The testing phase is precise and adjusted to the needs of each individual customer based on the use of the machine;

3

safety test, the safety devices are tested in order to ensure that the machine's systems operate in compliance with the regulations in force. Following a specific procedure, the operation of all the devices is checked separately to ensure the safety of all the operators working on and near the machine;

4

final test, the systems are then tested together, progressively increasing the speed to verify the actual performance of the machine. Before leaving the production plant, the machine must also pass a final test, after which a list is compiled to ensure the tracking of any final modifications.

Once the tests have been carried out to ensure safety, the machine is disassembled, packed and shipped to its final destination.

In order to increase safety, a test of the machinery is carried out in two moments: the first directly in the manufacturing plant, while the second at the customer's premises where the final installation takes place and the machine is tested with the product and the materials necessary to guarantee its correct functioning.

Providing a customer experience by establishing a relationship based on trust.

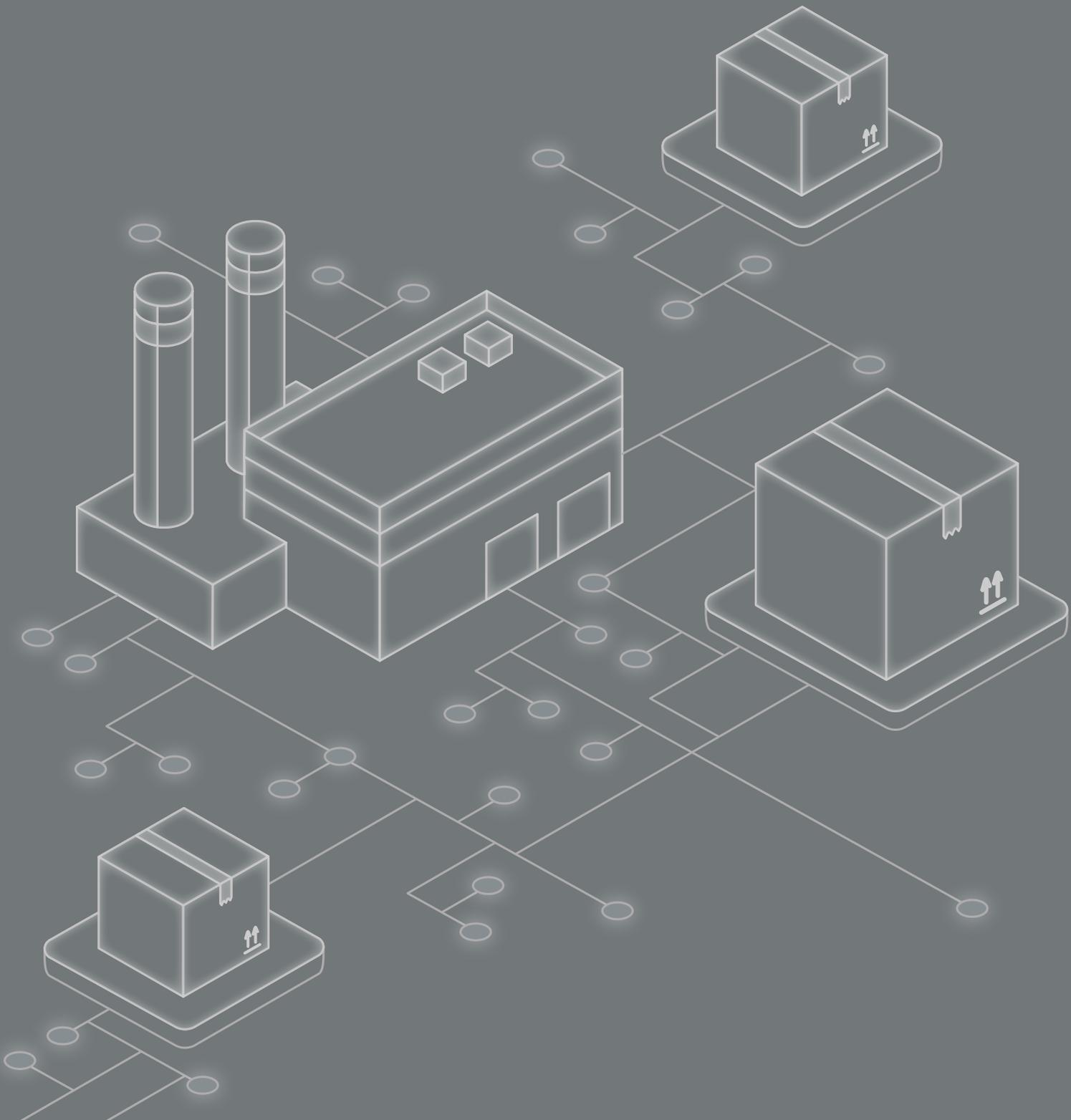
The high-quality standards applied by the Group are intended to ensure that, at the time of its design, the machine is not only made safe from the point of view of its use, but also that it will last over time. For this reason, as part of its after-sales support, Coesia offers a wide range of maintenance and overhaul services to guarantee the quality of its machine over the years, especially in consideration of the extended life of the products placed on the market (about 20-30 years).

Being customer-centric means having the capacity to respond promptly to market needs, and sometimes anticipating them. Coesia achieves this through its innovation-driven approach to all the processes involved.

4

OUR VISION:

reducing impacts from
the supply chain to production





+147% self-produced energy from renewable sources vs 2020



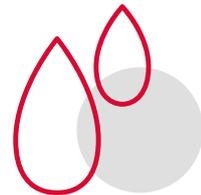
-6% emissions intensity vs 2020



Supplier Code of Ethics defines the values and high ethical standards for a responsible supply chain



90% non-hazardous waste



-1.3% water consumption vs 2019



~14,500 total suppliers (direct+indirect)



~90% direct spending with local suppliers

4.1

A ROBUST AND RESPONSIBLE SUPPLY CHAIN

A strong and responsible supply chain is a strategic factor for the growth and development of Coesia.

The Group has always prioritized longstanding partnerships with its suppliers with the aim of achieving excellent levels of quality through a targeted improvement process.

When it comes to suppliers, especially local ones, the Group is committed to enhancing their skills and abilities in order to improve their performance and economic stability. In fact, a well-connected supply chain helps the Group to detect and respond quickly to challenges while promoting enhanced mutual collaboration.

Coesia purchases goods and services either directly or indirectly, depending on their connection with production. Direct purchasing includes two categories of goods: commercial parts (mechanical and electrical) and raw materials and machined parts.

