



The 2022 Sustainability Report by Coesia, in line with previous editions, highlights the Group's commitment to generating sustainable economic, social, and environmental value for all stakeholders.

In a complex socio-economic context, further compounded by the consequences of COVID and the impacts of the geopolitical landscape, Coesia reaffirms its commitment to pursuing a long-term sustainable growth and has reached the milestone of 2 billion euros in revenue, thanks to the commitment and passion of its over 8,000 employees and the continued trust of its customers, who have always been at the core of the Group's research and development strategy.

Aware of global challenges, the increasing need to automate and digitize services and processes, and the importance of cross-cutting sustainability – macro-trends that are changing the world we live in and, at the same time, creating a scenario characterized by new opportunities – Coesia continues to invest in innovation with a focus on the future and the well-being of the communities in which it operates.

Coesia recognizes the importance of environmental conservation and is committed to monitoring its impacts to identify specific mitigation measures through continuous process improvement and the introduction of new technologies. Environmental respect is considered an essential element to make the business increasingly sustainable and safeguard future generations. To this end, the Group has set goals and targets with the aim of achieving Net-zero by 2050.

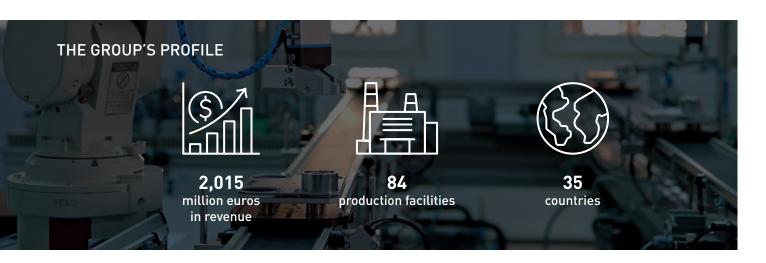
This edition of the Sustainability Report aligns with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The data collected in this report accurately describe the active participation of the Group and its 20 Companies in achieving desired results regarding ESG issues.

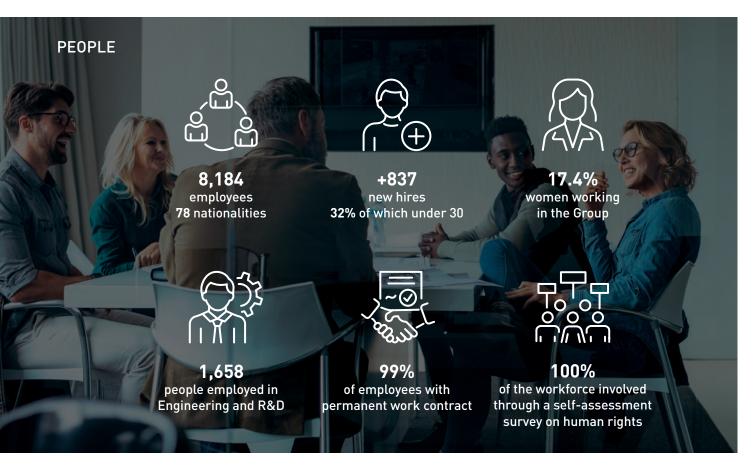
A heartfelt thank you to all our collaborators, customers, suppliers, and partners who have contributed and continue to contribute daily to building our success.

The President

Isabella Seràgnoli

## SUMMING UP 2022

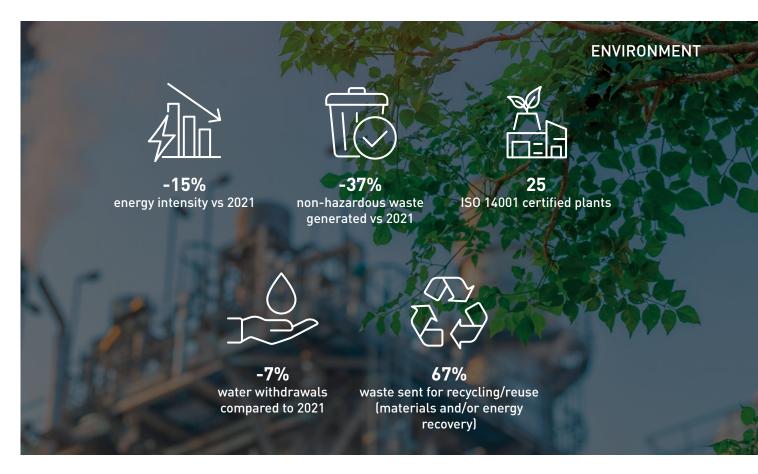












# THE PATH TOWARDS SUSTAINABILITY

For years, Coesia has been dedicated to integrating Environmental, Social, and Governance (ESG) issues into its activities. This promotes an integrated approach that not only guides Coesia's business model but has also become the distinctive cultural trait of the Group's way of operating.

From a strategic perspective, the Group is actively seeking to diversify its business by incorporating new industries related to sustainability and electrification.

In 2023, Coesia comprehensively calculated its greenhouse gas (GHG) emissions monitoring all Scope 3 categories applicable to its business activities. Simultaneously, it has set ambitious goals for reducing its emissions profile. The following graphic illustrates the key climate targets for the years ahead, as outlined in section 6.2, under the "Emissions and reduction initiatives":







Throughout its history, Coesia has recognized its employees as a fundamental asset. Therefore, the organization actively promotes their psychophysical well-being by offering services, prevention programs, and initiatives aimed at achieving a healthy worklife balance. Furthermore, the Group is committed to fostering professional growth among its workforce through initiatives such as the People Performance Dialogue (PPD), which strengthens the connection between individual, team, and company-wide objectives. Moreover, Coesia places a significant emphasis on the protection of its people in their workplace as well as in their environment. Thus, it implements measures and initiatives dedicated to ensuring health, safety, and environmental protection. Among these, the HSE Policy stands out as a comprehensive guideline applicable to all Group Companies.

Once again, this year, Coesia has demonstrated its commitment to the community by establishing collaborations and partnerships with local organizations, institutions, and associations.

In particular, the Group has continued its dedication to promoting collaborations with universities and research centers — actively contributing to the creation of technical and specialized training programs. The objective is to foster innovation both within and beyond the corporate framework.

In 2022, Coesia initiated a project to revise its Code of Ethics with the aim of making it increasingly effective and aligned with global trends. The current version, adopted since 2010 for the Italian Companies and extended to all Group Companies since 2014, is based on Coesia's Values and Mission.

In order to inform all stakeholders about its business and sustainability initiatives and activities, the Group has been publishing its Sustainability Report annually since 2015.

The collection and consolidation of the information and data disclosed in this report are the result of a continuous process of improvement and coordination between the internal functions of the Company, which ensures absolute consistency and transparency in the content reported.

#### **ENVIRONMENT**



Definition of clear decarbonization targets and a corresponding dedicated action plan to achieve them



Joint development activities with customers in the design and production of more sustainable products

(e.g., paper-based packaging)



Actions to improve energy efficiency and to reduce machineries' carbon footprint

#### **SOCIAL**



Company welfare program promoting employees' psychophysical well-being



Adoption of the **People Performance Dialogue**, the process which guides the professional growth of our people



Implementation of
HSE programs protecting our
collaborators



Coesia supported local initiatives in favor of the Ukrainian population, in addition to liberal grants for social and cultural projects



Collaboration with Universities and Institutions

#### **GOVERNANCE**



Business diversification in new industries connected to the sustainability and electrification trends



Coesia's **Code of Ethics**, adopted since 2010 for the Italian Companies, has been extended to all Group Companies since 2014



Coesia Anti-corruption Guidelines dictate the everyday behavior of the Group

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# COESIA: CREATING VALUE FOR A SUSTAINABLE GROWTH

Coesia relies on a strong organization composed of more than 8,000 employees and 20 Companies operating in 35 countries, with 84 production facilities across 137 operating units.

## MISSION AND VALUES

"To create long term sustainable economic, social and environmental value for our clients, employees, shareholder and the communities in which we operate".

Coesia has always aspired to develop a working environment capable of stimulating its people and invests to promote a common culture, focused on the core values of the Group.

#### **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

#### THE CULTURAL TRAITS

There are six cultural traits of Coesia, as identified through an internal investigation of the corporate culture, that guide the development of the Group's strategy:

#### **ACCOUNTABILITY**

Promoting accountability by granting trust through delegation.

#### **COLLABORATION**

Achieving deep integration while valuing diversity.

#### FOCALIZING THE LONG-TERM

Acting while guaranteeing the sustainability of the business over time.

#### INNOVATION

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

#### **OUTWARD MINDSET**

Focusing on customers and community with the aim of understanding their point of view.

#### **OPEN-MINDEDNESS AND TRANSPARENCY**

Sharing knowledge and ideas while growing as a cohesive Group.

### LEADERSHIP MODEL

Coesia's leadership model aims to support the Group's strategy consistently with the message of its values. It serves as a compass that provides a common language aimed at identifying the key behaviors for success of both the individual and the organization.

As such, the leadership model:

- helps understand and communicate expected results;
- enhances awareness of what is required at different stages of individual and professional growth;
- focuses on the individual's strengths as well as areas for improvement.

Key features of the leadership model:

**INNOVATE** 

BE CUSTOMER-CENTRIC

**MAKE DECISIONS** 

**DELIVER RESULTS** 

**INSPIRE OTHERS** 

**COLLABORATE** 

MANAGE COMPLEXITY



#### THE GROUP'S HISTORY

#### 1923 – 1940 \_\_\_\_\_

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

\_\_\_\_\_ 1940 - 1950

1950 – 1960 \_\_\_\_\_

The G.D brand was established in the world, placing the company at the top of the automatic machines sector with high innovation content.

confectionery and soaps sector. With the contribution of Ariosto Seràgnoli, the first wrapping machine was launched.

The Company's focus was on packaging in the

\_\_\_\_\_ 1960 – 1980

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

1980 – 2000 \_\_\_\_\_

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

\_\_\_\_\_ 2000 – 2010

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

2010 - 2015 \_\_\_\_\_

The expansion of Coesia was accelerated thanks to the acquisition of FLEXLINK, SASIB, R.A JONES and IPI. In 2012, the CEC (Coesia Engineering Center), a highly specialized team for the development of strategic innovation projects, was established.

In 2015 Coesia published its first Sustainability Report.

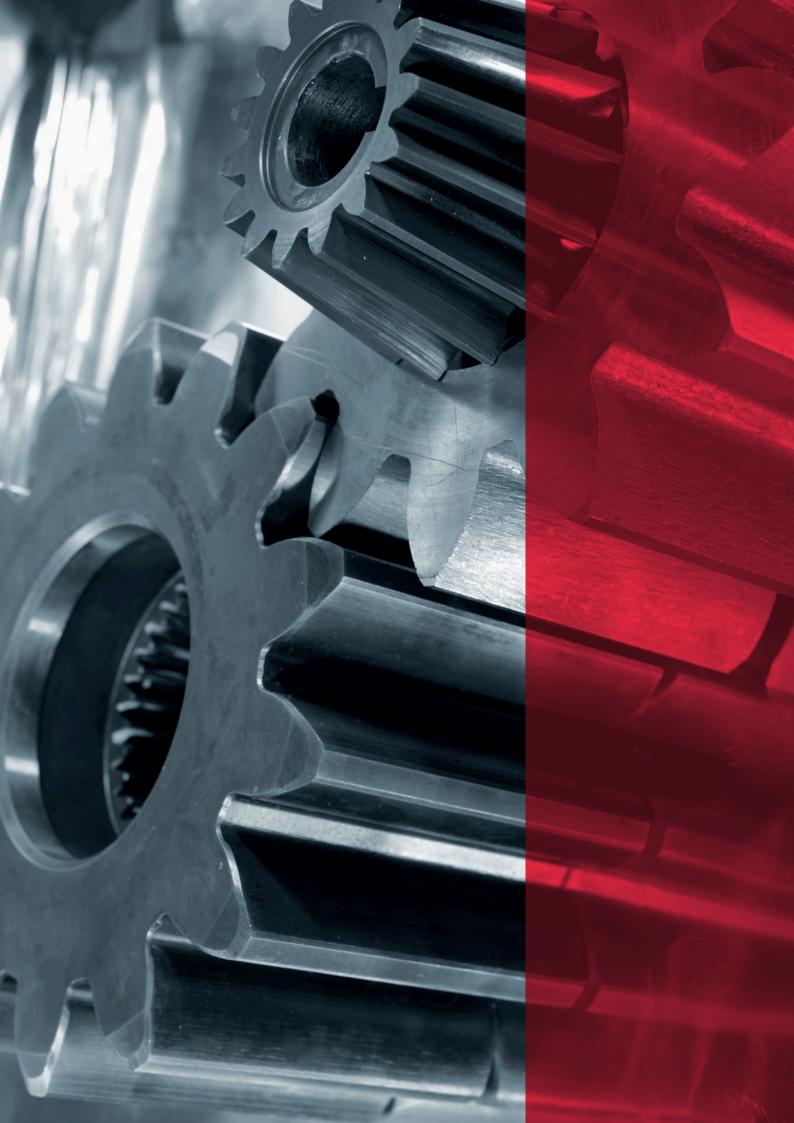
\_\_\_\_\_ 2016 – 2018

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

2019 - 2022 \_\_\_\_\_

In 2021, Coesia completed the acquisition of SYSTEM S.P.A., incorporated into a new company called SYSTEM CERAMICS, thus entering the sector of machinery and plants for ceramics.

In December 2022, the agreement was signed for the sale of IPI S.r.l. to Oji Holdings Corporation, a leader in the pulp and paper industry in Japan, ensuring occupational continuity for all employees.



## THE GROUP'S PROFILE

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

Over the years, Coesia has expanded its international presence thanks to its development strategy and acquisitions of companies specializing in different sectors, allowing it to anticipate different market demands.

Today the Group consists of 20 Companies with 84 production plants in 35 countries which constitute a global network of increasingly consolidated relationships.

To meet the needs of customers in the most diverse industries, Coesia offers a wide range of technologies developed and produced by its Companies and structured according to three Divisions.

## CHANGE IN THE 2022 REPORTING BOUNDARY

Due to the sale of IPI S.r.l. kicked off in 2022, the data relating to the Company have not been included in this Coesia Sustainability Report so as to be consistent with the financial reporting documents.

#### **CONSUMER MARKETS SOLUTIONS**

This Division deals with the design and manufacturing of automatic making, packing, and wrapping machines in the food, cosmetic, pharmaceutical and fast-moving consumer goods sectors, representing the most competitive market in which Coesia operates.

Companies who operate in this Division are ACMA, CITUS KALIX, MGS, NORDEN, R.A JONES, VOLPAK.

#### INDUSTRIAL MARKETS SOLUTIONS

The activity of this Division is focused on the design, construction, sales, and service of solutions for factory logistics, production automation and assembly, as well as in-line printing.

The focus is on cutting-edge machines for the production and packaging of disposable hygiene products, the packaging of premium products, process systems for the ceramic industry and high-performance gear transmissions for sectors such as Aerospace and Automotive.

In addition, investments are being made into technologies dedicated to e-commerce applications.

Companies that operate in this field are: ATLANTIC ZEISER, CIMA, EMMECI, FLEXLINK, GDM, HAPA, SYSTEM CERAMICS, and 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.

As for the tobacco industry, investments are mainly aimed at the development of products called "Next Generation Products" or "Reduced Risk Products."

Leveraging expertise in the automation field, investments have been made to develop and support innovation in areas beyond tobacco - especially those related to energy transition.

Companies operating in this sector are CERULEAN, COMAS, G.D, GF, MOLINS, and 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 deodorants and tubes, cartoners and feeding systems.

#### MGS

Designs and manufactures cutting-edge packaging automation solutions with core competencies in secondary packaging, serialization, and product management. 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.

#### **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.

#### ATLANTIC ZEISER

Provides near-line/in-line digital printing solutions for the packaging of consumer goods and card customization 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 and manufacturing 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 at a lower operating cost. It manufactures conveyors, product handling systems and industrial feeders and delivers turn-key solutions including controls and standardized robotics.

#### GDM

Leader in the field of Hygiene Disposables, GDM provides innovative converting and packaging solutions in 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, SYSTEM CERAMICS 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 industry.

#### TRITRON

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

#### 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 50 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.

#### 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**

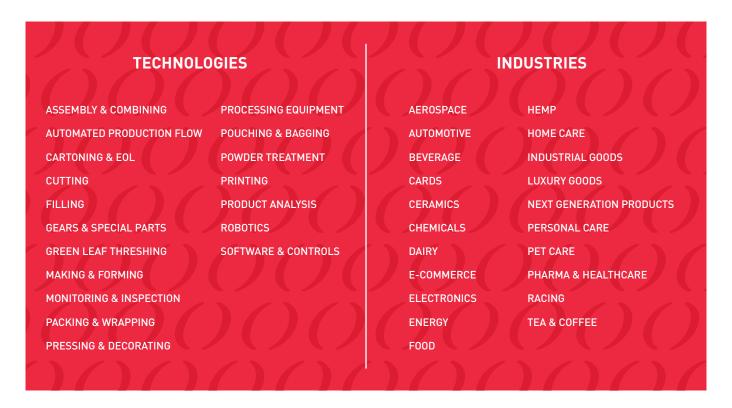
Leader in the tobacco industry for over 100 years, it specializes in the design and development of machinery for cigarette making and packing.

#### **SASIB**

Manufactures production and packaging lines for the tobacco industry.

#### **SOLUTIONS AND SERVICES**

Coesia provides more than 500 packaging solutions aimed at satisfying the ever-growing market demand: products and services being at the forefront of technological innovation in different sectors.



Attention to the customer has led the Group to overseeing markets through the opening of production sites and sales branches worldwide. In 2022 Coesia is present in 35 countries, as the map shows.



For Coesia, investing in customer loyalty means investing in the future. Customer service means global presence, flexibility, simplicity, and continuous support. For this reason, Coesia has expanded its portfolio of customer services to offer a unique and valuable experience based on collaboration and mutual trust.



#### PARTS AND MATERIALS

Since 2019, the Group manages and updates the e-commerce platform, Coesia Webshop, which allows Coesia Companies to simplify the supply of spare parts and components for each type of model and generation of machine. The platform offers the customer a complete and uninterrupted service with the possibility to place the order of spare parts directly on the site, at any time, from 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 machines; quantify the necessary spare parts; and determine the level of service and/or repair required.

Working closely with customers, technicians can carry out routine or preventive maintenance to preserve the performance and value of the machines over time. Thanks to the support of high-quality audio and video tools, and with the help of augmented reality software, Coesia can provide efficient customer support even remotely.

Coesia Remote Assistance enables faster diagnoses and troubleshooting resulting in reduced machine downtime and costs.



#### **EQUIPMENT MODERNIZATION**

The Group offers a broad portfolio of modernization services aimed at enhancing machine productivity, reliability, and product quality, reducing maintenance costs, meeting new legal requirements, and adding new features. Modernization services range from standard technical upgrades to complete machine overhauls in cases where they have been dismantled or damaged, as well as replacements of obsolete components if necessary. Regardless of the type of intervention required, the original performance of the machine is completely 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 take place either in-house or at the customers' facility or even remotely when requested.