Raw materials and machined parts form the Group's know-how. The machined parts designed by Coesia's engineering departments and the raw materials purchased for internal manufacturing guarantee the excellent performance and reliability of the machines.



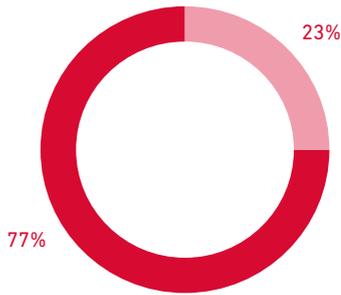
The Group's supply chain embraces many global suppliers of all different sizes and types. Direct purchasing has working relationships with roughly 7,500 suppliers¹, while indirect purchasing involves over 7,000 more. Coesia's Procurement department manages the strategic suppliers included in the Group's vendor list, while other suppliers are managed at local level. In 2021, 77% of the total purchasing turnover was connected to production (direct purchasing). Out of this, raw materials and machined parts accounted for 63% of total direct purchasing, varying slightly from the previous year.

As regards the management of the supply chain, 2021 was a year full of challenges due to the pandemic, including the scarcity of electronic components.

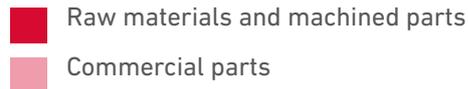
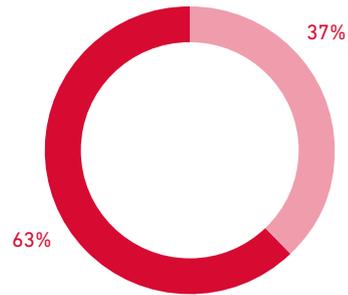
To ensure the continuity of its activities, the Group was flexible towards its suppliers and took steps, through collaborations with its commercial partners, to find solutions to support the continuity of procurement, leveraging on the further strengthening of existing relationships and finding solutions to meet supplier demand for any missing components.

¹ A decrease of about 6.3% compared to 2020 following streamlining and category management activities carried out during the year.

PURCHASING TURNOVER AND DISTRIBUTION IN 2021



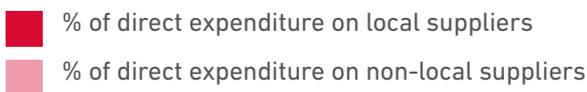
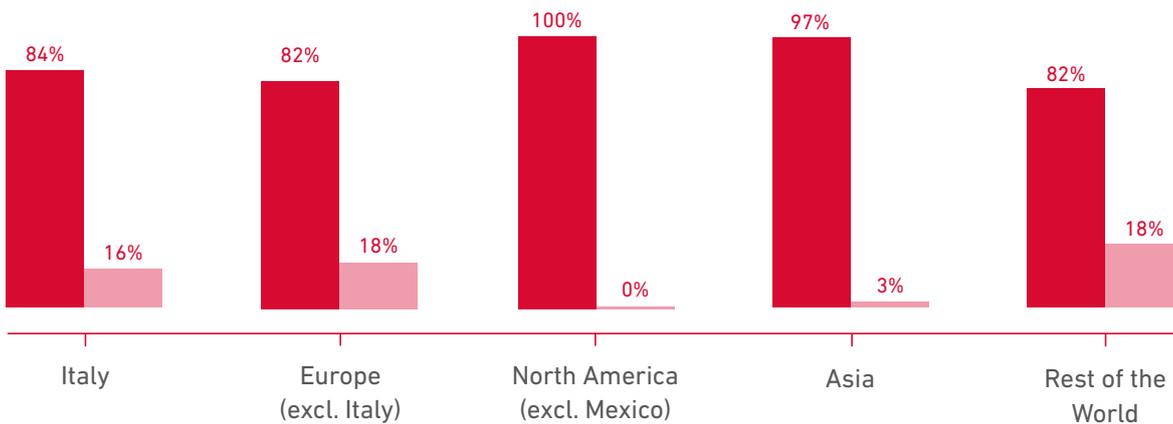
DIRECT PURCHASING DISTRIBUTION IN 2021



Coesia also undertakes to improve its way of doing business and to support the growth of its suppliers and the communities in which it operates by buying locally: in 2021, about 90% of the Group’s direct spending on goods and services was with local suppliers. In addition, the

purchasing practices in the different geographical areas confirm Coesia’s focus on promoting the local supply chain, with a significant percentage of expenditure on local suppliers, ranging from 82% in Europe to 100% in North America.

PERCENTAGE OF SPENDING¹ ON LOCAL SUPPLIERS IN 2021²



¹ The percentage of goods purchased locally was calculated based on the total direct spending, excluding inter-company transactions. A product is purchased “locally” when the supplier is based in the same country as the purchasing company.
² The figures reported represent roughly 90% of total direct purchase turnover.

The Group requires its suppliers to meet the highest standards in full compliance with current regulations in terms of health and safety, as well as sustainability and respect for the environment.

To this end, Coesia has designed tools that enable all its Companies to assess new and existing suppliers. In particular, a vendor rating process has been developed to map supplier performance, making it possible to track and periodically evaluate the effectiveness of the relationship with the supplier.

The rating criteria take into account the peculiar features of the supplier's specific sector and use several metrics, including quality, production and plant management systems, as well as the timeliness of deliveries.

Corrective actions are also identified for establishing a constructive dialogue with suppliers in order to improve their rating and strengthen the supply chain as a result.

In addition to this process, Coesia pursues a risk assessment program focused on procurement from its direct suppliers, particularly strategic suppliers of highly specialized and not easily replaceable goods and services. This analysis uses several criteria, such as financial stability, the presence of intellectual property rights, and the level of efficiency of the supplier's production facilities and equipment.

As further evidence of the importance Coesia places on its relationship with suppliers, the Group has maintained and extended the Reverse Factoring program again for 2021. Launched in 2019, the program offers suppliers access to affordable subsidized credit. It has received a positive response and the Group's efforts to ensure the continuity of payments even during this uncertain period were much appreciated. It is also thanks to this program that the Group has been able to maintain a strong supply base.

Lastly, in order to harmonize purchasing procedures among the different Companies, the Group has developed general purchasing terms and conditions whose global implementation is currently underway. Moreover, in 2021, the Group's purchasing portal was consolidated, within which a sharepoint was created for communication amongst the various purchasing departments.

The sharepoint facilitates the exchange of information regarding procedures, analyses, best practices, status of initiatives and the risk levels of each supplier.

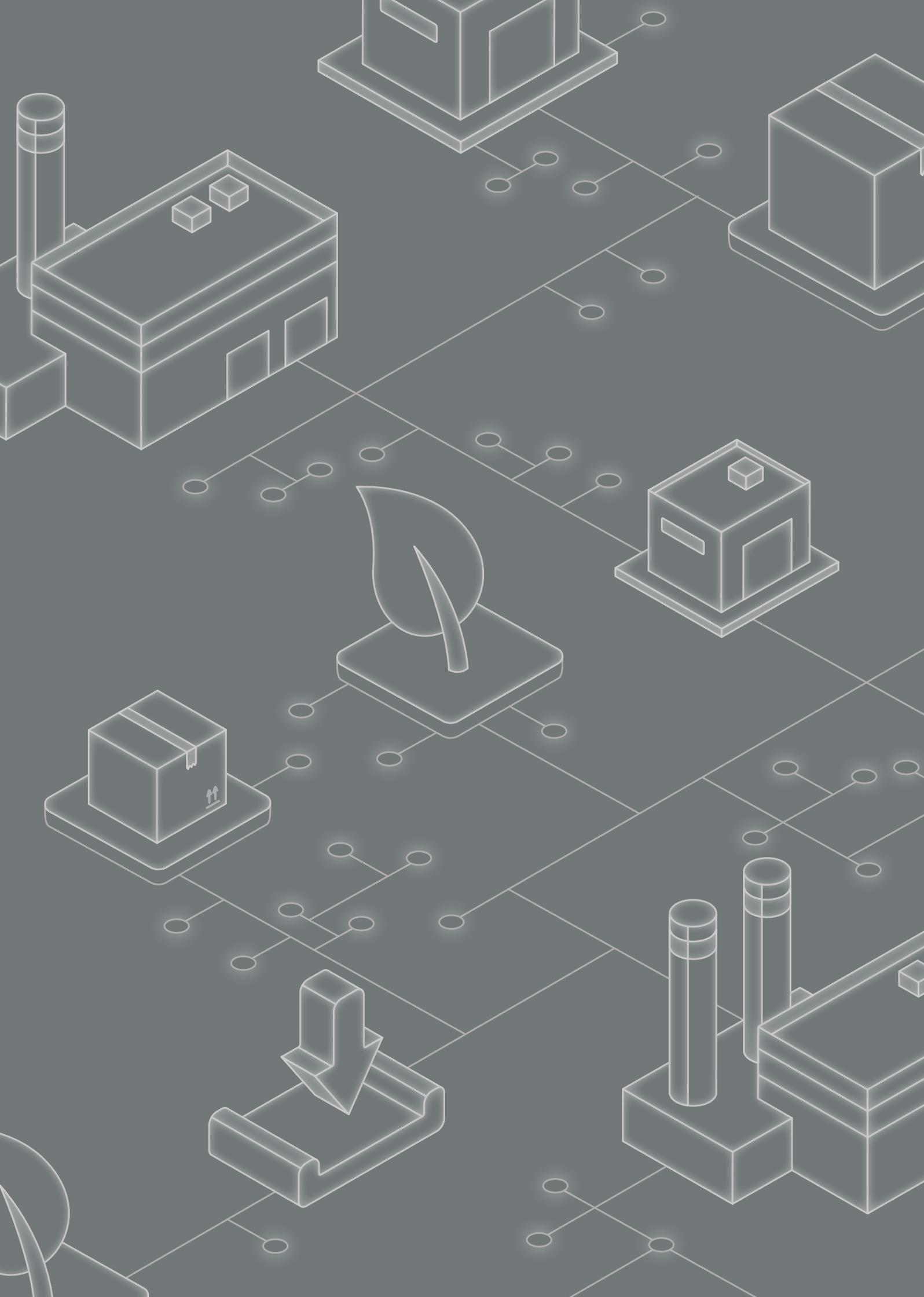
Furthermore, this IT support system is a useful tool for coordinating the various activities at a central level.

In 2021, training activities continued for the suppliers of some Coesia Companies, aimed at generating benefits both for the Group and for the suppliers themselves, who were able to take advantage of the skills acquired to optimize their production processes and in supplying goods and services. The purpose of the training was to improve delivery reliability through a full understanding of the process flow.

To reinforce its commitment to managing a responsible supply chain, the Group has delineated a sustainability program, or Sustainability Roadmap, with the aim of guiding the purchasing process towards an increasingly consolidated sustainable supply chain management.

For Coesia, sustainability in the supply chain means looking beyond the boundaries of the Group and promoting a sense of shared responsibility towards social and environmental issues in a strategic and effective way. With this in mind, the Group has adopted a Supplier Code of Ethics, a document currently under review, that clearly defines the ambitious standards that the Group has set itself on issues such as ethics, work practices, human rights, health, safety and respect for the environment.

The Supplier Code of Ethics sets out the values and standards of conduct required for cultivating a responsible supply chain. The guidelines help engender a spirit of partnership with suppliers, encouraging joint planning and the promotion of innovation in compliance with the Corporate Social Responsibility principles set out by Coesia in its Code of Ethics.



4.2

CONTINUOUS IMPROVEMENT TO SAFEGUARD THE ENVIRONMENT

Coesia recognizes the importance of environmental protection and is committed to reducing its impacts through the constant improvement of its processes and the introduction of new technologies. Respect for the environment is considered essential for making the business increasingly sustainable and safeguarding future generations.

In order to reduce and prevent the environmental impact arising from its activities, Coesia undertakes to monitor and manage its processes as part of its continuous improvement policy. The Group's commitment is formalized within the HSE Policy, drafted in 2017 and updated in 2019, which includes, in addition to health and safety issues, a section dedicated to environmental requirements (for further information: Chapter 2, paragraph 2.3, section "Health, Safety and Environment").

The main environmental impacts of the Group Companies are in the following areas:

- energy consumption from heating, cooling, lighting and production activities in factories and offices;
- greenhouse gas emissions from direct energy consumption (fuels and refrigerant gases released into the atmosphere) and indirect energy consumption (purchased electricity, district heating and energy from sources not owned or controlled by the organization);
- waste production and disposal, primarily connected with production activities;
- water consumption, mainly connected with offices, dining halls, and irrigation. In fact, water consumption is rather limited in the production processes of the Group's Companies.

Coesia's commitment to reducing its environmental impacts focuses on some major programs, including energy saving initiatives and related investments, fleet management, corporate mobility, requalification interventions and the careful management of waste and water resources.