#### **CONSULTING SERVICES**

Thanks to extensive experience in many applications, Coesia is able to help the customer to implement the best industrial practices to achieve world-class level of productivity and create added value from the production activity itself. With the OEE Consulting service, launched in 2022, Coesia offers advice aimed at maximizing the profitability of operations. Conducted through a data-driven approach, the service is scalable from the single line to the entire plant, and it is customized to the specific needs of each customer, regardless of the original supplier of the machinery under consideration.



#### **PRODUCTION SUPPORT**

Coesia is committed to providing customers with personalized, quick, and effective technical assistance at all stages: from installation to commissioning, and then up to speed. The technical staff is equipped to provide remote assistance thus guaranteeing maximum coverage around the world.

#### REMOTE FACTORY ACCEPTANCE TEST (FAT)

Restrictions and stringent prevention and safety measures linked to the pandemic have made it impossible for customers to travel and validate equipment at Coesia's facilities prior to shipment.

This is how the first virtual Factory Acceptance Tests (FAT) were born, which, with the relaxing of measures, have continued to be a valid tool for collaboration.

With Remote FAT, you can meet virtually to share information and perform tasks — maximizing time and reducing the effort required by the acceptance test procedure. Through virtual collaboration, video streaming and augmented reality tools, which ensure business continuity even in unforeseen circumstances, Coesia provides an allencompassing experience with excellent results.

# GOVERNANCE MODEL AND ORGANIZATIONAL STRUCTURE

The Governance of Coesia is based on a solid organizational model whose aim is to achieve long-term strategic objectives, define roles and responsibilities consistent with the Group's activities and outline the correct business conduct. The purpose is to direct business processes and generate value for its stakeholders.

## THE GROUP'S GOVERNANCE

The Coesia Corporate Governance model complies with the provisions of the Civil Code and with the other laws and regulations on corporate matters applicable to each country.

In Italy, home of the parent company of Coesia, Governance follows the rules of the Civil Code and other provisions on good business practice.

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 Annual and Consolidated Financial Statements to an external audit company. Moreover, both the Nomination and Remuneration Committee and the Covid 19 Steering Group Committee report to the Board of Directors.

Appointed on 26 June 2020 at the Annual General Meeting, on the basis of high requirements of good repute, professionalism, expertise and independence, the Board of Directors supports the Group's interests, defines its strategic guidelines and promotes its sustainable growth.

The Board of Directors consists of eight members, including President Isabella Seràgnoli and Chief Executive Officer (CEO), Alessandro Parimbelli, as executive members. The remaining six are non-executive directors.

The administrative bodies shall be appointed for a period not exceeding three financial years and shall expire on the date of approval of the budget for the last financial year.

The Board of Directors periodically checks the aspects relating to both its qualitative and quantitative composition and its functioning.

The Chairman of the Board of Directors and the CEO have the powers of ordinary and extraordinary administration, in addition to the legal representation of Coesia, with the sole exclusion of the powers that by statute or by law are reserved to the Board of Directors.

#### **BOARD OF DIRECTORS**

PRESIDENT	Isabella Seràgnoli	
CHIEF EXECUTIVE OFFICER	Alessandro Parimbelli	
DIRECTORS	Aldo Bisio Francesco Gatti Lorenza Guerra Seràgnoli	Maurizio Petta Stefano Proverbio Marcus Weldon

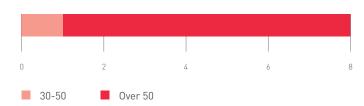
Of the total number of members of the Board, two (25%) are women and belong to the age groups between 30 and 50 and over 50. The remaining six (equal to 75%) are male and are all over 50 years old.

Overall, the breakdown of the Board of Directors by age group shows 12.5% in the 30-50 age group and the remaining 87.5% in the over 50 age group.

The Board of Statutory Auditors consists of a woman, Nicoletta Sandri, and two men, Giorgio Loli and Giampaolo Galletti — all belonging to the age group over 50.

In order to ensure the Group's compliance with the Italian Legislative Decree 231/2001, the Group has set up a Supervisory Body (OdV). This body is composed of three members: two female, Iole Anna Savini and Alessandra Montanari, and one male, Giovanni Ponti—all belonging to the age group over 50.

#### **AGE**



#### **GENDER**



## THE GROUP'S ORGANIZATION

The activities within the Group are managed by the President and the Chief Executive Officer. Delegations of duties and powers are conferred in accordance with the organizational and managerial responsibilities and include approval thresholds for individual transactions.

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

The Central Functions are Digital Operations, Human Resources, Finance and Coesia Engineering Center (CEC) which is the Group's Research and Development Center.

The Divisions in which the 20 Companies operate are:

#### **CONSUMER MARKETS SOLUTIONS:**

including six Companies operating in the consumer goods sector;

#### INDUSTRIAL MARKETS SOLUTIONS:

including eight Companies that provide automated solutions to enhance the efficiency of production systems, as well as those operating in the ceramic sector;

#### **REGULATED MARKETS SOLUTIONS:**

including six Companies operating in the regulated markets sector.

Most of the Coesia Companies are based in Europe. In order to improve its strategy, the Group aims to optimize its geographical structure, while supporting expansion and growth in emerging markets and improving the ability to tailor products to meet the specific needs of different local and regional markets.







## BUSINESS MODEL AND THE 2022 STRATEGY

Coesia's strategy continues to be based on two main assets: employees and customers.

Enhancing people within the Group — from a cohesive group's perspective and on the market — is the main enabler of Coesia's strategic development.

Furthermore, customer centricity is embedded in all business processes, striving to provide the best solutions in terms of innovation and satisfaction of customer needs throughout the entire product life cycle.

Leveraging on its values and DNA, Coesia has started a growth path that will lead it to further strengthen its leadership in traditionally served markets. It also works towards developing its presence in new industrial sectors – e.g., energy storage and e-commerce solutions - characterized by a strong expansion phase and a high rate of automation.

During 2022, the three Divisions among which Coesia is organized, i.e., Consumer Markets Solutions, Industrial Markets Solutions, and Regulated Markets Solutions, supported the development of the Group's Companies and pinpointed the identification and enhancement of synergies commercially, technologically, and operationally which facilitated the grounding of ongoing transformations. Among these is the digital revolution through which developing an offer of smart products and services for customers enables them to simplify their operations and, at the same time, minimize the environmental impact of the Group's activities and products.

#### **COESIA STRATEGIC PILLARS**

#### Growth in traditionally served markets

Accelerating growth and strengthening leadership in the sectors which are traditionally served by Coesia Companies through continuous innovation. This establishes an orientation geared towards providing solutions while enhancing the offer of services and customer care.

#### Development in new and expanding markets

Seizing business opportunities in new markets that have increasing automation needs and significant growth prospects - leveraging on technologies and expertise developed in Coesia's core markets.

#### Strengthening the operational model of Coesia

Enhancing Coesia's capabilities and key processes while seeking to capture the digital and sustainability trends fully. Promoting integration and synergies at all levels of the organization which strengthens the Group's culture and values.

#### THE RESULTS OF OUR BUSINESS

Coesia strives to be a global leader in providing industrial and packaging solutions.

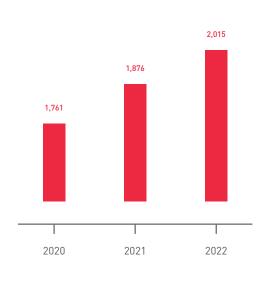
Thanks to the quality of the products and services provided, over the years the Group's position on the market has increasingly continued along a growth path with significant consolidation, despite the challenging years of the COVID-19 pandemic. It has managed to respond to the challenges guaranteeing a solid business continuity and a strong oversight on health and safety issues.

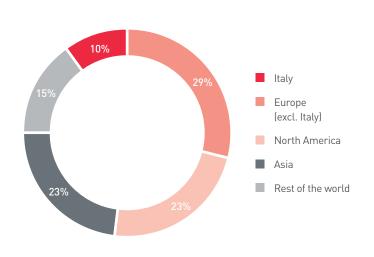
This commitment has allowed the Group to record a turnover of 2,015 million euros, in 2022, reflecting the quality of the services and products offered, and the commitment of Coesia in managing its business activities.



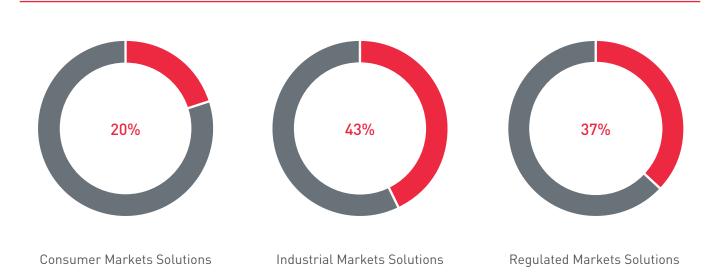
## SALES PERFORMANCE IN THE THREE-YEARS PERIOD 2020-2022 (million euros)

#### BREAKDOWN OF TURNOVER 2022 BY GEOGRAPHICAL AREA





#### **BREAKDOWN OF TURNOVER 2022 BY DIVISION**



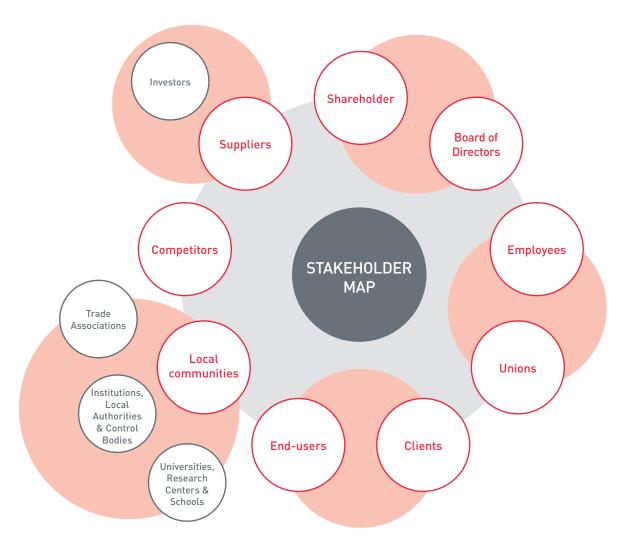
## DIALOGUE WITH THE STAKEHOLDERS

Maintaining an active and constant dialogue with its stakeholders is an essential element of Coesia's strategy. Engaging stakeholders means identifying their expectations and responding promptly to changes in the market and the communities in which the Group operates.

Coesia is committed to maintaining a relationship of transparency and trust with its stakeholders to create sustainable value in the long term. For this reason, the Group's ambition is to exceed the expectations of its stakeholders by constantly improving technologies, products, processes, and solutions.

Thanks to a structured process of stakeholder engagement, Coesia is able to detect their expectations and understand their level of satisfaction so as to have the necessary tools to identify any areas for improvement. While updating the materiality analysis, Coesia involved company management in identifying the most relevant categories of stakeholders classifying them according to the criteria of dependence on Coesia and their influence on the Group.

As a revision of the 2021 stakeholders map, the update includes two new stakeholders, i.e., local communities and trade associations. Moreover, universities and research centers have been integrated with schools.



From a perspective of mutual benefit and continuous generation of value, Coesia is committed to promoting initiatives of periodic listening to and engagement with stakeholders identified by selecting the most appropriate channels of dialogue.

The following table summarizes the main tools for listening to and involving the Group's primary stakeholders:

#### LISTENING TO AND ENGAGING STAKEHOLDERS

STAKEHOLDER CATEGORY	ENGAGEMENT FREQUENCY	ENGAGEMENT METHOD	
Shareholder	Continuous	<ul><li>Shareholders' Meetings</li><li>Active engagement in the Group's management</li></ul>	
Board of Directors	Periodical	Meetings	
	Periodical	<ul><li>Collective negotiations</li><li>Corporate climate survey</li><li>Newsletter</li></ul>	
Employees	Continuous	<ul><li>Training</li><li>Performance evaluation</li><li>Intranet</li><li>Website</li></ul>	
Unions	Periodical	Periodical meetings	
Clients	Continuous	<ul> <li>Product catalogs</li> <li>Collaborations for developing innovative solutions</li> <li>Trade shows</li> <li>Customer service</li> <li>Website</li> <li>Newsletter</li> <li>Social media</li> </ul>	
End-user	Continuous	<ul><li>Feedback received by clients</li><li>Market analysis</li></ul>	
Local Communities	Continuous	<ul><li>Collaborations and partnerships</li><li>Public initiatives</li></ul>	
Universities, Research Centers, and Educational Institutions	Periodical	<ul> <li>Collaborations and partnerships</li> <li>Meetings with University, Research Centers, and Educational Institutions</li> </ul>	
Institutions, Public Administration and Control Bodies	Continuous	Relationships with local institutions	
Trade Associations	Periodical	<ul><li>Collaborations and partnerships</li><li>Meetings</li></ul>	
Competitors	Periodical	<ul><li>Trade shows</li><li>Website</li><li>Social media</li><li>Press review</li></ul>	
Suppliers	Continuous	<ul><li>Relations with the reference business partners</li><li>Website</li></ul>	
Investors	Periodical	<ul><li>Press releases</li><li>Periodical meetings</li><li>Website section: Investor Relations</li></ul>	

In 2022, the engagement activity was further strengthened. As detailed in <u>section 2.3, being "The Materiality Analysis"</u> below, a selected sample of

customers was asked to define the most relevant sustainability impacts of Coesia to identify the material issues highlighted in this report.

## MATERIALITY ANALYSIS

For a better alignment between corporate strategy and content structure to be reported in the Sustainability Report, Coesia has carried out a structured materiality analysis in accordance with the GRI Standards drawn up by the Global Reporting Initiative. Through this analysis, the material issues closely linked to the significant impacts that an organization, like Coesia, has on the economy, environment and people have been defined. Such impacts may also influence the decisions of the main stakeholders.

According to the new GRI Standards, which were updated in 2021, the defining of material issues by an organization is closely tied to identifying the significant

impacts which it generates, or could generate, on the economy, environment, and people, through all its activities and business relationships. These impacts can be negative and positive, in the short and/or long term.

Coesia's 2022 materiality analysis was developed by an internal team alongside company management. A selected sample of customers was also involved and asked to define, through a specific questionnaire, which were the most relevant sustainability impacts of Coesia from their point of view.

In line with GRI Standards 2021, in general, the materiality analysis was divided into four phases:

1

## UNDERSTANDING THE CONTEXT IN WHICH THE COMPANY OPERATES

In the first phase of the process, the potentially relevant impacts for Coesia were identified, based on a context analysis carried out during the consultation of internal and external documents. Specifically, the process consisted of the following activities:

- study of the main international sources for defining the most relevant sustainability issues in the sectors in which Coesia operates:
- review of global and sector trends in sustainability;
- benchmarks between companies comparable to Coesia;
- analyses of interests and requests from stakeholders;
- consultation of the press review on Coesia and the reference sector.

2

## IDENTIFICATION OF ACTUAL AND POTENTIAL IMPACTS

Based on the results of the context analysis, the actual impacts of Coesia have been identified — meaning those that are currently occurring or have occurred over time, and potential ones, that could occur in the future. Such impacts may be negative or positive.

3

## ASSESSMENT OF THE SIGNIFICANCE AND RELEVANCE OF IMPACTS

Subsequently, the degree of significance of the themes, reflecting the actual and potential impacts identified, was evaluated in line with the criteria indicated by the Standard.

During a workshop, the company management was asked to assign each theme a score that defined the degree of relevance — based on their knowledge of the Group and the context in which it operates. Coesia also engaged some of its main customers in the evaluation of material topics by conducting a survey with them.

## PRIORITIZATION OF THE MOST SIGNIFICANT IMPACTS FOR REPORTING

As a result of the evaluation by company management and the involvement of the customers, the priority of the impacts, and the relative topics, has been established, thus identifying the most significant ones. At the methodological level, the identified impacts were prioritized, assigning them a score based on their degree of severity and likelihood of occurrence.

The prioritization activity is functional to determine the themes to be included in the reporting. In this phase, particularly, the materiality threshold is established — that is the level of significance beyond what a topic is considered material. The topics below the materiality threshold have been excluded from the reporting.

The following is a list of the themes that emerged as material after the identification of the relevant impacts. Each material theme has been associated with the relevant GRI Disclosure.

#### **MATERIAL SUBJECTS**

#### **GRI INDICATORS**

**SDGs** 

Material Subject

Description

#### **CLIENTS AND PRODUCTS**

## Circularity and End of Life

Policies to ensure the circularity of machines (e.g., use of recycled materials) and packaging solutions (e.g., reusable formats); and efficient end-of-life management of machinery by customers; and consumer disposal of packaging, can have positive consequences on the entire production cycle of the organization in terms of the disposal of waste and the waste of individual products.

For more information, see <u>section 5.1 "Sustainable</u> Innovation".

Extra GRI: qualitative information and KPIs (non-GRI) related to the circularity of machines and packaging solutions.



#### Digitalization

Investments in the digitalization of machinery can improve its performance in terms of production and reduction of energy consumption — resulting in lower CO2 emissions and the environmental impact generated, as well as having a positive influence on maintenance and programming activities.

For more information, see <u>section 5.1 "Sustainable</u> Innovation".

Extra GRI: qualitative information and KPIs (non-GRI) related to the digitalization of solutions.





## Energy efficiency

The development of more efficient solutions productionwise can help reduce the consumption of electricity by customers and, therefore, their impact on the environment (e.g. in terms of emissions produced).

For more information, see <u>section 5.1 "Sustainable</u> Innovation".

Extra GRI: qualitative information and KPIs (non-GRI) related to the development of energy-efficient machines.





# Sustainable product and portfolio innovation

The innovation behind the solutions produced by the Group can contribute to improving its performance, in terms of efficiency, with potentially positive effects on their environmental impact.

For more information, see <u>section 5.1 "Sustainable Innovation"</u>.

Extra GRI: percentage of patents related to sustainable product innovations.

Extra GRI: percentage of machines developed for sustainable packaging solutions.





Description

#### **CLIENTS AND PRODUCTS**

#### **Product safety**

Safeguards and checks on the solutions produced by the Group represent an important support for employees, users, and maintainers of customers who may find themselves in potential situations of accidents at the workplace.

The Group is committed to developing products that are safe and comply with the relevant standards.

For more information, please refer to <u>section 5.2 "Safety</u> at the core of our solutions".

416-2: Incidents of non-compliance related to the health and safety impacts of products and services.



# Use of green materials and eco-efficiency

The Group's sustainability performance could be compromised where there are no company policies adequately oriented to the development of solutions, consisting of materials with lower environmental impact (e.g. recycled, biodegradable), or aimed at reducing the quantity of materials used in the production process.

The Group is committed to developing machinery suitable to produce packaging solutions using green/lower environmental impact materials (e.g., recycled, biodegradable).

For more information, see <u>section 5.1 "Sustainable Innovation"</u>.

Extra GRI: qualitative information and KPIs (non-GRI) related to the use of materials with less environmental impact.



Description

#### **PEOPLE**

# Human rights within the organization

The corporate structure of Coesia is articulated and complex. The Group is committed to providing its employees, both internal and external, with working conditions that respect fundamental human rights even in contexts where their protection could be most at risk.

For more information, see <u>section 3.1 "The ethical</u> management of the Group".

Extra GRI: qualitative information relating to the protection of the human rights of employees.



# Human rights within the supply chain

In accordance with the Group's values, it is essential to ensure that along the supply chain, there are no violations of the workers' human rights (e.g., unfair working conditions, discrimination, etc.). In this perspective, the Supplier Code of Conduct is undergoing an update. The Group is committed to developing and implementing controls aimed at overseeing the entire supply chain.