In addition, to ensure its environmental sustainability over time, assess its progress and define priorities and intervention methods, Coesia can count on a monitoring system¹ which collects data on energy consumption, emissions, water consumption and waste production.

In 2021, Coesia conducted a Group-wide environmental analysis aimed at both prioritizing environmental aspects and identifying an action plan to mitigate environmental impacts. The managers from all the corporate Functions were involved in the analysis, including the Executive Team and a number of site surveys were conducted at the main production facilities, the observations of which were then extended to the entire Group. The results of the analysis revealed that the action plan should consider energy efficiency, reduction of GHG emissions that come from the production process, waste management and the shift toward a circular economy as top priorities. Accordingly, the analysis led to a plan of interventions and investments, which were included in the business plan in terms of capital expenditures and operating costs.

Within the Group, the Companies' environmental management system is certified according to the ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management Systems) standards with a coverage of 41.3% and 4.7% of the Group's workforce, respectively.

PLASTIC FREE PROJECT

In 2019, the "Plastic Free" project was launched at the Bologna headquarters with the aim of reducing the use of single-use plastic at Coesia. As one of the first initiatives organized by the Group, its focus was on limiting the use of disposable plastic in the corporate dining facility and in the products sold in vending machines: for example, by introducing biodegradable plastic.

G. D employees at the Bologna headquarters were also given reusable water bottles with the Coesia brand logo and free water coolers were installed in each coffee break area.

Given the success of the project, the initiative was extended to other Italian Companies in 2021.

¹The monitoring system is currently active in 98.8% of sites.

ENERGY CONSUMPTION

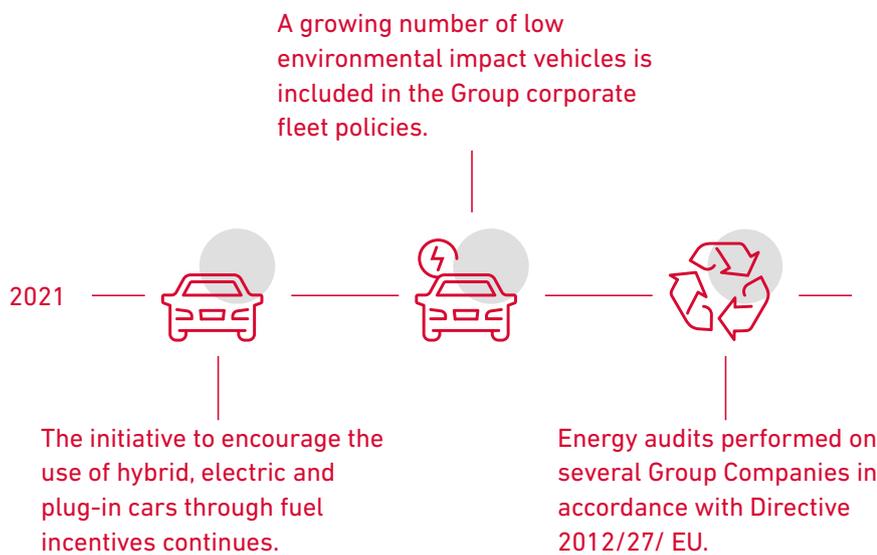
Energy consumption is one of the most significant environmental impacts generated by Coesia, given its size and the number of operating units.

For this reason, over the last few years, the Group has worked to find innovative ways and best practices to improve the energy performance of its facilities.

In fact, Coesia has implemented architectural renovations on the external structure with the use of new high-performance materials, such as roofings, glazings and insulating coatings, and the installation of high-performance next-generation systems including photovoltaic systems, LED lighting systems, inverters and condensing boilers.

In addition to these initiatives, energy management also deals with the implementation of verification processes and investment analyses, in order to guarantee that Coesia Companies are always compliant with every legislative requirement on energy conservation and efficiency. To this end, monitoring and measuring systems have been installed to better manage and optimize the use of energy resources.

The main energy-related initiatives conducted in 2021 involved the continuation of projects launched in 2020 and the development of new initiatives.



Coesia is strongly committed to making investments in energy conservation, such as the gradual transition towards LED lighting systems, the adoption of integrated IT solutions for the management and control of plant systems, the implementation of automatic systems for measuring consumption, the replacement of traditional heating systems and industrial technological infrastructures with energy-efficient alternatives.

Consistent with the Group's project aimed at adopting low-impact lighting technologies, in 2021, several Coesia plants completed the transition to full LED lighting.

In 2021, the Group kept production levels in line with the pre-pandemic situation and, at the same time, had to implement adequate control measures to contain the spread of the virus.

These measures involved the activation of systems to improve the ventilation of the premises throughout the year, thus ensuring the healthiness of the workplace.

In particular, following an initial increase in natural gas consumption (+17% in 2020 compared to 2019), in 2021 the Group reduced this consumption (-4.5%).

In 2021, total energy consumption amounted to 460,350 GJ, a 13.2% increase compared to 2020, due to the Group's strong focus on ensuring adequate safety measures in the workplace as well as to the inclusion of car fleet fuel consumptions and the resumption of normal production processes.

Of the total consumption, 49% derives from direct energy consumption mainly used for production, heating and the company fleet, and the remaining 51% is related to indirect consumption, electricity and district heating.

There was also an increase in the amount of self-produced and consumed energy from photovoltaic systems, +147% compared to 2020. This increase is correlated to revamping processes at the plants, which have made it possible to generate and supply more

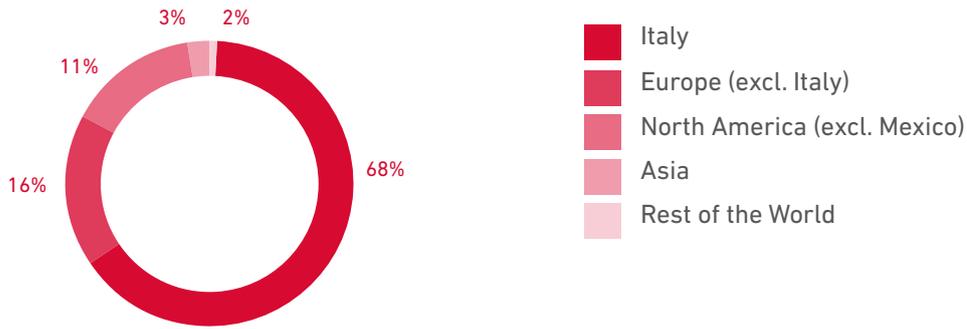
energy from renewable sources, and to the acquisition of new companies within the company perimeter. Over 175 GJ of self-produced energy were sold and fed back into the grid.