For more information, see <u>section 7.3 "Responsible</u> sourcing".



## Diversity, equal opportunities, and inclusion

The Group ensures respect for internal and external employees in terms of diversity and prevention of discrimination.

For more information, see <u>section 4.1 "Our</u> collaborators".

405-1: Diversity of governance bodies and employees.

406-1: Incidents of discrimination and corrective actions taken





# Training and development of employees

To ensure sustainable growth that considers human potential, the planning of the training and professional development initiatives for the Group's employees is crucial in promoting the development and maintenance of skills

The presence of a structured training plan allows Coesia to increase the attractiveness of the organization to potential employees, as well as reduce the level of turnover, risk of accidents and related penalties.

The Group guarantees its employees training and development paths to ensure their professional growth.

For more information, see <u>section 4.3 "Skills</u> <u>development"</u>.

404-1: Average hours of training per year per employee.

404-3: Percentage of employees receiving regular performance and career development reviews.





Description

#### **PEOPLE**

#### **Employment**

By implementing recruitment and retention policies to limit the levels of turnover within the company, Coesia contributes to creating employment and economic spinoff in the territories in which it operates.

For more information, see <u>section 4.1 "Our</u> collaborators".

401-1: New employee hires and employee turnover.



# Occupational health and safety

The execution of operational processes related to the Group's activities can pose risks to the health and safety of workers.

Failure to implement appropriate measures to avoid such risks may result in work-related injuries or workrelated ill-health with possible consequences, even severe ones, for people.

The Group has formalized its commitment to the safety and protection of health at work in the HSE Group Policy, and it has implemented a dedicated management system. In addition, it has a series of internal procedures in place to ensure compliance with the laws and standards of reference for the Group (e.g., auditing program, annual self-assessment, and risk assessments).

For more information, see <u>section 4.4 " Health and safety of collaborators"</u>.

403-1: Occupational health and safety management system.

403-2: Hazard identification, risk assessment, and incident investigation.

403-3: Occupational health services.

403-4: Worker participation, consultation, and communication on occupational health and safety.

403-5: Worker training on occupational health and safety.

403-6: Promotion of workers' health.

403-7: Prevention and mitigation of health and safety impacts at work directly linked by business relationships.

403-8: Workers covered by an occupational health and safety management system.

403-9: Work-related injuries.

403-10: Work-related ill-health.





Description

#### **PEOPLE**

#### Security

Inadequate security checks in the Group's commercial offices and production plants can cause damage to the people and the corporate assets (Physical Security). Moreover, during business trips, the many variables related to travel can generate situations with potential damage to the safety of employees (Travel Security).

The Group is committed to managing Security through a dedicated corporate function to implement prevention and protection measures. It is also constantly monitoring incidents related to Travel and Physical Security.

For more information, see <u>section 4.4 "The Health and</u> Safety of Employees".

Extra GRI:
KPIs and additional
indicators (not
GRI) related to the
security of people
and corporate
assets (Physical
Security) and
people on business
trips (Travel
Security).



#### Wellbeing, work-life balance

The adoption of initiatives aimed at increasing the well-being of employees and improving their work-life balance can bring benefits in terms of increasing the well-being of Group employees.

The Group guarantees its employees initiatives aimed at improving their psycho-physical well-being.

For more information, see <u>section 4.2 "Welfare</u> Initiatives".

Extra GRI: qualitative information and KPIs (non-GRI) related to programs for the psychophysical well-being of employees and the improvement of their work-life balance.





#### Welfare

The implementation of appropriate welfare plans could increase the level of satisfaction of employees — and therefore decrease the turnover level.

Moreover, the adoption of policies and practices to facilitate the return to work of new parents could promote their employability and work-life balance.

The Group guarantees its collaborators adequate welfare measures which are provided for by national bargaining and improvement of same.

For more information, see <u>section 4.2 "Welfare</u> initiatives".

401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees.

Extra GRI – Qualitative information and KPIs (non-GRI) related to initiatives and company welfare plans for employees.





Description

#### **ENVIRONMENT**

## Energy and climate change

The Group's production processes require the use of energy resources and, consequently, involve the emission of greenhouse gases into the atmosphere that can generate negative impacts contributing to climate change. Emissions can be classified as direct — related to the use of fossil fuels (Scope 1), indirect — determined by the purchase of electricity (Scope 2), and indirect — generated by the activities of the value chain (Scope 3).

The Group regularly monitors greenhouse gas emissions from its production process. And it pursues pre-established emission reduction targets and other targets to limit its future environmental impact.

For more information, please refer to sections <u>6.1</u> "Energy efficiency and transition to renewables" and <u>6.2</u> "Emissions and reduction initiatives".

302-1: Energy consumption within the organization.

302-3: Energy intensity.

302-4: Reduction of energy consumption.

305-1: Direct (Scope 1) GHG emissions.

305-2: Energy indirect (Scope 2) GHG emissions.

305-3: Other indirect (Scope 3) GHG emissions

305-4: GHG emissions intensity.





#### Raw materials

Excessive use of raw materials, in particular steel and aluminum or, to a lesser extent, wood, plastic, and paper, can lead to a depletion of the natural resources available.

The Group has implemented a raw material management system trying to avoid excessive stocks and/or shortages.

For more information, see <u>section 7.3 "Responsible sourcing"</u>.

Extra GRI: percentage spent on materials used for semi-finished products and packaging.



# Environmental impacts of the supply chain

The materials and services supplied, including their distribution along the Group's supply chain, contribute to energy consumption. This releases pollutants into the atmosphere and ecosystems, as well as having other negative impacts on the environment (e.g., waste generation, water collection and consumption, and effects on biodiversity).

The Group is committed to integrating sustainabilityrelated qualification criteria, as well as monitoring and risk management into the supplier assessment process for the future.

For more information, see <u>section 7.3 "Responsible sourcing"</u>.



MATERIAL SUBJECTS GRI INDICATORS SDGs

Material Subject Description

#### **ENVIRONMENT**

#### Waste

The research, and development, manufacturing and distribution activities of the Group generate industrial and municipal waste.

The Group classifies its waste as hazardous and non-hazardous and ensures its disposal according to local regulations.

In addition, it seeks to optimize the efficiency of its production process and the use of materials suitable for recycling to minimize scraps.

For more information, see <u>section 6.3 "Waste management"</u>.

306-1: Waste generation and significant wasterelated impacts.

306-2: Management of significant wasterelated impacts.

306-3: Waste generated.

306-4: Waste diverted from disposal.

306-5: Waste directed to disposal.



Description

#### **GOVERNANCE**

#### **Anti-corruption**

Lack of inadequate preventive measures may increase the risk of fraudulent behavior within the organization.

This can occur throughout the value chain of the organization and generate negative impacts for the community in which it operates (e.g., wrong allocation of economic resources, abuse of power).

The Group has a Code of Ethics, Anti-corruption Guidelines, an Organization Model, Management and Control as per ex. D.Lgs. 231/2001 (MOG 231), and a reporting mechanism for suspected misconduct.

For more information, see <u>section 3.1 "The ethical</u> management of the Group".

205-2: Communication and training about anticorruption policies and procedures.

205-3: Confirmed incidents of corruption and actions taken



#### Community

The Group promotes projects and social initiatives in the territories in which it operates — building a strong bond with the community and supporting its sustainable development.

For more information, see <u>section 8.2 "The relationship</u> <u>with the community"</u>.

Extra GRI – Qualitative information and KPIs (non-GRI) about organization initiatives for the community.





## Conflict of interest

There may be potential conflicts of interest in the management of normal corporate governance processes. This can happen along the entire value chain of the organization and generate negative impacts for the community in which it operates.

In order to avoid such situations, the Group has an Organization, Management and Control Model as per ex. D.Lgs. 231/2001 (MOG 231), and a reporting mechanism for suspected misconduct.

For more information, see <u>section 3.1 "The ethical management of the Group"</u>.



Material Subject

Description

#### **GOVERNANCE**

## Data Protection, and Cyber Security

The Group operates in markets where digitalization is a strategic driver. The absence of controls on information systems can generate negative impacts represented by breaches of privacy of subjects, loss of sensitive data and potential inaccessibility to corporate servers.

The Group has defined a cyber security strategy, adopted the NIST Cyber Security Framework (CSF) security standard, and implemented a multi-year roadmap of cyber security initiatives to increase compliance with this standard.

For more information, see <u>section 3.2 "Internal control</u> and risk management".

418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data.

Extra GRI: Qualitative information and KPIs (non-GRI) related to cyber security.



#### Value Distribution

Through its production activities, Coesia generates economic value which it distributes to its stakeholders. In addition, the Company contributes to the taxation system which is essential for the development and the economic growth.

For more information, please refer to sections 8.1 "Value distributed to stakeholders" and 7.1 "Our suppliers".

201-1: Direct economic value generated and distributed.

204-1: Proportion of spending on local suppliers.



## Ethics, Integrity and Transparency

Coesia is committed to conducting its business in compliance with the laws and regulations of the countries in which it operates, in line with its values and the Code of Ethics.

For more information, see <u>section 3.1 "The ethical management of the Group"</u>.

Extra GRI: qualitative information relating to the transparent conduct of business.



## Anticompetitive practices

If adequate and effective preventive measures are not present, the risk of the organization adopting anticompetitive behavior and practices may increase.

This can occur throughout the value chain of the organization and generate negative impacts for the community in which it operates (e.g., economic damage to competing companies and their stakeholders).

For more information, see <u>section 3.1 "The ethical management of the Group"</u>.

206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.







# THE ETHICAL MANAGEMENT OF THE GROUP

Ethics is a fundamental pillar of entrepreneurial action and plays a central role in corporate responsibility as a cultural stimulus to foster and enhance social relations, which inspires the daily conduct of the Group. The value of Coesia is based, not only on the ability to carry out its activities in compliance with laws and regulations, but, also, on the Group's ability to go beyond compliance and act in line with its values and behavioral principles defined in its Code of Ethics.

With the goal of promoting a system aimed at furthering responsible behavior, Coesia has set up numerous tools and processes to ensure a high ethical standard on the part of all the Group's collaborators and partners.

The concept of Coesia's commitment to ethical business is at the foundation of the Group's values, consolidated under the Code of Ethics, a document that, together with the Anti-corruption Guidelines, the Organization, Management and Control ex D.Lgs. 231/2001 (MOG 231), the mechanism for reporting violations, and training on anti-corruption issues, creates a solid structure aimed at ensuring a system of crime prevention at the Group level.

To confirm the Group's commitment to business ethics, in the three-year period between 2020-2022 there were no records of:

- confirmed incidents of corruption;
- significant violations of social and economic laws and regulations;
- legal actions concerning anti-competitive behavior and violations of anti-trust and monopolistic practices;
- cases of discrimination.

## CODE OF ETHICS

Since 2010, all the Italian Companies of Coesia have adopted a Code of Ethics that, in 2014, has been extended to all the Group's Companies. Coesia, having long adopted its own Code of Ethics to commit as a group of companies to promoting social and environmental responsibility and improving the quality of life in the communities where it is present, has continued the process of updating the document. This aims to address new issues and represent changes that have become relevant in recent years.

The current Code of Ethics, based on the values and the corporate mission, collectively, structurally, and continuously promotes the project and idea of social responsibility in all Group Companies and in relationships with stakeholders.

The Coesia Code of Ethics, translated into ten languages, has been globally shared to make the Group's commitment clear and transparent to all stakeholders.

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

https://www.coesia.com/en/group/corporategovernance/business-ethics

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

Considering the different economic, institutional, social, and cultural contexts in which Coesia operates, it is the Group's responsibility to act in compliance with the laws and regulations applicable in the various countries where it is present. Coesia's commitment to anti-corruption is reflected in the Group's values and behaviors, such as loyalty, fairness, transparency, honesty, and integrity, which form the basis of everyday actions.

The Group has adopted Anti-corruption Guidelines, which have been translated into 12 languages, to promote the highest standards in all business relations. Additionally, it has also adopted an adequate Organization, Management and Control Model (MOG 231), overseen by the Supervisory Body (OdV), to ensure that the Group complies with the Italian Legislative Decree 231 of June 8, 2001.

In 2022, Coesia completed a project aimed at updating its MOG 231, and those relating to all the Italian Companies of the Group, due to the extension of the cases of alleged crime, including tax crimes and those related to the implementation of the PIF Directive (Protection of Financial Interests). Moreover, the update took into account the evolution of case law in the field of corporate responsibility and the most recent guidelines on the subject issued by Confindustria.

In particular, the main objectives of the measures adopted were:

- the updating and identification of offences abstractly relevant to the Company based on the provisions of D. Lgs. 231/01;
- the revision of potentially applicable "crime-prone areas", based on the nature of the activities carried out, the business and the characteristics of the business processes;
- the adjustment of the list of existing protocols/ control measures to cover the hypotheses of offense under D. Lgs. 231/01;
- the updating of Organizational Models for Group Companies, in line with the latest trends derived from reference best practices (Confindustria guidelines, updated in 2021).

Preliminary to the revision activity, a comprehensive review of the risk assessment was conducted. This involved the analysis of abstractly relevant predicate offenses and the main potential methods of their realization, the identification of sensitive activities and their related preventive controls. This process led to the updating of the Organizational, Management, and Control Model (MOG 231) based on the information and results emerged during the analysis.

A central role in the implementation of the MOG 231 is assigned to the Oversight Body (OdV), which, in order to promote the correct implementation of the envisaged control and management measures, implements an appropriate flow of information to the competent corporate bodies. Specifically, the OdV informs the Board of Directors and the Board of Statutory Auditors periodically. In any case, the OdV promptly reports any events of relevance, such as possible violations of provisions - regulatory and procedural - that may give rise to offenses under Legislative Decree 231/2001.



# COMMUNICATION AND TRAINING ON BUSINESS ETHICS

Coesia is strongly committed to supporting a communication system aimed at raising awareness throughout the organization about corporate ethics standards. For this reason, everyone who becomes part of the Coesia world receives the Code of Ethics and the Anti-Corruption Guidelines.

All managers of the Group and those in key roles in this field undergo a training program on Anti-Corruption principles. Additionally, through the e-learning platform, Coesia has extended the dissemination of the program to all new collaborators.

## EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING IN 2022

Professional category	Number of employees
Senior Management	32
Middle Management	65
Professionals	354
Technical roles	354

## WHISTLEBLOWING SYSTEM

Like in previous years, in 2022, the whistleblowing system was active, allowing the reporting of violations, even potential ones, ensuring the privacy of the person and explicitly prohibiting any form of retaliation.

In line with its values, the behavioral principles defined in the Group's Code of Ethics, and the commitment to respect and comply with current regulations, Coesia and all its Italian Companies adopted a Reporting Management Procedure in 2023. This procedure outlines the channels through which reports of violations of the Code of Ethics, Legislative Decree 24/2023, and Legislative Decree 231/2001, as well as constructive suggestions, can be submitted.

## PROTECTION OF HUMAN RIGHTS

To all the companies that become part of the Group, Coesia proposes a self-assessment survey on the respect for human rights (e.g., absence of child and forced labor, non-discrimination, guarantee of freedom of association, etc.), with the aim of ensuring that these rights are upheld in all countries where the organization operates.

To date, the survey has covered 100% of the corporate population.

In the countries where the Group is present, all collaborators are over 18 years old, and employment relationships comply with all national and local laws regarding legal working age. Some exceptions, always in compliance with the laws, include countries where young students are offered opportunities for non-hazardous work as part of specific training programs in collaboration with educational institutions.

In 2022, no cases of human rights violations were reported.



# INTERNAL CONTROL AND RISK MANAGEMENT

## RISKS AND OPPORTUNITIES

The Group actively works to identify potential risk factors related to its activities, not only to minimize their impact, but also to focus on the opportunities arising from such assessments in order to increase its competitive advantage.

Coesia manages risks and opportunities through an integrated strategy in the operational model that applies to all Group companies. This strategy ensures that the impact of operational or strategic risks, closely connected, for example, to the cost of raw materials, mergers and acquisitions, the financial, legal, security, and human resources domains, is identified and minimized.

In managing sustainability issues, Coesia assesses risks and opportunities related to the business, the operating context, global trends, as well as financial, reputational, and social aspects.

## INTERNAL CONTROL SYSTEM

Coesia has implemented an Internal Control System through which it enforces a set of rules, procedures, and organizational structures aimed at providing reasonable assurance about achieving objectives falling into the following categories:

- effectiveness and efficiency of operational activities;
- reliability of financial information;
- compliance with laws and regulations.

The application of the 'segregation of duties' principle, which involves assigning various stages of a process (authorization, execution, and control) to different individuals to prevent errors or violations and ensure mutual control, is one of the essential elements of the Internal Control System. Additionally, as constituent elements of the control structure, there are the reporting system and the allocation of decision-making responsibility based on the system of power delegation and mandates.

## INTERNAL AUDIT

Despite the understanding and management of risk being required in an integrated manner by the Companies and various business functions of the Group, Internal Audit is tasked with assisting the organization in these activities with a systematic approach to assess and improve risk management, control processes, and Corporate Governance. In this perspective, Internal Audit objectively and independently evaluates the overall risks of the Group, reviews the adequacy of the internal control system, verifies the effectiveness and efficiency of operational and financial processes, and ensures compliance with laws, regulations, and applicable standards, including in the field of HSE.

Among the responsibilities of the Internal Audit function, there is also the management of issues related to privacy. Coesia's attention to privacy management is reflected in the fact that, during the period 2020-2022, there were no cases of privacy breaches or loss of sensitive customer data. The Group consistently works to ensure full compliance with current data security regulations, implemented through updates on policies related to website cookies, ensuring maximum transparency to all stakeholders.

## SANCTIONS

All Group companies ensure full compliance with the European sanction regulations, OFAC (Office of Foreign Assets Control), the office responsible for controlling foreign assets of the U.S. Department of the Treasury, and the British regulations.

## CYBER SECURITY

The complexity of the current context exposes organizations to new risks, the effects of which can lead to severe impacts in terms of economic losses, reputational damage, sensitive information loss, sanctions, and service interruptions. In a global landscape where organizations focus on digital transformation and the management of services and remote activities, cyber attacks have reached increasingly sophisticated levels, exploiting a high degree of vulnerability in distributed IT infrastructures.

In this scenario, Coesia recognizes the need to ensure adequate protection of information and minimize potentially harmful effects on its activities, using a structured and uniform approach globally, based on cutting-edge security processes and standards.

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# PREVENTION OF CYBER ATTACKS

In order to protect the Group's information assets, new protection technologies have been implemented to identify attacks characterized not only by the presence of viruses or malicious software but also by advanced compromise techniques employed by organized criminal groups.

Since not all attacks can be prevented, it is crucial to invest in incident response capabilities, improving the organization's ability to mitigate threats and restore service continuity.

Therefore, a path of evolution has been initiated to expand the capabilities of the Global Security Operation Center, enabling not only timely detection of incidents but also automated procedures to actively counteract cyber intrusions.

In this regard, to support cyber security and enable the achievement of business objectives while maintaining an acceptable level of risk, a Cyber Security strategy has been defined, consisting of four main elements:

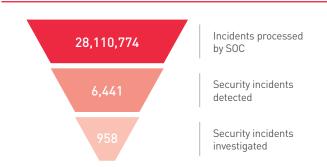
- integrating security controls into the development processes of digital products, following the principle of "security by design";
- increasing the protection of corporate information assets, particularly intellectual property;
- establishing effective incident management to ensure business operations continuity;
- creating and maintaining a culture of security within the Group.