+147% self-produced energy from renewable sources compared to 2020.

ENERGY CONSUMPTION (GJ)

	2019	2020	2021
Direct energy consumption from non-renewable sources	162,124	186,909	204,769
Natural gas	155,131	181,399	173,293
Diesel	3,640	2,139	21,181
Petrol	1,762	1,070	7,101
LPG	40	16	71
Fuel oil	1,551	2,285	3,123
Direct energy consumption from renewable sources	5,285	9,934	20,727
Pellet	1,132	2,103	1,368
Photovoltaic	4,153	7,831	19,359
Indirect energy consumption	222,165	209,691	234,854
Purchased electricity	213,133	204,541	224,939
District heating	9,032	5,150	9,915
Total energy consumption	389,574	406,534	460,350

ENERGY CONSUMPTION BY GEOGRAPHICAL AREA IN 2021

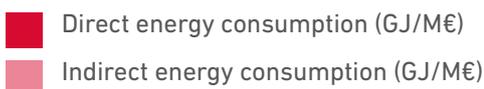
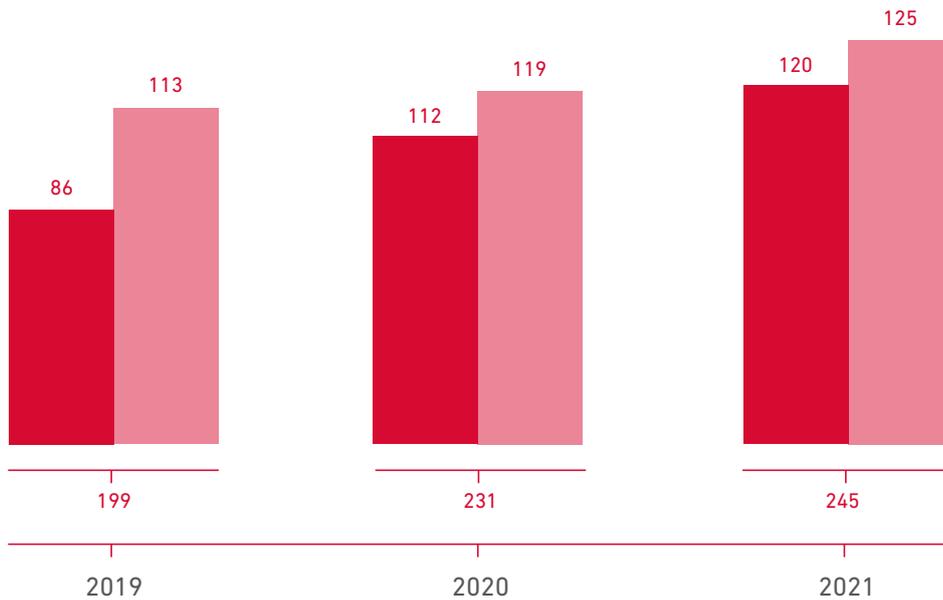


In line with previous years, the majority of energy consumption (83.8%) is concentrated in Europe, a geographical area where the Group has a significant number of production plants and offices.

As for energy intensity, i.e. normalization of the energy data with respect to turnover, there was an increase in the index compared to 2020 (+6.1%), justified by an increase in energy consumption in order to ensure the

protection of health and safety in the workplace, against a slight increase in turnover compared to the previous year. Despite this, the Group continues to pursue its commitment to introducing measures aimed at saving energy and increasing efficiency, such as replacing obsolete or more energy-intensive technologies with systems that guarantee lower levels of consumption.

ENERGY INTENSITY (GJ/M€)



GREENHOUSE GAS EMISSIONS

Coesia undertakes to monitor its greenhouse gas emissions annually, ranking them according to the methodology set out by the GHG Protocol. Since 2018, the quantification process has been improved and implemented through the collection of data on Scope 3 emissions, i.e. from sources that are not directly controlled or owned by the organization.

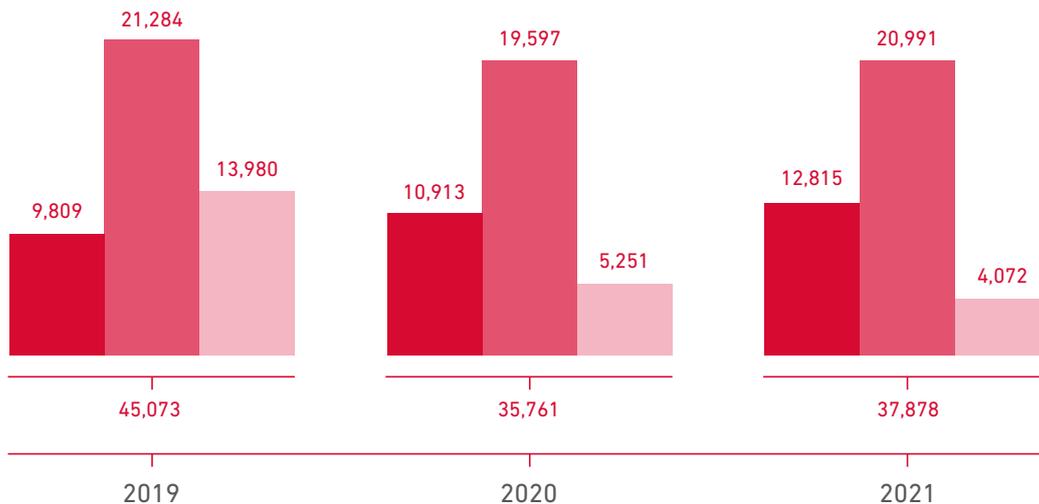
Scope 1: greenhouse gas emissions from sources owned or controlled by the organization. For Coesia, this category includes emissions from fuel consumption for heating and cooling, and for diesel, gasoline, and hybrid-powered proprietary vehicles.

Scope 2: emissions calculated according to two different accounting methods: location-based and market-based. With the location-based method, emissions are calculated using the average emission factor associated with the national energy mix of the countries where consumption takes place. The market-based method takes into account the possible use of contractual instruments for the purchase of energy from renewable sources (e.g. Guarantee of Origin certificates), which are considered as “zero GHG emissions”. If the organization does not fully cover its needs with such certificates, an emission factor associated with the production of energy from thermoelectric plants alone shall be used for the remaining part.

Scope 3: greenhouse gas emissions from all indirect upstream and downstream emissions not included in Scope 2, that occur in the value chain of the accounting company. For Coesia, this category includes the consumption of fuel for flights and rental vehicles and the consumption of paper for office use.

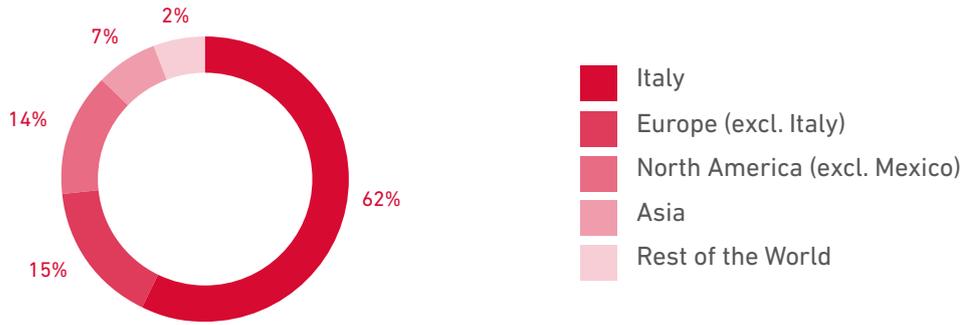
The CO₂eq emissions generated by Coesia’s activities during 2021 amounted to 37,878 tons CO₂eq (Scope 1, Scope 2 location-based and Scope 3), slightly up 5.9% compared to 2020 emissions. As for the market-based method, Scope 2 emissions amounted to 27,819 tons of CO₂eq, for an overall total (Scope 1, Scope 2 market-based and Scope 3) of 44,706 tons of CO₂eq. As shown in the graphs, Scope 1 emissions increased by 17.4%, mainly due to the increased use of fuel, in line with the Scope 2 emissions (location-based) which recorded an increase of 7.1% partly due to the use of energy from photovoltaic systems installed at the Group’s plants. The 22.5% decrease in Scope 3 emissions is mainly due to the digitization of processes, the implementation of remote working and the reduction in business travel due to the pandemic.

GREENHOUSE GAS EMISSIONS (t CO₂eq)



- Direct emissions Scope 1
- Indirect emissions Scope 2 location-based
- Indirect emissions Scope 3

EMISSIONS BY GEOGRAPHICAL AREA IN 2021

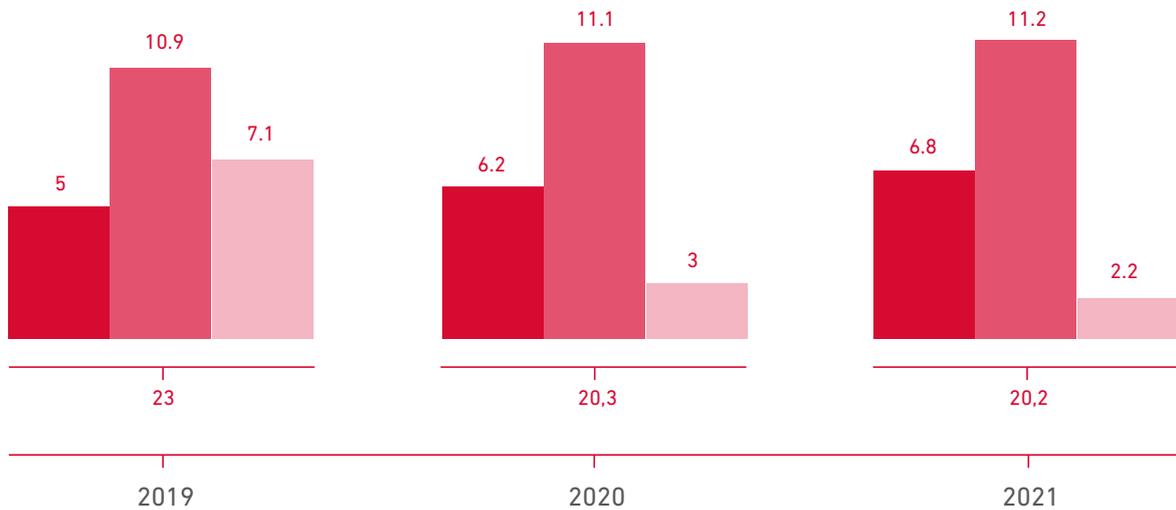


The geographical breakdown of emissions is in line with that of energy consumption, i.e. 76.8% of emissions are generated by European sites.

As for emission intensity, where emissions are normalized by turnover, there is a general overall decrease of about 20 tons of CO₂eq emitted per million euro generated in 2021, in line with the previous period and 12.2% less than in 2019. However, if we consider individual emission intensities, those related to Scope 1 and Scope 2 emissions remain in line with

previous years even if they have slightly increased due to the commitment to ensuring the safety of working environments during the pandemic, while the intensities related to Scope 3 emissions have dropped significantly though they are difficult to compare with the figures of previous years, given the particular nature of the reporting period in which there was a substantial reduction in travel and the implementation of remote working.

EMISSION INTENSITY (t CO₂eq/M€)



WASTE MANAGEMENT

Coesia considers waste management and disposal activities an integral part of the production process of its Companies as these are closely related to the optimization of production efficiency. Following careful analysis, waste is classified and divided into hazardous and non-hazardous waste and disposed of accordingly, in compliance with local regulations.

Waste production in 2021 increased by 23% compared to the previous period due to the resumption of normal production activities and to the increase in waste related to the pandemic containment devices.

Total hazardous waste produced increased slightly (+1.5%) compared to 2020, while remaining below the pre-pandemic levels of 2019 and now accounts for 9.7% of total waste.

Thanks to the type of production, the materials used and the processes implemented, only 9.7% of waste produced is hazardous.