This strategy is supported by the NIST Cyber Security Framework (CSF) security standard, which is the most widely used international framework for managing cyber security programs.

A multi-year roadmap of Cyber Security initiatives has been defined to increase the degree of compliance with the NIST standard and to raise the maturity of adoption beyond the current level in Coesia.

Among these, starting in 2019, the Group has implemented an Information Security Policy that provides an organic set of principles for information security, which must be respected and adopted by all Group Companies. This aims to ensure a consistent level of protection against threats related to the use of information technologies and industrial systems supporting the business.

# THE GLOBAL SECURITY OPERATION CENTER (SOC) FIGURES IN 2022







# **OUR COLLABORATORS**

For Coesia, achieving a leading global position in its operating sectors is the result of its employees' ability to offer customers innovative and quality solutions.

Therefore, the Group seeks to attract and retain the best talents, investing in their potential and providing them with the opportunity to live and work in a stimulating environment where recognition of merit and the possibility to broaden their professional horizons are ensured.

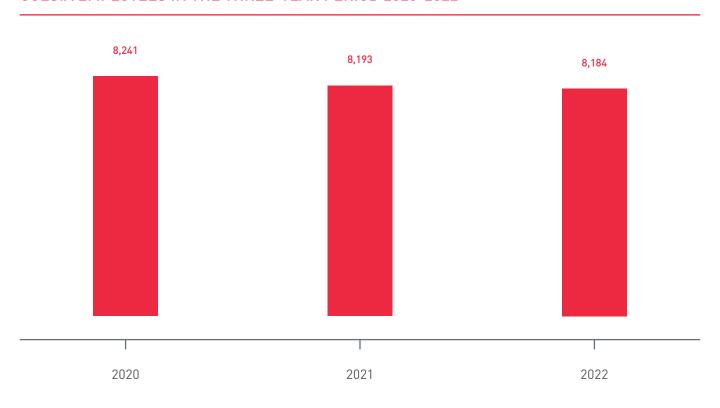
## WORKING AT COESIA

Coesia is a productive and social ecosystem composed of over 8,000 collaborators. Each person is an integral part of the organization's success.

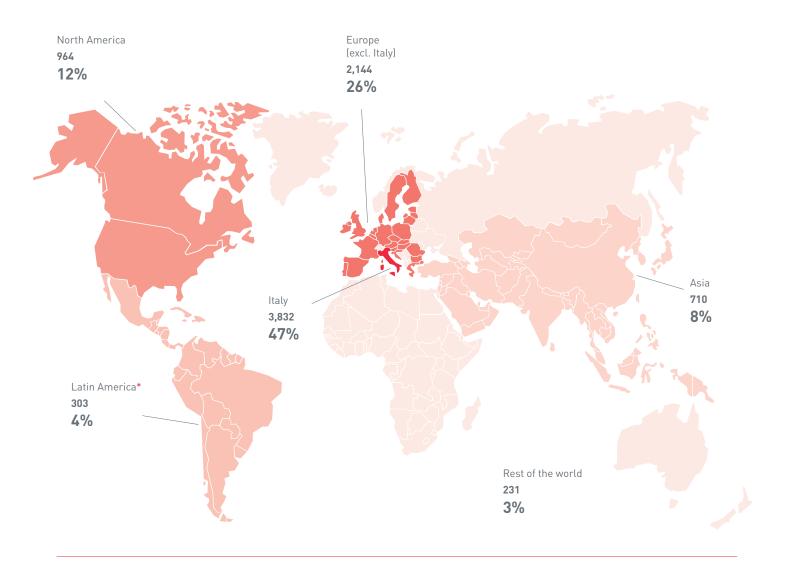
As of December 31, 2022, Coesia has 8,184 employees, of which 73% work in Italian and European sites.

The slight decrease in the number of employees in 2022 compared to 2021, despite the growth in the number and hiring rate, is due to the divestiture of IPI.

## COESIA EMPLOYEES IN THE THREE-YEAR PERIOD 2020-2022



## NUMBER AND PERCENTAGE OF EMPLOYEES BY GEOGRAPHICAL AREA IN 2022



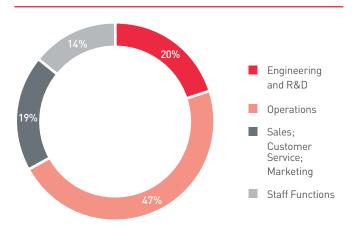
<sup>\*</sup> In order to provide a higher level of detail, in this chapter, the geographical area 'Latin America' is represented separately, while in the rest of the document, it is included under 'Rest of the world'.

As for the activities carried out, approximately half of Coesia's employees (47%) work in the Operations area, which includes various tasks such as procurement management, quality control, planning, and machine testing.

A significant portion of the workforce (20%) operates in Engineering and Research and Development (R&D), where ideas and numerous innovative projects come to fruition. Following these are the Sales, Customer Service, and Marketing areas, which together employ 19% of active employees.

Finally, the remaining 14% is represented by Staff Functions, including Human Resources, Communication, IT, Administration, Finance and Control.

## **EMPLOYEES BY FUNCTION IN 2022**



Coesia prioritizes long-term professional relationships with its employees. In fact, the most prevalent form of contract in all geographical areas where it operates is permanent employment, guaranteed to 99% of its employees.

## **EMPLOYEES BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT\***

		2020			2021			2022	
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Italy	3,939	29	3,968	3,879	20	3,899	3,789	43	3,832
Europe (excl. Italy)	1,990	114	2,104	2,057	22	2,079	2,116	28	2,144
North America	875	1	876	928	2	930	962	2	964
Latin America	310	-	310	305	2	307	302	1	303
Asia	731	5	736	729	10	739	699	11	710
Rest of the world	245	2	247	236	3	239	228	3	231
Group Total	8,090	151	8,241	8,134	59	8,193	8,096	88	8,184
	98.2%	1.8%	100%	99.3%	0.7%	100%	98.9%	1.1%	100%

<sup>\*</sup> Please note that the number of collaborators with unguaranteed hours is zero.

The part-time contract type is adopted in residual form (overall, it benefits 2.77% of the Company population) and is more common among female employees. Women, in fact, represent 65.6% of the 227 people employed with a part-time contract.

Coesia constantly strives to accommodate the needs of its employees, seeking to ensure a balance between work and private life.

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

		2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Full-time	1,261	6,764	8,025	1,276	6,703	7,979	1,278	6,679	7,957	
Part-time	156	60	216	145	69	214	149	78	227	
Group Total	1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184	

For Coesia, placing people at the center means respecting, including, and valuing every individual, regardless of age, gender, religion, ethnicity, and nationality. Diversity is considered a source of richness in terms of skills, ideas, perspectives, and the ability to respond effectively to the demands of different and dynamic markets. Therefore, Coesia is committed to promoting diversity within the organization, advancing an intense and concrete effort to raise awareness of the positive effects that gender diversity can create in a global organization.

In Coesia, there are 1,427 employed women, representing 17.4% of the total population, a figure in line with the automatic machines sector, traditionally characterized by a strong presence of male collaborators.

Within the Group, the training processes and opportunities for professional growth are the same for women and men.

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

	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	1,386	6,704	8,090	1,406	6,728	8,134	1,405	6,691	8,096
Fixed-term	31	120	151	15	44	59	22	66	88
Group Total	1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184

The female presence in the Group accounts for 17.4%.

## **REMOTE WORK IN COESIA ITALY**

In order to ensure a balance between personal and professional life, Coesia introduced the practice of working from remote from the early months of 2020, being among the first companies in Italy to do so. Following a period of experimentation, the Italian Companies within the Group have structurally adopted remote work through the signing of a specific union agreement. This agreement allows for a maximum of 8 days per month of remote work.

## TALENT ACQUISITION PROCESS AND ONBOARDING

The recruiting activities, encompassing both the selection process and employer branding initiatives, are centrally coordinated. This approach allows the Group to maintain its attractiveness and competitiveness in the labor market and consolidate its brand internationally. The Induction process, active in many companies and currently being implemented throughout the Group, aims to facilitate the onboarding of new resources by developing each employee's understanding of the business and their ability to collaborate with colleagues."

New employees are provided with the following tools:

- Enboarder: an automated email system for collecting the necessary information for the hiring and onboarding procedures;
- Welcome Kit: includes welcome materials for the new hire;
- e-Learning Platform: for deepening their understanding of the Group and accessing mandatory training content.

Coesia's global recruiting strategy is aimed at various stakeholder categories, particularly students, graduates, and professionals.

Concerning students, graduates, and postgraduates, the objective is to provide them with a training experience that allows them to apply the knowledge acquired in school or academia to a real business environment. Various initiatives are implemented for this purpose, including curricular internships, research projects and theses at Group Companies, as well as selection and development programs for recent graduates (for more information, refer to chapter 4, section 4.3 "Young Professional Program").

For experienced professionals, Coesia provides the opportunity for development in a stimulating, global, and growing environment.

To identify and select the best candidates on a local and global scale, Coesia has established an internal, specialized, and diverse team in terms of skills. This approach ensures a competitive advantage and allows for the alignment of the Group's needs with the specific capabilities of the candidates.

All selections are managed through the same evaluation channels and with the same tools to ensure greater visibility and transparency in all phases of the recruiting process:

- 1. Application
- 2. Research and selection process
- 3. Preliminary interview
- 4. Technical interview
- 5. Job proposal

Each of these steps is crucial because, on the one hand, it allows Coesia to draw from a global database of profiles and improve the candidates' experience. On the other hand, it enables the Human Resources function to manage the selection process in a structured manner (in terms of communication, outcomes, etc.).

In 2022, the hiring trend further increased (837) compared to 2021 (602), in line with Coesia's growth strategy and the commitment to continue investing in its strategic asset: its people.

Additionally, the Group engages in employer branding activities both during trade events for professionals and businesses and at universities. In 2022, after two years of relying on virtual modes during the pandemic, events at universities have predominantly returned to in-person management.

For more information about the recruiting activity within the Coesia world: <a href="https://www.coesia.com/en/career-opportunities">https://www.coesia.com/en/career-opportunities</a>.

The 837 new collaborators added to the Group in 2022 (a 39% increase compared to 2021) represent an overall hiring rate of 10.2%. At the same time, 703 individuals terminated their collaboration with Coesia (an 8.8% increase compared to 2021). The Group's turnover rate stood at 8.6%.

## HIRES AND HIRING RATE BY GENDER AND GEOGRAPHICAL AREA

		2020			2021			2022	
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Employees	685	3,283	3,968	675	3,224	3,899	681	3,151	3,832
Hires	26	73	99	31	105	136	72	226	298
Hiring rate	3.8%	2.2%	2.5%	4.6%	3.3%	3.5%	10.6%	7.2%	7.8%
EUROPE (EXCL. ITALY	<b>(</b> )								
Employees	390	1,714	2,104	392	1,687	2,079	411	1,733	2,144
Hires	27	106	133	35	141	176	59	220	279
Hiring rate	6.9%	6.2%	6.3%	8.9%	8.4%	8.5%	14.4%	12.7%	13.0%
NORTH AMERICA									
Employees	119	757	876	127	803	930	130	834	964
Hires	21	73	94	28	154	182	23	153	176
Hiring rate	17.6%	9.6%	<b>10.7</b> %	22%	19.2%	19.6%	17.7%	18.3%	18.3%
LATIN AMERICA									
Employees	48	262	310	51	256	307	45	258	303
Hires	2	4	6	5	16	21	2	24	26
Hiring rate	4.2%	1.5%	1.9%	9.8%	6.3%	6.8%	4.4%	9.3%	8.6%
ASIA									
Employees	139	597	736	140	599	739	128	582	710
Hires	18	30	48	18	53	71	7	39	46
Hiring rate	12.9%	5.0%	6.5%	12.9%	8.8%	9.6%	5.5%	6.7%	6.5%
REST OF THE WOR	LD								
Employees	36	211	247	36	203	239	32	199	231
Hires	2	-	2	4	12	16	1	11	12
Hiring rate	5.6%	-	0.8%	11.1%	5.9%	6.7%	3.1%	5.5%	5.2%
TOTAL GROUP									
Employees	1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184
Hires	96	286	382	121	481	602	164	673	837
Hiring rate	6.8%	4.2%	4.6%	8.5%	7.1%	7.3%	11.5%	10.0%	10.2%

## TERMINATIONS AND TERMINATION RATE BY GENDER AND GEOGRAPHICAL AREA

	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY									
Employees	685	3,283	3,968	675	3,224	3,899	681	3,151	3,832
Terminations	31	166	197	41	158	199	43	174	217
Termination rate	4.5%	5.1%	5.0%	6.1%	4.9%	5.1%	6.3%	5.5%	5.7%
EUROPE (EXCL. ITAL)	()								
Employees	390	1,714	2,104	392	1,687	2,079	411	1,733	2,144
Terminations	36	163	199	34	166	200	41	178	219
Termination rate	9.2%	9.5%	9.5%	8.7%	9.8%	9.6%	10.0%	10.3%	10.2%
NORTH AMERICA									
Employees	119	757	876	127	803	930	130	834	964
Terminations	14	75	89	21	110	131	22	126	148
Termination rate	11.8%	9.9%	10.2%	16.5%	13.7%	14.1%	16.9%	15.1%	15.4%
LATIN AMERICA									
Employees	48	262	310	51	256	307	45	258	303
Terminations	5	19	24	2	21	23	7	21	28
Termination rate	10.4%	7.3%	7.7%	3.9%	8.2%	7.5%	15.6%	8.1%	9.2%
ASIA									
Employees	139	597	736	140	599	739	128	582	710
Terminations	23	71	94	17	54	71	19	56	75
Termination rate	16.5%	11.9%	12.8%	12.1%	9.0%	9.6%	14.8%	9.6%	10.6%
REST OF THE WOR	LD								
Employees	36	211	247	36	203	239	32	199	231
Terminations	7	8	15	4	18	22	5	11	16
Termination rate	19.4%	3.8%	6.1%	11.1%	8.9%	9.2%	15.6%	5.5%	6.9%
TOTAL GROUP									
Employees	1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184
Terminations	116	502	618	119	527	646	137	566	703

Considering the hiring trend by age group, in 2022, the inclusion of individuals under the age of 30 was overall significant. In fact, those under 30 represent 32% of the total new hires.

Coesia believes in the importance of valuing the younger generations, characterized by a desire for professional growth and a commitment to contributing to the development of the Group.

The encounter of professionals with diverse experiences and constructive intergenerational dialogue constitutes one of the strengths of the organization and the reinforcement of the Group's leadership.

Overall, in 2022, over 26,300 resumes were received.

## HIRES AND HIRING RATE BY GENDER AND AGE GROUP

			2020			2021			2022	
		Women	Men	Total	Women	Men	Total	Women	Men	Total
00	Hires	30	84	114	25	184	209	60	208	268
< 30	Hiring rate	2.1%	1.2%	1.4%	1.8%	2.7%	2.6%	4.2%	3.1%	3.3%
20.50	Hires	55	156	211	82	232	314	88	362	450
30-50	Hiring rate	3.9%	2.3%	2.6%	5.8%	3.4%	3.8%	6.2%	5.3%	5.5%
	Hires	11	46	57	14	65	79	16	103	119
> 50	Hiring rate	0.8%	0.7%	0.7%	1.0%	1.0%	1.0%	1.1%	1.5%	1.5%
Total h	nires	96	286	382	121	481	602	164	673	837
Total (		1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184

## TERMINATIONS AND TERMINATION RATE BY GENDER AND AGE GROUP

			2020			2021			2022	
		Women	Men	Total	Women	Men	Total	Women	Men	Total
	Terminations	15	81	96	18	74	92	24	81	105
< 30	Termination rate	1.1%	1.2%	1.2%	1.3%	1.1%	1.1%	1.7%	1.2%	1.3%
	Terminations	69	222	291	66	259	325	66	263	329
	Termination rate	4.9%	3.2%	3.5%	4.6%	3.8%	4.0%	4.6%	3.9%	4.0%
	Terminations	32	199	231	35	194	229	47	222	269
> 50	Termination rate	2.2%	2.9%	2.8%	2.5%	2.8%	2.8%	3.3%	3.3%	3.3%
Total to	erminations	116	502	618	119	527	646	137	566	703
Total 0		1,417	6,824	8,241	1,421	6,772	8,193	1,427	6,757	8,184

# WELFARE INITIATIVES

Coesia takes care of people and their well-being by promoting initiatives at all sites with the aim of maintaining an optimal level of health and worklife balance, offering welfare services beyond legal requirements.

The initiatives promoted by Coesia, directed at all collaborators, vary from country to country to address the specific needs of each and include social and health assistance services, prevention plans, insurance (as reimbursement of medical expenses), and regular medical check-ups.

Over 60% of Coesia collaborators benefit from welfare through company negotiations, through which additional protective and improvement measures are defined compared to the national protection provided in individual countries. To encourage a proactive approach to psychophysical well-being, some companies within the Group offer access to gyms or sports centers, as well as prevention programs (nutritional education programs, anti-smoking programs, etc.), flexible working hours, and remote work.

In addition, educational support solutions are offered, such as scholarships and reimbursements for textbooks, both for collaborators and their children. Assistance services include benefits for support services for individuals facing challenges or difficulties, allowances for anniversaries, the birth of a child, legal and tax consulting services, discounts, and other agreements. These are complemented by meal vouchers or an internal catering service.

The guarantee of equal opportunities in terms of maternity, paternity, and adoption is another demonstration of the Group's commitment to supporting its employees in balancing parental responsibilities with professional commitments. In accordance with local regulations, Coesia ensures parental leave for all employees. Moreover, in some of the Group's companies, collective bargaining provides for an integration of national regulations on parental leave, ensuring additional leave days and periods of paid leave for eligible employees.

Despite the resolution of the pandemic emergency, during 2022, the Italian Companies within the Group continued to provide paid leave covered by Coesia to address absences related to COVID-19 infections in their family unit. In line with previous years, during this period, the Group maintained welfare initiatives befitting an international entity such as Coesia.

#### **HEALTHCARE**

- Financial coverage for specialized medical visits, hospitalizations, diagnostic tests, and dental care
- Over 88% of the company workforce covered

#### LIFE INSURANCE

- Financial coverage in case of death resulting from work-related accidents, non-work-related accidents, and illness
- Over 82% of the company workforce covered

## COVERAGE FOR PERMANENT DISABILITY AND TEMPORARY DISABILITY

- Financial coverage in case of disability and permanent disability resulting from work-related accidents, non-work-related accidents, and illness
- Over 65% of the company workforce covered

## **BUSINESS TRAVEL**

- Insurance coverage for business trips is guaranteed even in countries where it is not a legal requirement
- 100% of the company workforce covered

## **PENSION PLANS**

- Supplementary pension plans for social pensions
- Over 76% of the Group's workforce covered

#### COESIA AND MAST FOUNDATION: A COLLABORATION FOR CORPORATE WELFARE

In addition to Coesia's commitment to the well-being of its employees, there are welfare services promoted by the MAST Foundation (Manufacture of Arts, Experimentation, and Technology), a cultural and philanthropic institution born from an idea by Isabella Seràgnoli. The foundation aims to promote projects of social innovation and corporate welfare through the coordination of a multifunctional center adjacent to the G.D and Coesia headquarters in Bologna.