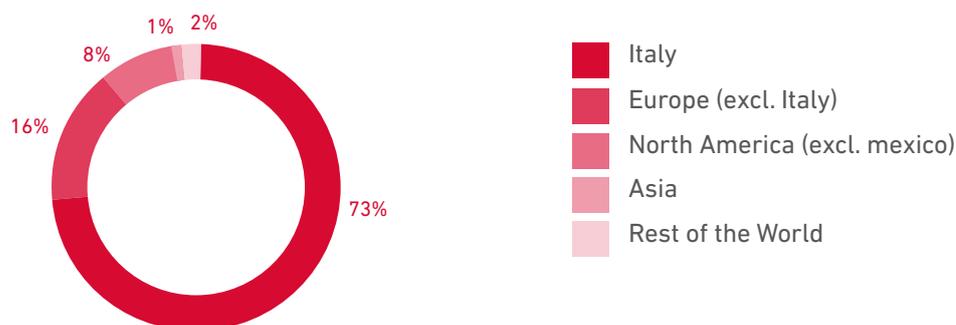
WASTE BY TYPE AND DISPOSAL METHOD (t)

	2019	2020	2021
Total hazardous waste	940	897	912
sent for recycling/reuse	317	247	340
sent to landfill	623	650	572
Total non-hazardous waste	8,152	7,006	8,460
sent for recycling/reuse	5,942	5,494	6,350
sent to landfill	2,210	1,512	2,110
Total waste disposed	9,092	7,903	9,372

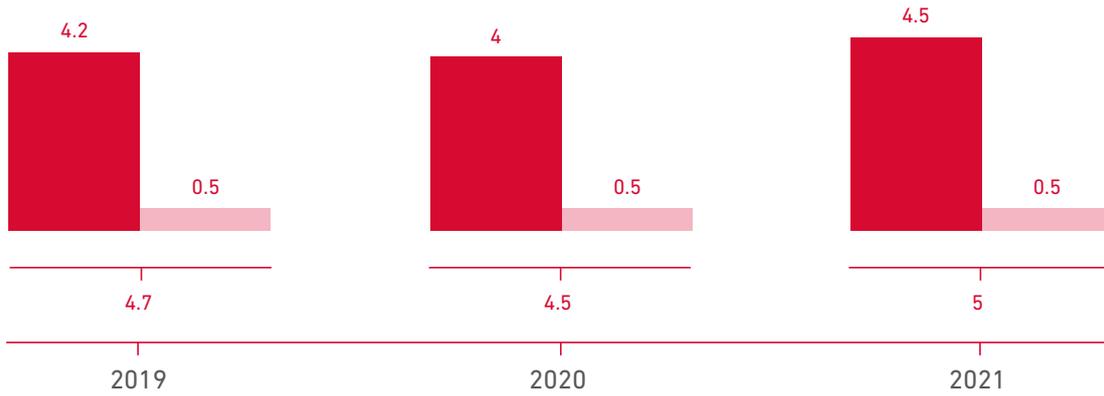
Over the years, Coesia has striven to improve its production and waste sorting processes, in order to recycle materials and minimize the environmental impact caused by waste production: in 2021, around 67.7% of waste was recycled.

The breakdown of waste by geographical area shows that over 90% of the waste produced and disposed of comes from European sites. This is due to the greater concentration of production facilities in Europe

WASTE PRODUCTION BY GEOGRAPHICAL AREA IN 2021 (t/M€)



WASTE PRODUCTION NORMALIZED BY TURNOVER (t/M€)



- Non-hazardous waste
- Hazardous waste

If we consider total waste production as a proportion of Group turnover, the increase in absolute terms translates into an increase of 11.1% compared to the previous year.

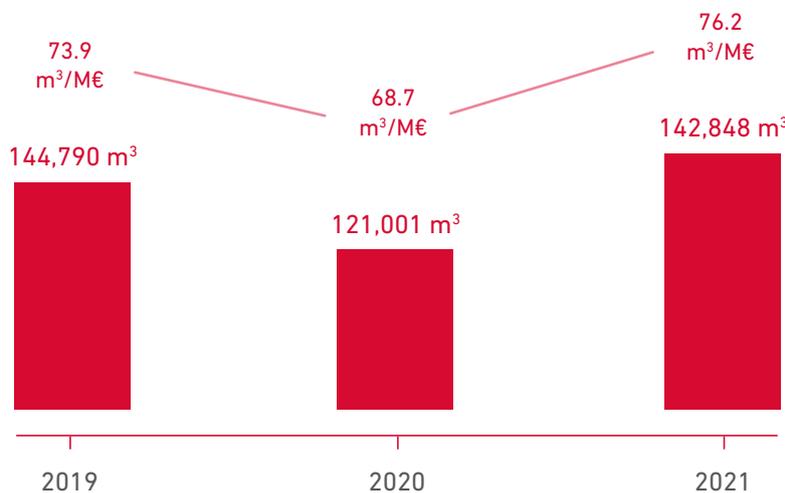
This trend is attributable to the increase in waste generated by the recovering production activities and the consequent return to work at the Group’s offices and worksites.

WATER MANAGEMENT

Given the global context, Coesia is careful to preserve water, a precious and finite resource. The Group regularly monitors water consumption and strives to adopt effective solutions to reduce the use of this key resource. Coesia’s water consumption is mainly related to non-production purposes, i.e. for civil use (hydraulic and heating systems, toilets, irrigation, etc.). Wastewater from all activities is sent and managed in the appropriate treatment plants, as established by national legislations.

In 2021, there was an increase in water consumption compared to 2020 (+18%) and a slight decrease compared to 2019 (-1.34%) mainly due to the gradual return of staff to the offices. The same trend is also reflected in the normalized value on turnover, which in 2021 came to around 76.2 m³ of water per million euro, up 10% compared to the 2020 index.

TOTAL WATER CONSUMPTION (m³) AND NORMALIZED WATER CONSUMPTION ON TURNOVER (m³/M€)



METHODOLOGICAL NOTE

The objective of Coesia's (hereinafter also the "Group") Sustainability Report (hereinafter also the "Report") is to communicate the Group's values, strategy and performance related to sustainable development and to provide a comprehensive overview of the Company's operations, reporting financial results together with the outcome of Coesia's commitment to environmental and social issues.

CONTENT OF THE REPORT

This report, published annually, relates to the 2021 fiscal year (from Jan. 1st to Dec. 31st) and includes, where available, comparative data referring to 2019 and 2020. The reporting standards adopted by the Group for drafting of the Report are the GRI Sustainability Reporting Standards (hereinafter "GRI Standards"), published by GRI - Global Reporting Initiative - according to the GRI-Referenced option.

In particular, according to the GRI 101 Standard 'Reporting principles', the Report includes the topics that emerged as material from the materiality analysis, which are the issues that can substantially influence the assessments and decisions of stakeholders and that are highly relevant in terms of economic, social and environmental impacts (for further information: Chapter 1, paragraph 1.7 "Materiality Analysis").

Based on the results of the materiality analysis, the Report references the GRI Standards listed in the GRI Content Index.

The following table shows the link between the material topics and the topic-specific GRI Standards that are addressed in this Report and includes the impact boundaries as well as any reporting limitations for each material topic and topic-specific disclosure.