In addition to various community projects and activities, the MAST Foundation provides services for Coesia employees as part of a unified project that integrates various areas of well-being: food, physical, family, and cultural, as well as knowledge and training.

The MAST Nursery School is an innovative educational service open to both the children of Coesia employees based in Bologna and the local community. It offers a high-quality pedagogical experience to over a hundred children aged three months to five years.

The Company Restaurant offers Coesia employees meals prepared with selected raw materials from local, organic, PDO, PGI sources, and fair trade, with a free-flow service. Culinary preparations, balanced and highly digestible, adhere to specialized guidelines and indicators agreed upon with the nutritionists from the Gruber Center in Bologna, who collaborate with the MAST Foundation.

The MAST.Wellness, managed by One on One (a Technogym company, a leader in fitness equipment), offers sports activities and services based on a holistic and integrated well-being model. The services offered by the Company Restaurant and MAST.Wellness are designed as part of a unified project where nutrition and physical activity are closely interconnected elements.

The Academy is a training center for the development of technical and managerial culture. Group employees also contribute through active support in educational projects aimed at young people in local schools, thus spreading technological knowledge and aspects beyond the company.

The MAST.Cafeteria is a convivial meeting place for guests of the Coesia Group, participants in events and training programs of the Academy.

The description and information about the various activities of the MAST Foundation are available on the website <a href="https://www.mast.org">www.mast.org</a>.

For further details, please refer to <u>section 8.2 'The</u> relationship with the community'.

## REMUNERATION POLICY

The remuneration policy of the Coesia Group is aimed at both developing a sustainable work environment, allowing the growth of its resources in line with individual performances, and promoting fairness in treatment among all collaborators.

Over half of the collaborators are covered by national and/or local collective agreements, which guarantee standard conditions and minimum wages. Additionally, where these are not present or defined within local regulations, Coesia has set among its objectives to ensure competitive remuneration levels with the national market.

Coesia conducts detailed annual remuneration analyses in the countries where it operates to ensure alignment of its standards with market benchmarks, aiming to ensure internal equity and market attractiveness. In the context of continuous potential enhancement, professional growth, and the guarantee of fair and meritocratic compensation, the Group has initiated a structural Salary Review program for several years. This program is defined on an annual basis to assess and adjust the remuneration of its collaborators, considering individual

performance, and to outline strategies aimed at retaining the best talents internationally.

For a segment of the company population identified through specific organizational criteria, Coesia has developed a Group variable incentive plan, the People Performance Dialogue (PPD) Bonus, tied to the achievement of performance objectives, both individual and corporate. The PPD Bonus aims to combine the contribution of each individual collaborator with the expected results of the Group. Additionally, variable incentives for commercial roles are managed through Sales Incentive or Commission Plans, tied to the achievement of individual business objectives.

In addition, within various companies of the Group, employees benefit from supplementary agreements that include, among various benefit categories, a Performance Bonus, intended as an additional portion to the base salary. The Performance Bonus is granted following the achievement of numerical indicators, both economic and qualitative, related to productivity, profitability, and other indicators of operational efficiency, such as the improvement of internal workplace safety.

# SKILLS DEVELOPMENT

Coesia aims to attract, train, and retain the best talents internationally to ensure long-term managerial and economic continuity, in line with market best practices. The Group provides its collaborators with training and development programs to enhance their potential and address their individual needs, consistent with Coesia's strategic priorities.

In order to recognize merit, potential, and skills of its collaborators, Coesia has implemented a people development system based on performance monitoring and the structuring of individual development plans (People Performance Dialogue). The objective is to ensure professional growth opportunities for its collaborators while strengthening their motivation and commitment. Additionally, a global compensation, evaluation, and professional title assignment system is active, aiming to attract and retain talents by ensuring both internal fairness and external competitiveness.

## **OUR PRIORITIES**



Unlocking employees' potential



Supporting professional growth



Enhancing merit and skills



Constantly improving development processes and tools

## HUMAN CAPITAL DEVELOPMENT

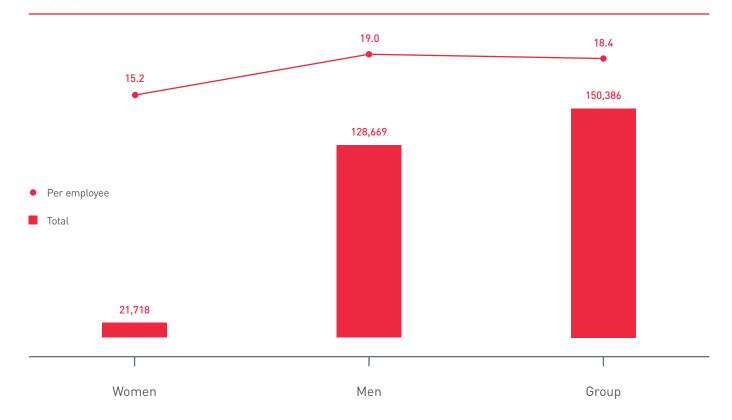
Coesia has always been attentive to strengthening the connection between business results and the contribution that each collaborator can make to the organization.

To ensure the ongoing professional growth of collaborators, training opportunities are managed with an agile approach that promotes flexible management between synchronous and asynchronous training experiences, in coherence with professional and personal needs, as well as both global and local scenarios.

In 2022, Coesia reaffirmed its commitment to supporting technical-professional training programs, language courses, and managerial and leadership programs through significant collaborations with top business schools, universities, and consulting firms.

The constant comparison with the market allows the introduction of always innovative learning methodologies and approaches, in line with the reference context and business strategy. Learning and development have proven to be important tools to support the professional growth of collaborators, create a positive work environment, and involve everyone in achieving business objectives. For this reason, Coesia has confirmed its strong commitment to providing a correct and comprehensive training and development process for its people. In 2022, over 150,000 hours of training and development were delivered, totaling 18.4 hours per capita.

## **HOURS OF LEARNING AND DEVELOPMENT PROVIDED IN 2022**



## **HOURS OF TRAINING BY GENDER\***

		2020		2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Number of hours	19,894	98,667	118,561	27,813	137,855	165,668	21,718	128,669	150,386

<sup>\*</sup> The difference in the absolute number of training hours provided to men and women is attributed, on the one hand, to the higher presence of male collaborators, in line with trends in the Automatic Machines sector. On the other hand, it is due to the "on the job" training provided to blue-collar workers, who are predominantly male.

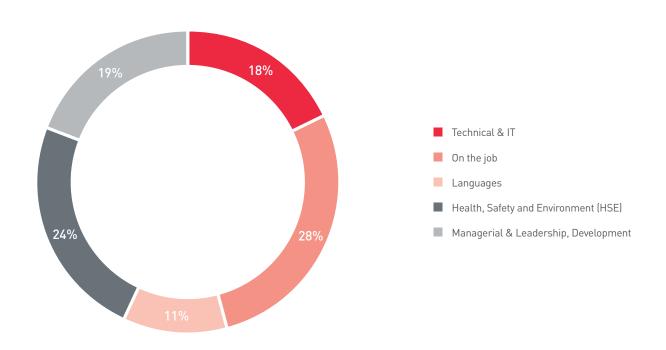
## TRAINING HOURS BY PROFESSIONAL CATEGORY IN 2022

	Women	Men	Total
Senior Management	176	1,780	1,956
Middle Management	2,181	10,699	12,880
Professionals	8,460	52,911	61,371
Technical Roles	5,555	33,728	38,833
Total	16,372	98,668	115,040**

<sup>\*\*</sup> Training hours by professional category do not include HSE training (35,346 hours).

Coesia, in addition to training its employees during the course of their work, provides various opportunities for development both in technical areas and on more cross-cutting topics. This includes courses on managerial skills.

#### **TYPE OF TRAINING PROVIDED IN 2022**



## YOUNG PROFESSIONAL PROGRAM (YPP)

In 2022, Coesia initiated the design of a new Strategic Hiring program called the Young Professional Program. The program aims to attract recent graduates with potential from various academic backgrounds and support their professional growth through a dedicated two-year training and development path. Participants will be immediately integrated into their respective business functions, providing them with the opportunity to apply the knowledge gained during their university studies through mentorship with their respective tutors. Additionally, over the two-year program, participants will deepen their understanding of Coesia through a training path focused on the Group's tools, processes, and technologies, delivered by internal trainers. In addition to the functional path, they will have the opportunity to participate in classroom training days on topics related to managerial skills that Coesia considers key for future development, such as diversity and inclusion, communication, and complexity management. The program is set to launch in early 2023.

## **LEARNING AND DEVELOPMENT INITIATIVES**

#### **INNOVATION MINDSET**

An 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.

### COACHING

Individual development path for junior and senior profiles with managerial potential. The path is customized to specific leadership and behavioral skill needs. Support is provided by certified coaches with solid experience, offering an external perspective to tackle new professional challenges.

#### **PEOPLE MANAGEMENT PROJECTS**

Programs dedicated to the development of managerial skills for Group supervisors, providing support in the effective interpretation of their roles. The main objective is to promote a common and shared managerial culture within the Group. The course aims to provide theoretical and practical elements in key areas of responsibility in managing collaborators, including the sharing of behaviors and people management tools to enhance resources through actions such as motivation, continuous feedback, and delegation.

#### **BEHAVIORAL PROGRAMS**

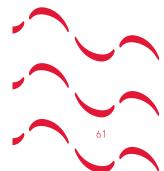
Programs dedicated to the development of soft skills for collaborators. All content, tools, and methodologies of training activities are consistent with the culture and values of the Group and align with the challenges and market scenarios that our Companies face. The development of cross-cutting skills and abilities is promoted with the aim of enabling individuals to 'live' their roles in the best possible way and grow professionally within the Group.

## **JOB FAMILY PROGRAMS**

Coesia promotes the development of skills in key professional families, enabling its collaborators to work effectively, constantly develop skills and abilities, and contribute to the achievement of the Group's strategic business objectives. The programs are personalized and consider both individual skills and the specificities of professional roles. In collaboration with leading international training companies, the Group carefully selects the most effective tools and methodologies consistent with business challenges, in partnership with international training companies.

## **B2B SOLUTIONS VALUE SELLING**

Training program launched in 2022 dedicated to the Coesia Sales force, with the aim of enhancing the culture of Value Selling. The program was designed in collaboration with a global learning partner, paying attention to the most effective balance between reference theory and contextual training needs. Participants from various organizational units of Coesia engage in discussions on both theoretical models and real cases, ensuring practical learning and promoting sharing among professionals with different levels of seniority. In 2022, the first year of the B2B Solutions Value Selling delivery, seven editions were organized, involving approximately 100 employees.



## PEOPLE PERFORMANCE DIALOGUE

Performance management allows Coesia to invest in people's contributions and create a link between results, merit recognition systems, and development paths.

The Group is gradually extending the performance evaluation process to the recently acquired companies, with the future goal of reaching all collaborators.

# NUMBER AND PERCENTAGE OF EMPLOYEES RECEIVING PERIODIC PERFORMANCE ASSESSMENT

	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees	1,033	5,071	6,104	1,067	5,252	6,319	1,074	5,311	6,385
Percentage	72.9%	74.3%	74.1%	75.1%	77.6%	77.1%	75.2%	78.5%	78.0%

The People Performance Dialogue (PPD) is a process aimed at strengthening the link between business performance and individual contributions of employees. Through the PPD, Coesia guides individuals toward achieving individual, team, and company goals, while promoting constant professional growth. The PPD is a tool through which the Group ensures internal equity, providing a structured and objective evaluation process that rewards individual merit. The name itself summarizes the contents and the three main objectives of the process:

#### **PEOPLE**

Guiding people in their professional growth within the organization.

## **PERFORMANCE**

Aligning individual aspirations 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 aligned with the business needs and behaviors reflecting Coesia's leadership model. The investment in communication and engagement of employees and managers is continuous. The entire process is based on ongoing dialogue between manager and employee: multiple discussion moments are planned throughout the year to foster individual awareness and define appropriate development plans. To ensure a fairer and stronger process, a new self-assessment phase was introduced starting from the 2022 evaluation cycle. In this phase, each employee could express their structured perspective on the 2022 performance.

The population involved in the process is continuously growing. The Group's intention is to gradually include all employees, regardless of position and role. In 2013, when it was introduced, the PPD involved around 900 people. In 2022, the PPD engaged 6,385 employees, reaching 78% of the company's population.

In absolute terms, the process saw the involvement of over 220 more people than in 2021, representing an increase of 3.6%.

Additionally, since 2018, the "PPD Easy" process has been implemented for employees with more operational roles. This process involved 1,297 employees in 2022, accounting for 15.8% of the Group's total workforce.



# HEALTH AND SAFETY OF COLLABORATORS

## THE GROUP'S APPROACH AND THE HSE POLICY

When addressing Health and Safety issues, Coesia expresses the Group's values in its attention to all stakeholders, including employees, customers, and suppliers. The commitment to these values is outlined in the HSE Policy, which establishes guidelines for implementing the Health and Safety management system across all Group Companies.

The HSE Policy outlines key aspects for effective prevention based on four areas:

## **SYSTEM**

Provides guidance on the structure of the management system implemented by Coesia and related management aspects.

HSE RESPONSIBILITIES, RESOURCES AND ORGANIZATION

**LEGAL COMPLIANCE** 

RISK EVALUATION AND MANAGEMENT

MANAGEMENT OF CHANGE

**COMPETENCY AND TRAINING** 

**IMPROVEMENT PROGRAMS** 

MONITORING AND MEASURAMENT

INCIDENT MANAGEMENT AND ROOT CAUSE ANALYSIS

EMERGENCY PREPAREDNESS AND RESPONSE

COMMUNICATION AND CONSULTATION

SELF-AUDIT

## **SAFETY**

Defines the relevant aspects of prevention and protection and the measures to be adopted in terms of health and safety by the Group's Companies, even in the absence of specific local regulatory references or as a complement to them.

GENERAL FACILITY DESIGN AND OPERATION

FIRE PREVENTION AND PROTECTION

**ERGONOMICS** 

CHEMICAL SUBSTANCES AND DANGEROUS MATERIALS

RADIOLOGICAL HAZARDS

SAFE STORAGE AND HANDLING OF MATERIALS AND SUBSTANCES

**ELECTRICAL SAFETY** 

LOCK-OUT/TAG-OUT

LIFE SAFETY

**WORKPLACE SAFETY** 

PHYSICAL HAZARDS

**ASBESTOS** 

PERSONAL PROTECTION EQUIPMENT

**WORK EQUIPMENT SAFETY** 

**CONFINED SPACE ENTRY** 

OCCUPATIONAL HYGENE, MEDICAL SURVEILANCE AND FIRST AID

#### **ENVIRONMENT**<sup>1</sup>

Defines the relevant environmental aspects, including the requirements related to the prevention of environmental pollution and the reduction of impacts that Coesia adopt in carrying out its business activities, even in the absence of specific local regulatory references or as a complement to them.

WASTE MANAGEMENT
AIR EMISSION MANAGEMENT
WASTE WATER MANAGEMENT

MANAGEMENT OF ENERGY AND NATURAL RESOURCES

FRESH WATER MANAGEMENT

#### **PROGRAMS**

Consider various cross-cutting aspects, including procedures for the review of the HSE system, the management of safety aspects related to suppliers, and vehicle fleet safety.

MANAGEMENT OF CONTRACTORS, CONSULTANTS AND SUPPLIERS

ACQUISITION AND DIVESTURE OF ASSETS AND BUSINESS

CAR FLEET SAFETY
HSE CORPORATE SYSTEM REVIEW

The programs, activities, and initiatives conducted within the Management System are aimed at constantly improving health and safety performance, seeking effective and innovative solutions to ensure adequate prevention and protection from risks.

In case of acquisitions, new companies are guided through the process of implementing and integrating the HSE Policy within their organization.

Throughout 2022, Coesia continued its HSE auditing program, which involves adopting practices to ensure compliance with laws and reference standards for the Group, as well as increasing the involvement and awareness of all business functions in risk prevention and protection activities.

Additionally, to enhance the self-awareness of Group Companies regarding HSE issues, an annual self-assessment is required. This aims to periodically review the level of compliance with the requirements of the HSE Policy.

Furthermore, Coesia encourages and promotes continuous improvement through the application of international standards such as ISO 45001 (Occupational Health and Safety Management System). In 2022, the production sites with a certified health and safety system according to ISO 45001 were 32, representing 23% of the sites, equivalent to covering 56.5% of the total Group population. Coesia aims to extend ISO 45001 certification to its sites, covering at least 85% of the Group's population by 2028.

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

Specifically, the HSE Policy includes requirements to ensure that contractors, consultants, and suppliers do not pose a danger to safety and the environment and operate in accordance with applicable laws, regulations, and internal procedures.

For example, Coesia requires that the selection and qualification of suppliers, for HSE purposes, occur through an evaluation process that considers compliance with laws, competencies, ability to deliver services, and prevention obligations.

It also requires the definition of information, cooperation, and coordination methods with contractors to avoid interference risks.

<sup>&</sup>lt;sup>1</sup> Environmental Management is addressed in <u>Chapter 6 "Our responsibility towards the environment"</u>.

## PRODUCTION SITES AND SAFE MACHINERY

Coesia operates in the design and production of highly technological machinery, paying great attention to the use of cutting-edge solutions and innovative materials within the Group's Companies. Furthermore, throughout the lifecycle of the machines, the measures required by the HSE Policy are adhered to, ensuring compliance with international and national regulations.

The HSE management system identifies risk assessment as a central and foundational element for its proper functioning. Coesia considers this analysis a constant and continuously updated process, based on the operations of the Group's companies, their changes, technological evolution, monitoring results, and incidental events. As defined in the Policy and specific quidelines, the analysis relies on a consolidated and structured methodology, considering all elements of hazard and risk to people and the environment under normal, abnormal, and emergency operating conditions. This analysis is supported by occupational health professionals and operational staff and is shared with employees. The purpose is to develop a formalized program for continuous and progressive risk reduction in the workplace, allowing for its elimination or minimization, as defined by current legislation and the HSE Policy.

## HEALTH AND SAFETY COMMUNICATION AND TRAINING

To ensure the effectiveness of the Health and Safety management system, the Group is also committed to promoting communication and training for employees. For this purpose, each Company appoints an HSE coordinator whose function is to disseminate and manage an effective program in this regard. This program aims to encourage the use of various communication channels for reporting, suggestions, and observations with the intention of removing any hazardous situations and involving everyone in identifying areas for improvement. The Group has also implemented a process, supported by a dedicated software tool in all Companies, for reporting and investigating incidents and defining and managing corrective and preventive actions aimed at eliminating the causes that led to them. The periodic analysis of incidents is then used for reviewing risk assessments and continually improving HSE performance. In countries where it is required by law, committees are established between management and employees, or their representatives, to facilitate participation in health and safety issues; in other countries, the Group promotes the creation of appropriate processes to ensure moments of employee participation and consultation.

Regarding HSE training, Coesia has always been committed to developing programs for employees. Each Company develops and implements training initiatives aimed at disseminating and ensuring knowledge and awareness of potential health and safety risks related to the tasks performed and competence in managing them.

The programs include various types of training:

## **INDUCTION TRAINING**

targeted at newly hired employees, it covers HSE topics related to the work environment, tasks performed, and specific risks.

## **SPECIFIC TRAINING**

delivered to employees based on their specific roles, it focuses on the specific risk associated with their tasks and the management of residual risk.

## **CONTINUOUS TRAINING**

necessary to keep employees updated on regulatory changes, Policy updates, and organizational and technical modifications.

#### MANDATORY CORPORATE COURSES

courses cover various relevant themes to ensure the proper functioning of the HSE management system. They include courses on HSE Policy, first aid, emergency plans, machine safety, and more.

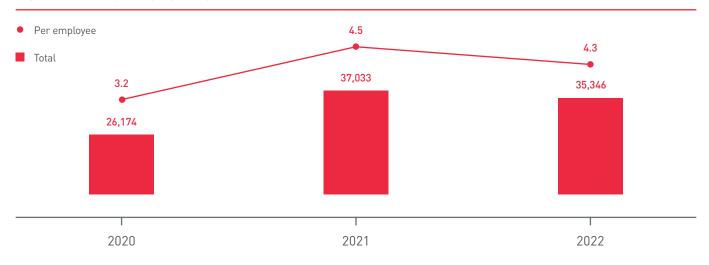
#### INFORMATION ON RISKS

it provides basic understanding of risks associated with the workplace and includes results of monitoring, compliance with HSE regulations, and actions for reduction and improvement.

Over the years, the Group has increasingly invested resources in training its people in HSE matters. Despite the ongoing effects of the pandemic crisis, even in 2022, Coesia ensured the same level of attention to health and safety issues, utilizing remote training. In this regard, the Group made available and required all its employees to participate in e-learning courses through its corporate platform.

In absolute terms, in 2022, over 35,000 hours of HSE training were provided, equivalent to 4.3 hours per capita. The slight decrease compared to the previous year is attributable to the divestiture of a Group Company (IPI S.r.l.) that was previously included in the reporting scope.

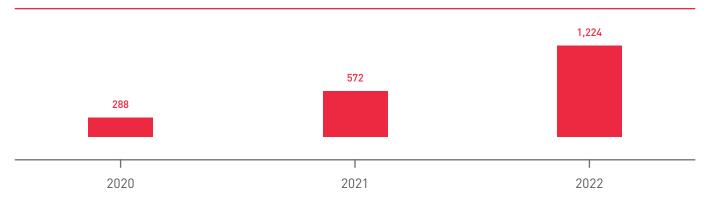
## **HSE TRAINING HOURS PROVIDED**



The HSE Policy requires the verification of the correct acquisition of information and skills following the completion of training courses. The results of this effectiveness verification of the training activity are documented and recorded. Ensuring continuous improvement is an integral part of the Group's business model, as well as the ongoing involvement of its people as enablers of corporate growth.

The awareness of the key role of supervisors in managing employees in relation to HSE issues has led Coesia to develop and implement a specific training program covering aspects of leadership, communication, and conflict management.

## NUMBER OF SAFETY IMPROVEMENT NOTIFICATIONS



The increase in safety improvement notifications has more than doubled compared to 2021, reaching 1,224 notifications in 2022. This is due to the engagement actions towards the employees in all Coesia sites, encouraging them to participate in safety-related topics and identify critical situations or improvement opportunities.

## SAFFTY INDICATORS

Regarding accidents, Coesia constantly measures safety performance in the workplaces, both at the individual Company level and at the Group level, through continuous monitoring processes and the application of specific indicators.

The number of accidents recorded with days away from work in 2022 decreased by 28% compared to 2021, totaling 41 events compared to 57 in 2021. Among these events, only one was classified as a severe accident, involving an absence from work exceeding 180 days.

In 2022, the recordable occupational injury rate<sup>2</sup> was 2.87, showing a 28% improvement compared to 2021 (4.0). This result reflects the strengthened focus on health and safety and the implementation of various HSE programs in individual Companies within the Group.

The main types of injuries reported during the year were bruises and cuts, primarily to the upper limbs. Additionally, in 2022, there were no reported cases of work-related diseases.

Within the Group, there are also workers who are not directly employed by Coesia, such as agency workers and contractors. The types and number of injuries that occurred in the workplace for these workers were also monitored, recording 25 injuries in the course of 2022.

## NUMBER AND RATE OF WORK-RELATED INJURIES (EMPLOYEES)

	20	20	2021	2022
Total hours worked per year	12,77	'3,275	14,354,278	3 14,272,526
Number of injuries recorded	3	37	57	41
of which commuting		-	-	-
of which with serious consequences*		-	1	1
of which fatal			-	-
Total recordable lost time injury rate**	2	.9	4.0	2.9
Rate of work-related injuries with severe consequences***		-	0.1	0.1
Fatality Rate****		-	-	-

<sup>\*</sup> Serious injuries are defined as injuries that have resulted in a recovery time exceeding 180 days from the conditions of health prior to the event

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<sup>\*\*</sup> The recordable lost time injury rate has been calculated as (number of injuries with at least 1 lost workday / hours worked) x 1,000,000.

<sup>\*\*\*</sup> The recordable workplace injury rate with serious consequences has been calculated as (number of injuries with serious consequences / hours worked) x 1,000,000.

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

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

To ensure a healthy environment without processes that compromise workers' health, Coesia's HSE Policy provides that, in compliance with current legal provisions and the right to privacy of workers, each Unit establishes a formalized health surveillance program, tailored to the type of hazards and risks present, aimed at monitoring and preventing work-related illnesses. The program includes:

- managing the health surveillance program and monitoring its application, according to deadlines set by qualified medical personnel in accordance with relevant laws:
- conducting medical examinations before entering the workplace and during the employment relationship, in accordance with applicable laws;
- maintaining confidential medical records for each employee in accordance with laws, regulations, and guidelines;
- performing, where appropriate, periodic checks of industrial hygiene in accordance with laws, regulations, and guidelines.

Some Companies within the Group have initiated a health promotion program in collaboration with on-site occupational health professionals. This program focuses on improving aspects such as stress management, work-life balance, nutrition, and physical activity.



## THE GROUP'S APPROACH IN TERMS OF SECURITY

The Security function is committed to regulating aspects related to the protection of people, tangible and intangible assets within Coesia by defining operational rules for all security activities and identifying roles and responsibilities of the individuals involved in this process.

The following functions are part of the Security Management Process:

- Physical Security: deals with the protection of people and corporate assets;
- Intelligence & Travel Security: manages the security of individuals when traveling for work-related reasons;
- Cyber Security: oversees data protection and monitors potential cyber-attacks (for further details, see the Cyber security section within 3.2 "Internal control and risk management").

It is noted that, in 2022, the responsibility for the Cyber Security function was transferred to the Information and Communications Technology area.

Since the outbreak of the Covid-19 pandemic, the Security function has had to face new and significant challenges. The main challenge has been protecting personnel from invisible risks, such as health risks. It has successfully done so with a solid and risk-aware approach.

Specifically, in the area of Physical Security, a thorough access control system calibrated to new health needs has been introduced, providing personnel with specific training on managing these risks to protect the corporate workforce.

Regarding Travel Security, two parallel strategies have been implemented. On one hand, the function has incorporated new risk assessment parameters to provide the most comprehensive feasibility assessment of business trips. On the other hand, it has managed the delicate task of medical assistance abroad, which includes, in extreme cases, medical evacuation with dedicated means and personnel.

In Coesia, Security is a broad concept and is managed as such. This involves a strategic vision aimed at harmonizing the various aspects of Security, defining procedures and practices to standardize responses to the risks and challenges that the function faces. The main objective of its vision is the internationalization of the Group on these issues. Over time, a roadmap has been defined for the creation of regional hubs, aimed at increasing the control and risk management capabilities throughout the entire Coesia world. The management is to be assigned to dedicated managers who will become the reference point for all Security matters at the regional level. The year 2024 has been identified as the completion year for this process.

To promote continuous improvement, the Security function is also constantly engaged in auditing activities at Coesia sites abroad. This is done to identify key vulnerabilities and subsequently define policies aimed at harmonizing the management of key processes and minimizing risks.

## **PHYSICAL SECURITY**

Physical Security is a primary concern in facilities with a high concentration of assets, especially those used in systems critical for business processes. Its purpose is to protect people, data, confidential information, networks, hardware, equipment, facilities, and company assets.

To achieve this, multiple countermeasures are adopted, including:

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

Since 2021, the Group has adopted the VAT software (Vulnerability Assessment Test) to calculate the vulnerability of sites, both in Italy and abroad. The goal is to identify the physical and technical vulnerabilities of each facility to develop and implement effective and timely countermeasures.

Regular execution of Physical Security assessments is also essential to safeguard company resources and improve existing security measures.

## PHYSICAL SECURITY NUMBERS IN 2022

Managed Personnel	45*
Security incidents and alerts received	24
Solved security incidents	24

\* Of these, 4 are collaborators of Coesia, and 41 are employees of contractors.

#### INTELLIGENCE & TRAVEL SECURITY

Ensuring the safety of employees, especially when traveling to high-risk countries, is of paramount importance.

Coesia is committed to keeping its personnel consistently updated on any potential issues that could jeopardize their safety abroad through various activities, including:

- daily risk assessment in the countries where Coesia operates, considering various variables such as terrorism, crime, ethical and sociopolitical risk;
- collection and analysis of intelligence;
- monitoring of media;
- on-site investigations;
- implementation of security measures in high-risk areas.

Since 2021, the Intelligence & Travel Security function has managed the Global Medical Assistance Service (Travel Medical Assurance), providing constant support to employees through a contact point for receiving information, alerts, and immediate assistance 24/7 during business trips.

With the onset of the Covid-19 pandemic, Travel Security has become a reference point for assessing health risks, analyzing complex national and international Covid-19 regulations, and determining the feasibility of business trips. Through a combination of expertise, sources, and trusted partners, a robust mechanism for threat prevention, reducing exposure to potential risks and, when necessary, implementing appropriate security measures has been developed.

#### TRAVEL SECURITY NUMBERS IN 2022

Authorized trips	2,771
Travel requests	2,874
Safety incidents and alerts received	1
Resolved incidents	1
Requests of medical assistance and evacuation	1
Specialized training sessions for travelers	7
Vulnerability assessments conducted at Coesia's sites abroad	3
Preliminary safety assessments conducted at customer sites abroad	4

In the course of 2022, Coesia monitored incidents related to Travel and Physical Security, with a resolution rate of 100% in both cases. Specifically, concerning Travel Security, out of a total of 2,771 authorized business trips and 2,874 requests from travelers, only one incident occurred, which was nonetheless resolved. In the case of Physical Security, there were 24 reported incidents, all of which were resolved.







#### THE NUMBERS OF INNOVATION IN 2022



people employed in Engineering and R&D



29 new products launched



10% of revenue invested in Engineering and R&D



1,584 patent families in the portfolio

Working closely with customers to understand their current and future needs is a fundamental driver of the innovation process. In this perspective, to ensure a positive impact on the environment and society and meet customers needs, a series of long-term strategies and plans have been defined to address sustainability issues of strategic importance to Coesia, such as innovation, digitalization, circularity, and the safety of proposed solutions. As a company committed to excellence, the Group continuously invests in research and development to build cutting-edge machinery that is energy-efficient and has a low environmental impact, thus reducing energy consumption and greenhouse gas emissions. In addition to defining processes to respond promptly to market demands, the promotion of innovation and sustainable development is encouraged in the machinery production and packaging solutions sectors.

The main pillars on which Coesia establishes its business activities involve industrial research and innovation: the Group aspires to continuously improve technologies, products, solutions, and processes to always be ready to meet the needs of customers and other stakeholders, surpassing their expectations. The way of generating innovation has changed over the last decades. Today, the market is driven by both customer and consumer needs, and innovation cannot be separated from sustainability and digitalization. These two elements, the main drivers on which Coesia now bases its strategic vision, enable the Group to maintain competitiveness within the market and, above all, to generate value while fully respecting environmental and social dynamics, thus establishing a continuous and solid collaboration with all stakeholders in the value chain.

#### **COESIA'S INNOVATION MODEL**



In Coesia, sustainable innovation is a truly creative and interactive mechanism that involves multiple stakeholders: customers, suppliers, marketing, research and development, and engineering. It is an integrated process that starts with concept development, evolves through the design phase, and concludes with the delivery of the finished product or requested service.

This process is applied to all projects referred to as NPD (New Product Development), which involve the development of new products, namely:

- radical innovations aimed at generating a new market segment and new opportunities for Coesia;
- **new product lines** which allow companies to enter established markets;
- line extensions designed to complement an existing product line;
- product improvements based on the increasing performance of existing products;
- customer-specific projects, oriented toward developing innovative concepts that meet specific needs, making the Group's range of expertise available to the customer;
- cost reduction to provide comparable performance at a lower cost;
- **repositioning**, which involves relocating existing products to other markets or segments.

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

#### SPECIALIZED RESEARCH AND DEVELOPMENT CENTERS

Each Coesia Company has its own research and development center with specific expertise tailored to its respective industry conforming to the unique characteristics of each entity.

The Companies have the autonomy to develop machinery and processes for the technologies they oversee, encouraging individual growth and commitment among our employees.

To enhance synergies, at the central level, a review is conducted of projects classified as New Product Development (NPD). This allows for cost optimization and portfolio solutions.

The Group's Companies are in constant communication with each other and collaborate on the development of 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 working teams are in contact with all Group Companies to promote innovative methodologies, transfer technological know-how, and assist them in the execution of projects that require a high use of resources and have a high innovative content.

Furthermore, the Coesia Engineering Center pays great attention to the sustainability of packaging as a whole to meet both market trends and the needs of customers, mostly companies operating in international markets that show a strong sensitivity to environmental issues and must comply with increasingly stringent regulations.

For this reason, one of the areas of work concerns both packaging solutions that reduce the environmental impact of products and technological solutions that allow their implementation on machines. Moreover, it plans to expand its resources to support Coesia's functions and Companies in assessing these impacts and the improvements introduced based on increasingly updated and effective tools and knowledge.

Given the strategic role of the CEC, the number of resources assigned to it has constantly increased over the years to adapt their level to the growing operational needs. Starting from an initial core of 12 people, in 2022 the staff of the CEC reached 79 people (compared to 72 in 2021), including an executive manager, project managers, mechanical and electronic engineers, programmers, testing technicians, packaging specialists, and other figures with expertise in different areas.

### SUSTAINABLE INNOVATION

Coesia is committed to researching and developing new technologies and processes that reduce the environmental impact throughout the product life cycle, promoting the adoption of sustainable product designs, the use of recyclable materials, and the reduction of carbon emissions. The focus is on continuously improving energy efficiency and minimizing the use of natural resources. Sustainable product and portfolio innovation offers significant opportunities for the Group's Companies. The integration of advanced technologies and eco-friendly solutions in the manufactured machinery can reduce environmental impact and enhance energy efficiency. This addresses the growing customer demand for equipment with greater sustainability. This commitment is of utmost value and serves as a significant catalyst for the effective use of all resources within the Group's Companies.

Coesia has developed and enhanced its definition of sustainable innovation, acting consistently with the Group's principles in terms of:

- increasing machine efficiency: generating less waste, reducing energy consumption per unit of product to contribute to a lower ecological footprint of the machines;
- expanding the offering 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 through volume reduction, all while paying
   attention to the development of new technical
   solutions to optimize format changeover times
   and consumption, making the portfolio even more
   flexible.

Moreover, Coesia has initiated analyses concerning the Life Cycle Assessment (LCA) of the solutions provided, both for machinery and proprietary packaging, in order to assess potential environmental impacts, identify areas for improvement, and support customers in the overall evaluation of the environmental impact of their end products. At the same time, it provides insights for the development of alternative solutions, thereby transferring the knowledge accumulated over the years by the Group to all stakeholders involved in the value chain.

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

# LIFE CYCLE ASSESSMENT (LCA)

In 2022, ACMA launched a new project to analyze the environmental impact of its machinery. The study was conducted in collaboration with a specialized consulting company, following the reference standards for the Life Cycle Assessment (LCA) process, ISO 14040 and 14044. This ensured a comprehensive investigation of the product's environmental impact throughout its life cycle, from raw material extraction and production activities to construction, packaging, transportation, end-use, and finally disposal.

Currently, a third-party accredited organization is conducting a verification of the study to confirm its quality and alignment with reference standards. The analysis focused on the CW 600, a multi-style machine for flat-based chocolate packaging. The study's report expresses the Global Warming Potential (GWP), representing the machine's contribution to greenhouse gas emissions (also known as carbon footprint) that contribute to global warming.

ACMA now has a tool developed based on its machinery's structure to independently extend the analysis to other machines in its portfolio, starting with those for the Confectionery sector.

#### PRODUCT AND PORTFOLIO SUSTAINABLE INNOVATION

To strengthen the definition of environmental strategies within the Group's Companies and expedite the implementation of existing initiatives, Coesia has established the Centre of Expertise Environmental Sustainability. Among its various activities, this center plays the crucial role of monitoring market trends, new policies related to environmental sustainability, and the introduction of new materials and products by suppliers and customers. It centralizes the collection of data on ongoing projects within the Group.

The Centre of Expertise Environmental Sustainability is designed and organized as a working group, with the participation of approximately 50 collaborators from marketing and R&D functions at the Central level and within individual Companies. This structure enables constant sharing of updates on initiatives related to the development of sustainable solutions, fostering greater internal awareness and triggering new synergies.

In order to dedicate maximum effort to the creation of new sustainable products and innovations, as well as updating assets to enable more ecological material processing, the Companies within the Group work hand in hand with customers and suppliers with the support of the Centre of Expertise Environmental Sustainability.

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

- digital printing system designed to promptly detect any printing errors. The resulting interruption of the process leads to a significant reduction in material waste, promoting less paper waste;
- package for food-related products (e.g., candies or similar items) with barrier properties to water vapor and oxygen. This paper-based package aims to replace the usual rigid plastic material;
- patented machine composed of corrugator and wrapper for the production and packaging of recyclable paper straws. The project aims to reduce the production of scraps and minimize environmental impacts associated with pollution from plastic.

Research and innovation form the core of Coesia's culture, and for this reason, various functions within the organization collaborate in the innovation process. This collaboration ranges from Marketing, which provides strategic inputs related to market demands, to the Research and Development centers of the Group's Companies, and specialized Corporate functions, including the Coesia Engineering Center.

In 2022, the 1,658 personnel operating in Engineering and Research and Development played a significant role in achieving important milestones, including the launch of 29 new products.

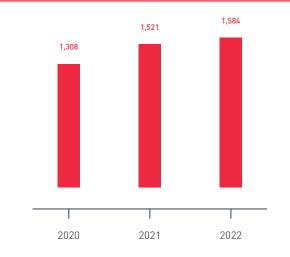
To continue ensuring the development of cutting-edge products for customers, Coesia annually invests a significant budget in engineering and R&D activities. In 2022, this investment amounted to 10% of the Group's turnover, marking an increase from 8.6% in 2021.

As a further confirmation of its commitment to innovation, the number of patents granted to Coesia (active patent families) in 2022 showed a growing trend compared to the previous year, registering a 4.1% increase. The overall patent portfolio also demonstrated an upward trend, with the total number of active patents in Coesia's areas of interest reaching 4,928 in 2022, reflecting a 10.5% increase compared to 4,461 in 2021.

This significant increase, observed in a year like 2022, once again underscores how innovation and a commitment to continuous improvement are essential drivers underlying the solutions offered by Coesia.