TABLE LINKING MATERIAL TOPICS AND GRI STANDARDS

Area	Material topics	Topic-specific GRI Standards	Topic-specific disclosure	Impact boundaries		Reporting boundaries
				Internal	External	
Business Ethics	Distribution of value to stakeholders	[non-GRI disclosure]	-	Coesia	-	-
		GRI 205: Anticorruption (2016)	GRI 205-3	Coesia	-	-
	Fighting corruption	GRI 206: Anti-competitive Behavior (2016)	GRI 206-1	Coesia	-	-
Human Resources Management	Job creation	GRI 401: Employment (2016)	GRI 401-1-a	Coesia	-	-
	Diversity and equal opportunities	RI 405: Diversity and equal opportunity (2016)	GRI 405-1	Coesia	-	-
	People learning and development	GRI 404: Training and education (2016)	GRI 404-1 GRI 404-3	Coesia	-	-
	Healthy, Safety & Security	GRI 403: Occupational health and safety (2018)	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-9	Coesia	Contractors	-
	Employee welfare and benefits	[non-GRI disclosure]	-	Coesia	-	-
	Customer centricity	[non-GRI disclosure]	-	Coesia	-	-
Customers and product	Sustainable product and portfolio innovation	[non GRI disclosure]	No. of patents % of patents related to sustainable innovation	Coesia	-	-
	Product and customer safety	GRI 416: Customer health and safety (2016)	GRI 416-1	Coesia	-	-
Supply chain and human rights	Responsible supply chain	GRI 204: Procurement practices (2016)	GRI 204-1	Coesia	-	-
Environment	Energy and combating climate change	GRI 302: Energy (2016)	GRI 302-1 GRI 302-3	Coesia	-	-
		GRI 305: Emissions (2016)	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	Coesia	-	-
	Waste management	GRI 306: Waste (2020)	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Coesia	-	-

REPORTING BOUNDARIES

This Report includes the data of the 21 Companies that form part of the Group (ACMA, ATLANTIC ZEISER, CERULEAN, CIMA, CITUS KALIX, COMAS, EMMECI, FLEXLINK, G.D, GDM, GF, HAPA, IPI, MGS, MOLINS, NORDEN, R.A JONES, SASIB, SYSTEM CERAMICS, TRITRON, VOLPAK). Any further exceptions to the reporting boundaries are appropriately noted in the document.

CRITERIA AND REPORTING PRINCIPLES

The following criteria and sources are used in the calculation of some performance indicators included in the Report.

Energy consumption

Coesia's energy consumption (electricity, district heating, natural gas, diesel, petrol, LPG, fuel oil) is reported in Gigajoules (GJ) using the following sources for the conversion factors:

- **electricity and district heating:** "UK Government GHG Conversion Factors for Company Reporting" of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2019, 2020 and 2021;
- **natural gas, diesel, petrol, LPG and fuel oil:** "Tabella parametri standard nazionali" (Table of national standard parameters) published by the Italian Ministry of the Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA) for the years 2019, 2020, and 2021.

Direct Emissions (Scope 1) and Indirect Emissions (Scope 2 and Scope 3)

Emissions were calculated in terms of CO₂ equivalent using the following emission factors.

For the calculation of Scope 1 direct emissions:

- **fuels (natural gas, diesel and fuel oil):** "Tabella parametri standard nazionali" published by the Italian Ministry of the Environment and Protection of Land and Sea, based on the data provided by the Italian Institute for Environmental Protection and Research, including the figures proposed by the UNFCCC National Inventory for 2019, 2020 and 2021;
- **fuels (diesel, petrol):** "Tabella parametri standard nazionali" published by the Italian Ministry of the Environment and Protection of the Land and Sea (MATTM), based on the data provided by the Italian Institute for Environmental Protection and Research (ISPRA), including the figures proposed by the UNFCCC National Inventory for 2019, 2020 and 2021;
- **refrigerant gases:** "UK Government GHG Conversion Factors for Company Reporting" published in 2019 by the UK Department for Environment, Food & Rural Affairs (DEFRA) and the "European Regulation_F GAS 517" for 2019, 2020 and 2021.

Indirect emissions (Scope 2) are calculated according to the following sources for the emission factors:

- **location-based calculation method:** the factors used are those reported in the publication “Confronti Internazionali” published by Terna in 2018 for the data 2019 and in 2019 for the 2020 and 2021 data;
- **market-based calculation method:** the factors used were those published by the “European Residual Mix” which was published by the Association of Issuing Bodies (AIB) in 2018 and the “Residual Mix Emission Rate” published by Green-e in 2018 for the data relative to 2019; the “European Residual Mix” published by the Association of Issuing Bodies (AIB) in 2019 and the “Green-e Energy Residual Mix Emission Rate” published by the Center for Resource Solutions in 2020 for the 2020 data; 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 in 2021 for the 2021 data.

For countries where the Residual Mix factors were not publicly available from accredited sources at the time the Report was drafted, the same emission factors applied for the location-based approach have been used.

The calculation of Scope 3 indirect emissions includes emissions deriving from:

- domestic and international business trips carried out by company staff by air;
- business trips carried out by company staff with rental vehicles;
- paper consumption in offices.

Both domestic and international flights as well as ground trips by vehicles not owned by company staff, the emission factors used are those contained in the “UK Government GHG Conversion Factors for Company Reporting” published by the UK Department for Environment, Food & Rural Affairs (DEFRA) relating to the years 2019, 2020 and in 2021. For paper consumption in offices, emissions factors are based on “Key statistics 2016” published by the Confederation of European Paper Industries (CEPI) for 2019, the “Key Statistics 2019” for 2020 and the “Key statistics 2020” for 2021.

GRI CONTENT INDEX

GRI STANDARD - General disclosure		Page(s)	Omissions
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ORGANIZATIONAL PROFILE (2016)			
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102-2	Activities, brands, products and services	16, 17, 18, 19	
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102-4	Location of operations	15, 18	
102-5	Ownership and legal form	10, 21, 22	
102-6	Markets served	15, 16, 17, 18, 19	
102-7	Scale of the organization	6, 7, 9, 37	
102-8	Information on employees and other workers	36, 37, 38, 39	
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SPECIFIC DISCLOSURE IDENTIFIED BY COESIA

-	% of patents related to sustainable innovation	66, 67	
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Special thanks to all Coesia associates who contributed to the drafting of the Sustainability Report 2021.

All information and data have been centrally collected, managed and integrated.

In line with our internal policy on environmental sustainability, this document will only be available in digital format.

Printed copies can be provided on request.

As part of our continuous effort to improve our commitment to sustainability, any feedback from our readers is welcome.

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