Approximately 6% of the patent applications filed by Coesia in 2022 protect technological solutions directly related to sustainability issues.

#### COESIA'S PORTFOLIO OF PATENT FAMILIES



#### COESIA DIGITAL

Digitalization offers a wide range of opportunities for the innovation and sustainable development of machinery and packaging solutions. Through the implementation of advanced digital technologies such as Artificial Intelligence, Machine Learning, and the Internet of Things, Coesia aims to optimize production processes and resource utilization, as well as reduce energy consumption. This enables Coesia to provide customized solutions to customers while simultaneously reducing the overall environmental impact.

In addition to improving operational efficiency by allowing more precise management of machinery and reducing energy consumption, digitalization can facilitate the traceability and monitoring of the product life cycle. This, in turn, promotes more effective management of the stages of production, usage, and disposal.

With the goal of offering cutting-edge products and services, Coesia is active in various fields such as Industrial Internet of Things (IIoT) to connect machines and systems, Big Data analytics, Artificial Intelligence applied to machinery and production lines, augmented reality, and digital assistance. The Company also prioritizes cyber security to ensure the security of these digital initiatives.

To accelerate the digital transformation plan and develop even stronger relationships with customers and suppliers, an inter-functional team has been established, leveraging internal competencies, knowhow, and synergies.

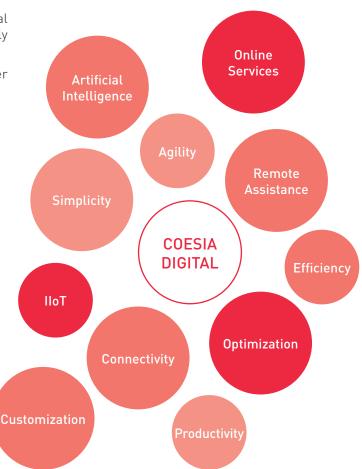
The model of services offered is based on a new digital infrastructure that Coesia is developing with primarily internal expertise, and it consists of three "layers":

- a first layer located near the installed base: this layer allows for extracting data from machines in the field, thus creating a "digital twin," an exact digital replica of the real machine model;
- an intermediate layer, defined as the Coesia Operating System: it receives data from the previous layer and enables the management, aggregation, storage, and access to the data with different priority levels;
- an upper layer, interfacing with digital services for customers: this layer builds upon the previous one and interacts with Coesia platforms and/ or externally developed platforms, providing an interface for the digital services offered to customers.

Big Data Analytics The main service areas offered to customers are four:

- online services: these include remote assistance to restart machines without waiting for technicians, remote Factory Acceptance Tests (FAT), and a Webshop (an online platform for ordering spare parts);
- digital production support services: aimed at accelerating machine learning, reducing errors, and understanding and prioritizing the causes of efficiency loss;
- condition monitoring based on Artificial Intelligence: this service is designed to improve machine productivity and optimize maintenance through Aldriven monitoring;
- content marketing: this involves effectively communicating and sharing our expertise with customers.

To ensure an advanced and consistent level of service for its customers, Coesia has promoted the adoption of digital products within its Companies in a scalable and priority-driven manner. With the support of interdisciplinary working groups, the Coesia Digital team is leading the implementation technology by technology, aiming to progressively cover the entire portfolio of the Group.



To enable customers to adapt to a rapidly evolving environment where speed, agility, and flexibility are crucial, Coesia has enhanced the development of digital services and platforms throughout 2022, significantly improving the customer experience. Among these platforms:

- a new human-machine interface equipped with an intuitive user experience and smart connectivity and features, designed to optimize the performance of our machinery fleet. This platform has been developed to facilitate access to guided procedures and digital documentation (reports, statistics, etc.) directly on the machine, speeding up operations such as changeovers, troubleshooting, maintenance, and training;
- an integrated IIoT platform aimed at enabling realtime monitoring of the performance and status of connected machines, with the goal of enhancing their performance through a smart interface and customized dashboards. The aggregation of production data allows for a comprehensive understanding of productivity trends and a quicker response in case of need;
- a digital platform for predictive analytics and Artificial Intelligence designed to detect anomalies in process variables, improve machine productivity, and adopt a smart and predictive approach to maintenance.
- an end-to-end solution for managing production operations that, 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, driven by an ever-evolving environmental legislative landscape, guides Coesia in developing new technologies and studying eco-friendly packaging formats.

In this regard, the Group has developed several innovative solutions to meet the changing and modernization needs coming from the market.

Among these, VOLPAK has initiated the PouchLab project. It is an area within the Company that serves as a center of excellence for R&D in the development of sustainable packaging solutions. This space is available to customers and suppliers for testing new materials with a lower environmental impact to be used in new products or to replace materials currently used in packaging.

Specifically, PouchLab activities primarily include:

- the application of innovative materials;
- tests and measurements;
- proposing new solutions;
- pilot productions.

The continuous innovations allow PouchLab to offer increasingly advanced systems, especially in terms of welding, and the significant possibility of applying mono-material spouts, thanks to an innovative preheating process.

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

Other Companies have followed VOLPAK's lead, such as ACMA with the Sustainability Lab, a project that offers customers, packaging manufacturers, and converters the opportunity to test new sustainable materials on various technologies, including fold wrapping, flowpacking, and bottle filling. In collaboration with the Coesia Engineering Center (CEC), the service involves a preliminary analysis phase of the materials, followed by laboratory and performance tests directly on the machinery. As an extension of the Sustainability Lab, in 2022, Material Gate was officially launched, a new servo-motorized test unit created to study the behavior of new materials for twist wrapping, allowing the engineering department to find the best solution for managing wrapping coils and developing, when necessary, upgrade kits for the machines. This is complemented by the Life Cycle Assessment (LCA) project with which ACMA aims to assess and make transparent the environmental impact of its machinery throughout its life cycle.

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

#### CERAMIC PRODUCTION AND SUSTAINABILITY: THE STATE OF THE ART

Coesia's commitment and attention to sustainability translate into concrete and significant initiatives, even in the ceramic sector. With SYSTEM CERAMICS, important strides have been made toward a production process with fewer waste, both in terms of raw materials and energy.

The sustainable approach has introduced technological innovations throughout the process: from pressing to decoration, from quality control to packaging. Examples include:

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

#### OUR COMMITMENT TO SUSTAINABLE PACKAGING

Sustainability is, now more than ever, one of the key challenges for Coesia and the Group's Companies. The recyclability and environmental impact of packaging are increasingly important factors in consumer choices and are of interest to legislators, especially in Europe.

In this perspective, Coesia offers a wide range of primary and secondary packaging solutions with a reduced environmental footprint, thanks to the expertise gained in the packaging industry over the years.

#### SUSTAINABILITY IN PRIMARY PACKAGING

In terms of packaging materials, many brand owners are abandoning multi-material films (composed of layers of different types of plastics and sometimes other materials like aluminum) to move towards monomaterials (films that, even if they have multiple layers, are composed of the same type of material). These can be separated and recycled within the same stream, for a more straightforward packaging management by consumers. Coesia Group Companies are ready to meet this demand thanks to increasingly flexible machines capable of handling sustainable materials in addition to traditional ones. The path towards more

sustainable packaging solutions also involves the use of raw materials of non-fossil origin.

For example, GDM pays great attention to the sustainability issues of its primary packaging, investing in the production of bags made from recyclable, recycled, and organic materials. In addition to these options, GDM has successfully tested the possibility of handling paper packaging on its machines. Finally, COMAS has developed and produced a new generation Dryer for increased process efficiency and a lower  ${\rm CO_2}$  footprint.

#### SUSTAINABILITY IN SECONDARY PACKAGING

Alongside the significant focus on primary packaging issues, the Group also pays close attention to secondary packaging.

A concrete example of this commitment is NORDEN. The new NTP80 machine allows customers to handle secondary packaging in both cartons and trays with the same machine, switching between configurations quickly. The use of trays, instead of cartons, for the display and sale of tubes reduces packaging material usage by 85%, offering environmental and market benefits during transportation.

Another concrete example is provided by R.A JONES, which is working with various beverage and other canned product manufacturers (such as fish products), supporting the transition to more sustainable packaging. R.A JONES' cartoners package multipacks in paper-based packaging, which is more sustainable and recyclable, allowing the abandonment of thermoformed plastic-based films.

Another key player in this shift toward secondary packaging is EMMECI. Comprised of paper and cardboard, the packaging produced with EMMECI lines is inherently environmentally friendly. With the option to use protein glues, water-based adhesives, paper, and cardboard, the production of luxury boxes becomes eco-friendly, adhering to the three Rs of Sustainability: Recycled, Recyclable, and Reusable. The range of solutions achievable with EMMECI lines is continually expanding.

Furthermore, G.D contributes to the change with new electric machines designed to reduce energy consumption, incorporating energy recovery functions. Energy monitoring kits have been installed on the equipment provided to customers. The selection of components for the cooling system, pneumatic system, and vacuum system, as well as circuit design, is done with special attention to reducing energy consumption. This impact is also mitigated through lighter solutions developed through the production of parts using additive manufacturing, kinematic optimization, and computational fluid dynamics (CFD).

#### COESIA'S SHELF OF SUSTAINABLE SOLUTIONS

Throughout 2022, Coesia continued to work on the creation of a virtual shelf of sustainable solutions: the Coesia Shelf of Sustainable Solutions.

Initially conceived for the display of physical models during trade shows, the project evolved, following the onset of the pandemic, into its virtual version to allow remote use. This space now showcases over 70 solutions achievable by the Group's Companies.

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







#### SUSTAINABLE SOLUTIONS FOR EXHIBITION BOOTHS

Coesia is committed to the reuse of materials to minimize waste in temporary architectures.

In particular, the Companies in the RMS division have identified and selected partners and suppliers capable of providing completely sustainable structures for exhibition stands, with certification for the complete elimination of  ${\rm CO_2}$  production during stand construction.

Seventy percent of Coesia booths set up in Europe and the United States are composed of modular aluminum structures that are entirely recovered.

Even the flooring is made of reusable wooden modules.





#### THE CIRCULARITY IN THE BUSINESS

In the design and manufacturing of machinery, recyclable materials are used, promoting the principles of circular economy, and reducing waste production. Additionally, the Group collaborates with customers and local communities to facilitate the proper management of waste generated by machinery and packaging solutions. The adoption of circular economy models promotes the reduction of disposal costs and the creation of new business opportunities, such as providing maintenance and repair services.

Coesia is committed to extending the lifecycle of machines through maintenance and rebuilding programs and to properly managing end-of-life, promoting recycling and material recovery to avoid landfill disposal and reduce the overall environmental impact. These commitments reflect the vision of a sustainable future and, to achieve them, require collaboration, continuous research, and partnerships with our customers, suppliers, and other stakeholders.

#### **USE OF "GREEN" MATERIALS**

An increasingly important topic for Coesia and its customers is the use of green materials and the adoption of eco-efficient practices, representing a key opportunity to improve environmental performance. The use of green materials, prioritizing those with a low environmental impact and sourced sustainably, extends to packaging solutions, where efforts are made to encourage the use of recyclable or biodegradable materials. In collaboration with suppliers, the Group's Companies work to develop and use eco-friendly packaging.

Furthermore, as a global leader in the production of industrial and packaging solutions, Coesia promotes eco-efficiency in the manufacturing processes of materials used for machine production and packaging formats. The aim is to reduce the use of natural resources, emissions of pollutants, and material waste, thereby minimizing environmental impact and ensuring long-term sustainability.

Over the years, the Group has developed innovative ideas aimed at transforming its solutions through consistent investments and expertise generated in manufacturing and research activities. In detail, the main solutions include:

#### • biodegradable materials for filters:

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

#### • recyclable materials for Innerliner and film:

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

#### **CIRCULARITY & END OF LIFE**

With the aim of developing an increasingly circular production process and facilitating the correct disposal of offered solutions, Coesia retrieves obsolete machines from its customers. Once these solutions are reclaimed, an analysis of their condition is conducted. If, through certain adjustments, the machine can be refurbished, it is reconfigured and reintroduced to the market. Conversely, if the solution is not recoverable, reusable parts are separated and employed again, while the others are correctly disposed of. In this way, through the repair and recovery of some parts, the lifecycle of certain products is extended, minimizing waste generation.



# OPERATIONAL EXCELLENCE (OPEX)

A concrete approach to continuous improvement is essential to ensure the long-term sustainability of the business and high standards of efficiency and innovation in operational processes. Coesia supports this commitment in the realm of Operational Excellence through specific Continuous Improvement programs: Engineering Excellence, Coesia Operating System, Core Business Process Redesign, and Data Science.

# Engineering Coesia Operating System Core Business Process Redesign Coesia Operating System Data Science

#### **COESIA OPERATING SYSTEM (COS)**

In order to align operational excellence programs with the sustainable development needs of its Companies, Coesia launched in 2022 a further evolution of the methods through which Continuous Improvement (CI) works on activities, organization, and processes.

At the core of this "step-up" is the strategic decision to evolve the previous Lean Six Sigma experience, with the goal of maintaining its skills while directing the CI tool towards an integrated approach with the Group's Companies. The strategy underlying the Coesia Operating System has thus focused on CI initiatives aimed at achieving a common goal: the operational efficiency of the Companies.

The focus ranges from efficiency improvement projects related to specific Operations/Supply Chain processes to comprehensive redefinition and transformation initiatives (Engineering/Supply Chain/Manufacturing) of the operational model of the Companies.

The support organization has changed in a manner corresponding to the structure in three divisions (CMS, IMS, RMS).

A significant role is played by the Continuous Improvement Coesia Operating System Coordinator of the Division (CI COS Coordinator), who provides methodological support and coaching to the operational Continuous Improvement Managers (CIM) at the individual Companies.

The COS Coordinators and CIMs receive ongoing training on Lean tools and CI methodologies, working closely with COOs and CEOs to define priorities and the scope of improvement plans. They coordinate and provide coaching to local Green/Yellow belts during the execution phase. In total, 2022 saw 204 local Green/Yellow Belts and 21 Continuous Improvement Managers active in the Groun's

Continuous Improvement Managers active in the Group's Companies.

Furthermore, the Coesia Academy continues to provide

Furthermore, the Coesia Academy continues to provide training to adequately educate Continuous Improvement Managers, Black, Green, and Yellow Belts, now more focused on Lean tools, conducting kaizen events, Change Management soft skills, and guiding them to achieve certification (Black/Green/Yellow Belt). This certification is only granted if accompanied by evidence of successful improvement initiatives.

#### **OPEX ACADEMY TRAINING IN 2022**

	Sessions	Training days	Trained belts
Yellow Belt	8	16	62
Black/Green Belt	3	30	26

#### CORE BUSINESS PROCESS REDESIGN (CBPR)

The purpose of the CBPR is to support the Group in the development of operational models aimed at safeguarding and maximizing the Value Proposition to the customer. In 2022, the dedicated team supported a Company in the RMS Division in transitioning to a new operational model for Order Management, previously designed with the local team, following the inclusive and collaborative approach that characterizes this program. The CBPR also monitored the benefits achieved and identified points for improvement.

Additionally, the CBPR led a dedicated team in launching a new business line in the IMS Division, defining the operational model from lead generation to order acquisition. This allowed for a clear definition of processes, roles, and responsibilities, optimizing the use of the pool of engineering and innovation capabilities, and sizing departmental structures to ensure a reinforced presence in sales forecasts.

Finally, the CBPR intervened in support of the transformative strategic project EngX (Engineering Excellence) for the Group's engineering operating model, designed by a multi-divisional team. It contributed to defining the Group-wide adoption program for the new model and the corresponding training plan essential for acquiring the fundamentals of the new model by the corporate community.

#### **DATA SCIENCE**

Data Science is Coesia's initiative for applying Artificial Intelligence to internal processes and the development of digital products. It is a dedicated competence center that provides a service for developing Big Data learning algorithms to all Group Companies. The intelligent systems created contribute to:

- providing decision-makers with informative support tools capable of providing insights and suggestions;
- automating and/or accelerating low-value-added activities to allocate resources to high-valueadded activities only.

In 2022, the Data Science team developed some applications in "Minimum Viable Product" version. These applications use data from machines of a Company in the IMS Division, with which tools for remote performance monitoring have been created. This allows the Customer Service team to have an objective and shared understanding with the customer of the machine's operation and to define data-driven improvement actions.

The Data Science initiative has also consolidated some solutions that use order data and spare parts inventory in simulation tools. These tools allow Companies to develop and select warehouse sizing scenarios considered optimal based on investments and desired service levels. The simulation tools also enable Companies to verify the results obtained in the face of differences between actual demand and developed predictions.

#### **ENGINEERING EXCELLENCE (ENGX)**

In order to prepare for the challenges of an increasingly demanding market in terms of timing, realization costs, and delivery of new solutions, Coesia has launched the EngX program with the goal of bringing about a significant transformation in the practices of Product Development project management across various Divisions and Companies within the Group. In addition to the two domains related to time and cost reduction, the third domain included in the program concerns Design To Value, which involves logic and processes aimed at maximizing the value contained in the solutions that Coesia offers to the market.

The EngX program simultaneously addresses two closely intertwined dimensions: engineering practices and Project Management, which is the method of planning, managing, and controlling projects.

The main areas of intervention identified include:

- definition or revision of business processes;
- design and implementation of IT tools to support the relevant areas;
- experimentation and application of new practices and behaviors in the execution of engineering and managerial activities;
- development and/or enhancement of skills, knowledge, and experiences in Project Management.

To address the listed themes in a structured manner, the EngX program consists of a set of initiatives:

- Project Management Operating Model: intending to create a governance and standardized project management processes at the Group level;
- IT Eng & PM Toolkit: focused on developing an architecture of tools and information systems to support the changes that the program will gradually introduce;
- Engineering WoW (Way of Working): with the goal of modernizing and standardizing the working practices adopted within Engineering across various Companies in the Group;
- Project Management Professional Family: aimed at developing a shared professional culture of Project Management at the Group level.

The contents and priorities of the EngX program were consolidated in the second half of 2022, and the first initiatives were launched at the end of the year. The first results are expected in 2023, and new strands of action may be identified and approved upon from there.



# SAFETY AT THE CORE OF OUR SOLUTIONS

Coesia provides a detailed analysis and specific testing in the design, construction, and installation phases to ensure the best safety conditions for operators and maintainers for all the solutions on the market. This is to minimize the potential risks related to the safety of customers and to ensure the quality of Coesia branded machinery.

Regarding the design phase, the Group has implemented a functional risk analysis to verify the compliance of its solutions with the applicable regulations on product safety.

All machines manufactured by Coesia's Companies comply with the regulations of the markets in the countries where they are placed. For example, Machinery Directive 2006/42/ EC in the European Union, Directive NR 12 in Brazil, EAC for Russia, OSHA for the United States and KC for Korea.

At the Group level, a Technical Construction Dossier is regularly drawn up to demonstrate the machine's compliance with the design, manufacturing, and

operational requirements set out in the regulations. The Dossier includes an assessment of the risks associated with the use of the machine throughout its life cycle, in addition to the measures taken by the Group, to minimize or eliminate them.

In order to ensure the safety of the Group's employees and customers, Coesia's technicians carry out the testing of same, both in the production facilities of the Group Companies, where the machine is manufactured, and at the customer's premises where the final installation phase takes place. The purpose of a double test is to ensure greater safety.

In addition, in 2021, the Group introduced the Safety Validation Report. This is a validation process carried out on the machines, through the approval of third parties, in terms of machinery destined for the foreign market and characterized by more stringent regulations than those in force in the European Union.

The phases of machine construction, in which safety is evaluated and tested, are as follows:

#### 1

#### **RUNNING-IN**

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

#### 2

#### **QUALITY TESTS**

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 TESTS**

Safety devices are tested to ensure that the machine's measurements are operational as per current regulations. Following a specific procedure, the operation of all devices is checked separately to ensure the safety of all operators working on and near the machine;

#### **FINAL TEST**

The systems are then tested together progressively increasing the speed to verify the actual performance of the machine. Before leaving the plant, the machine must also pass a final test, after which a list is drawn up to ensure that any final changes are tracked.

Once the tests are completed, the machine is disassembled, packed, and shipped to its final destination. Customer safety is also ensured during operation. In fact, since 2010, the Group has implemented a system to monitor safety-related non-conformities identified during the use of its machines, aimed at promptly improving the solutions offered to end-users.

In the design phase, Coesia aims to ensure not only the safety of its machines but also their durability over time. In the post-sales phase, the Group offers numerous maintenance and revision services, aimed at ensuring the quality of the machine over the years, considering the extended life of products on the market (approximately 20-30 years).

For disposal purposes, all measures are provided to avoid safety risks during the dismantling and scrapping phases of the machine.

As a testament to the quality of the Group's products and services, there have been no non-conformity incidents related to health and safety impacts on customers during the three-year period 2020-2022.







In order to reduce and prevent the environmental impact resulting from its activities, Coesia monitors and manages its processes with a focus on continuous improvement. The Group's commitment is formalized within the HSE Policy, drafted in 2017 and updated in

2023, which includes, in addition to health and safety issues, a specific section dedicated to environmental requirements (for more details, refer to Chapter 4, Section 4.4 "Health and safety of collaborators").

In particular, the Statement within the new Policy states the commitment to:



pursue the objectives of "zero harm" to people and the environment;



increase awareness and culture on health, safety, and the environment among all employees through continuous awareness and training programs;



comply with all applicable HSE laws and regulations;



implement the HSE Policy in all Group Companies and sites by developing and implementing appropriate processes, and procedures;



define improvement targets following the measurement, evaluation, and reporting of HSE performance;



reduce the impact of greenhouse gas emissions, also through the selection of energy sources, products, and the associated value chain;



reduce the use of raw materials, water, and other natural resources in its operations and production processes, using sustainable technologies and efficiency programs;



develop energy-efficient and optimized products to minimize material consumption and waste production;



consider respect for the environment, territories, and people with whom it shares spaces and activities, essential elements to ensure sustainable growth and respect for future generations;



evaluate all possible impacts of its sites and sensitive or protected activities, safeguarding the presence of animal and plant biodiversity.

Coesia carefully assesses the environmental impact of the Group's Companies, which can therefore be traced back to the following areas:

- energy consumption primarily related to heating, cooling, lighting, and production activities. Both direct consumption (fuels and refrigerants<sup>3</sup> dispersed into the atmosphere) and indirect consumption (purchased electricity, district heating, and consumption from sources not owned or controlled by the organization) are considered;
- GHG emissions resulting from energy consumption;
- production and disposal of waste generated by production activities, offices, and corporate services;
- water consumption, mainly related to civil uses and irrigation of green areas on the sites, is less significant than previous impacts as it is not connected to production activities.

With a view to continuous commitment, Coesia promotes initiatives to reduce its environmental impacts, including investments aimed at saving energy; maximizing the use of renewable energy; upgrading production plants' energy; transitioning the vehicle fleet to electric and hybrid solutions; and the careful management of waste and water resources. Moreover, the Group is committed to ensuring its sustainability over time by monitoring its progress and defining its priorities and methods of intervention. To this end, a monitoring system<sup>4</sup> is active, and built on the basis of different processes aimed at collecting data on energy consumption, emissions, water consumption and waste production.

Coesia also completed the process of mapping, reporting, and analyzing  $\mathrm{CO}_2$  emissions categories across the entire value chain; thus, including the monitoring of all applicable Scope 3 emissions.

Coesia is committed to certifying its environmental management by applying the ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management Systems) standards. As of 2022, 25 sites are certified (corresponding to a 43% coverage of the Group's population) according to ISO 14001 standards, and 4 sites (6% of the Group's population) are certified according to ISO 50001. Coesia commits to continue extending ISO 14001 certification with the ambition of covering at least 80% of the Group's workforce by 2028.

#### THE PLASTIC FREE PROJECT

The "Plastic Free" project aims to reduce the use of disposable plastic within Coesia. Among the initial initiatives organized, the Group focused on limiting the use of disposable plastic in company restaurants and products sold through vending machines, for example, by introducing biodegradable plastic and alternative sustainable materials.

Throughout 2022, this initiative was further promoted within the Group, expanding the participation and involvement of sites. Additionally, to further reduce the environmental impact, reusable water bottles were distributed to employees, and water dispensers were installed in several Group sites.

<sup>3</sup> Gases released by refrigerants in commercial cooling equipment such as air conditioners and refrigerators, fire suppression systems, other chemicals and industrial processes.

<sup>&</sup>lt;sup>4</sup> The monitoring system currently covers 99% of the sites.

# ENERGY EFFICIENCY AND TRANSITION TO RENEWABLES

Energy consumption is one of the most significant environmental impacts generated by Coesia given its size and the number of operational units under its control. Therefore, the Group has started to define an energy strategy that allows for consciously planning interventions and choices from an environmentally friendly perspective. This energy strategy has been outlined, with a central focus on sustainability, in order to guide the energy transition and the achievement of the Group's climate neutrality objectives while ensuring business continuity and cost optimization. Coesia has founded the path of continuous improvement of its energy performance on four pillars:

- awareness of the state of energy systems;
- improvement of energy performance;
- transition to renewable energy;
- harmonization and creation of processes for sustainable asset management and continuous improvement of energy performance.

The multi-annual energy efficiency improvement program, involving all Coesia's sites, shall include the following initiatives:

- installation of heat pump systems to minimize the use of natural gas thereby reducing the direct combustion of fossil fuels and increasing performance indices;
- improvement of thermal insulation of air conditioning systems to reduce energy loss in the distribution of heat transfer fluids;
- installation of electric motors to serve increasingly efficient systems;
- completion of the LED transition of lighting systems;
- efficiency of compressed air production and distribution systems;
- optimization of thermal insulation in the buildings, including the use of thermal reflective films.

The Group is constantly engaged in the search for innovative solutions and best practices aimed at improving the energy performance of plants by installing automatic systems for measuring and supervising consumption.

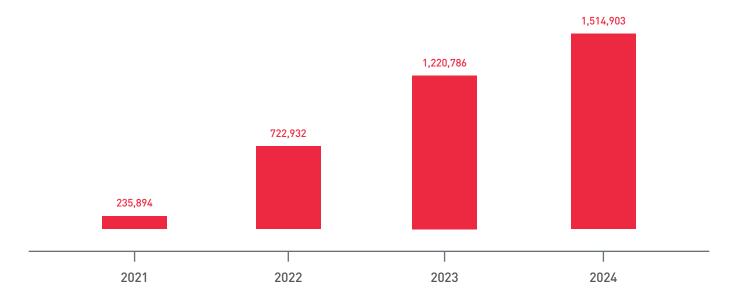
In this way, the Facility & Energy Management function sees to verification processes and analyses of consumption to ensure that Coesia's Companies are, not only always compliant with all the legislative requirements regarding energy saving and efficiency, but also, effectively implementing improvement actions targeting the objectives set.

In 2022, Coesia implemented a process to improve the energy efficiency of its sites and confirmed a dedicated program to reduce its carbon footprint along the entire value chain, investing in the production of renewable energy at its sites.

In order to reduce energy consumption, the Group is committed to working on multiple fronts simultaneously: implementing infrastructure actions, raising awareness to improve individual behavior, and acting on its supply chain. Additionally, thanks to energy audits, the Group promotes the development of plans to improve energy performance.

The main energy initiatives carried out in 2022 included the confirmation of some projects already initiated in 2021 and the development of new actions. Several Coesia facilities completed the transition to full LED lighting, resulting in an estimated savings<sup>5</sup> of approximately 722,932 kWh since the beginning of the project (of which 487,000 kWh in 2022). This action will continue in 2023 and 2024, leading to an estimated energy savings illustrated on the following page.

<sup>&</sup>lt;sup>5</sup> The energy savings have been estimated based on the calculations from the lighting project.



In 2022, the Group initiated a project aimed at making the car fleet more sustainable. In particular, a new corporate policy was drafted, which establishes compliance with the emission limit of  $160 {\rm gCO}_2$ /km for all cars used in the corporate fleet. In light of this policy, the Group has started a process of gradual replacement with low  ${\rm CO}_2$  emission cars (e.g., hybrids, full electric, etc.).

Furthermore, in 2022, to support the energy transition in employee commuting, Coesia launched a project to install charging stations at all sites (seven sites had them installed in 2022).

In 2022, total energy consumption was 419,334 GJ, showing a reduction of 9% compared to 2021. This decrease is partly attributed to the divestiture of IPI S.r.l. and partly to the energy efficiency interventions that the Group is implementing.

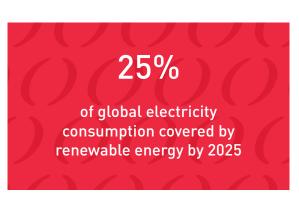
Overall energy consumption from non-renewable sources saw a decrease except for vehicle fuel, which experienced a 67% increase, primarily due to higher mileage covered by the corporate fleet in 2022.

Of the total consumption, 49% comes from direct energy consumption (gas), mainly used for production, heating, and the corporate fleet, while 51% is associated with indirect consumption, namely the purchase of electricity and district heating.

During 2022, there was a production of 8,661 GJ of self-generated electricity from photovoltaic sources. Out of the total self-produced energy, over 235 GJ were sold and fed back into the grid.

The Group has outlined an ambitious roadmap for installing renewable energy systems, allocating significant investments to increase the production of clean energy across various sites. Furthermore, as evidence of the substantial commitment to finding low-impact solutions and actively participating in the energy and ecological transition, Coesia is implementing an energy procurement plan that aims to have 100% of the electricity used produced from renewable sources by 2030.

To achieve this ambitious goal, the first phase of the renewable energy system installation roadmap began in 2022, involving the design of seven state-of-the-art photovoltaic installations. These installations are scheduled to be implemented in 2023 at both Italian and international sites. In line with the roadmap's objectives, the construction of these systems will be further expanded during the 2023-2024 period. This expansion ensures an increasing capacity for energy generation and, consequently, a greater supply of energy from renewable sources.





100%

of global electricity consumption covered by renewable energy by 2030

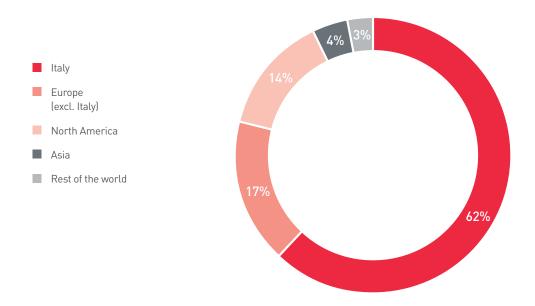
#### **ENERGY CONSUMPTION (GJ)**

	2020	2021	2022
Energy consumption from non-renewable sources	186,909	204,769	196,070
Natural gas	181,399	173,293	161,319
Diesel	2,139	21,181	20,050
Petrol	1,070	7,101	11,601
LPG	16	71	61
Fuel oil	2,285	3,123	3,039
Direct energy consumption from renewable sources	9,934	9,971*	9,691
Pellet	2,103	1,368	1,030
Photovoltaic	7,831	8,603*	8,661
Indirect energy consumption	209,691	234,854	213,573
Purchased electricity	204,541	224,939	204,964
District heating	5,150	9,915	8,609
Total energy consumption	406,534	449,594*	419,334

<sup>\*</sup> The 2021 data on energy consumption from renewable sources has been updated compared to the previous report following a recalculation of actual consumption.



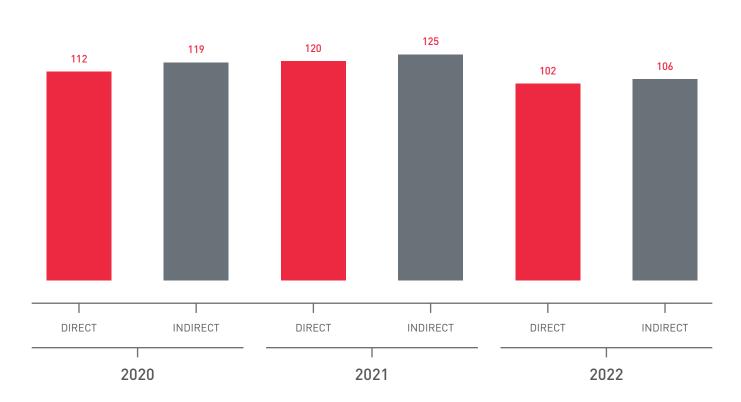
#### **ENERGY CONSUMPTION BY GEOGRAPHICAL AREA IN 2022**



Consistently with previous years, most of the energy consumption (79%) is concentrated in Europe (including Italy), the geographical area where the Group owns a significant portion of its production facilities and offices.

Regarding energy intensity, Coesia normalizes the energy data relative to revenue. There is a decrease in the intensity index compared to 2021 (-15%), justified by both the decrease in energy consumption and the increase in the Group's revenue.

#### **ENERGY INTENSITY (GJ/M€)**



# EMISSIONS AND REDUCTION INITIATIVES

Coesia commits to annually monitor its GHG emissions, categorizing them according to the methodology defined by the GHG Protocol.

The main emission sources of the Group are as follows:

#### SCOPE 1

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

#### SCOPE 2

Indirect GHG emissions associated with the purchase of electricity.

These emissions can be calculated according to two methodologies:

- **location-based** using the average emission factor associated with the national energy mix;
- market-based this method considers the possible use of contractual instruments for the purchase of energy from renewable sources (e.g. Guarantee of Origin certificates), which are counted as having zero GHG emissions. The share of electricity purchased from non-renewable sources is multiplied by a residual national emission factor<sup>6</sup>.

#### SCOPE 3

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

#### **SCOPE 3 UPSTREAM**

For Coesia, this category includes:

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

#### **SCOPE 3 DOWNSTREAM**

For Coesia, this category includes:

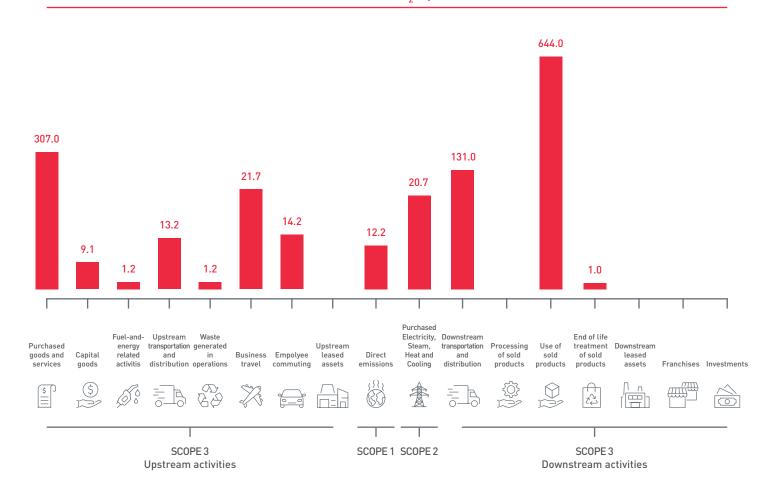
- Transportation and distribution
- Use of sold product
- End-of-life treatment of sold product

<sup>&</sup>lt;sup>6</sup> The country-specific residual mix of electricity shows the sources of electricity supply that are not covered by guarantees of origin (or other reliable traceability mechanisms).

In 2022, the Group completed the inventory of its Scope 3 emissions with the goal of quantifying the impact of the entire value chain and evaluating how it can be reduced. This allowed for the completion of the Group's emissions footprint, establishing the baseline on which to define reduction objectives and programs, representing an additional element of understanding the impacts along the entire value chain.

The following diagram represents the  $CO_2$  emission footprint of Coesia divided by Scope 1, 2 and 3 with the relative categories:

#### COESIA'S CARBON FOOTPRINT IN 2022 (K tons CO,eq)



Scope 1 emissions are predominantly determined by natural gas consumption (77%) and the use of fuels for vehicles (21%), while Scope 2 emissions are determined by 98% from the purchase of electricity<sup>7</sup> and the remaining 2% from the purchase of heat (e.g., through district heating) from each Coesia site. As for Scope 3 Upstream, the emission contribution is determined by 83% from the purchase of raw materials and services, while for Scope 3 Downstream emissions, 83% is determined by the use of sold machines. These emissions, in particular, depend on the energy supply sources of each end-user.

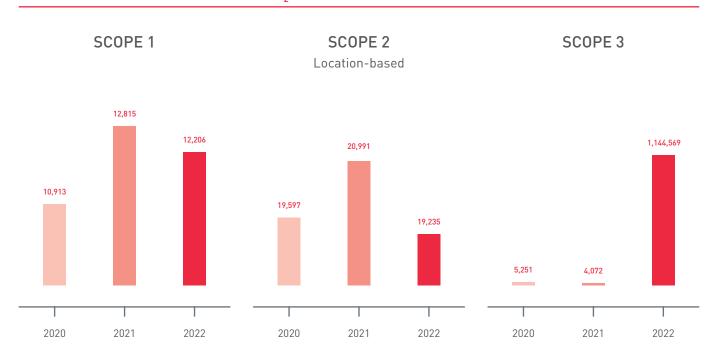
In any case, Coesia is committed to reducing the specific consumption of its machines by developing solutions with lower intrinsic consumption, introducing energy recovery systems, and installing high-efficiency motors and systems (for these aspects, refer to <a href="#">Chapter 5</a> "Innovative and safe solutions for satisfying customers").

Based on the completion of its emissions footprint, Coesia is also developing an emissions reduction program that involves its value chain starting from 2023.

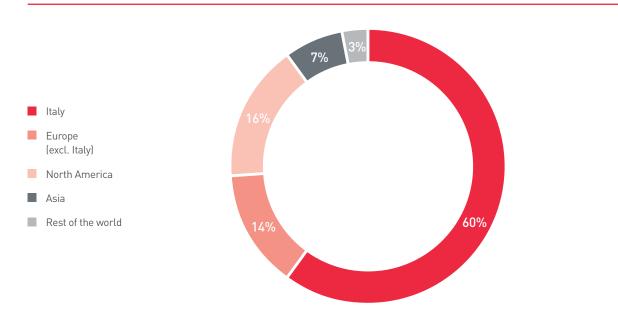
<sup>&</sup>lt;sup>7</sup> The calculation of CO<sub>2</sub> emissions from electricity takes into account the composition of the national energy mix in each country where Coesia sites are located.

As reported in the graph below, the data related to Scope 3 emissions in 2022 are not comparable to previous years because, in the reporting year, the analysis was extended to the entire value chain and all applicable categories. In the comparison 2022-2021, Scope 1 and Scope 2 emissions have decreased by 4.8% and 8.4%, respectively.

#### GREENHOUSE GAS EMISSIONS (t CO,eq)



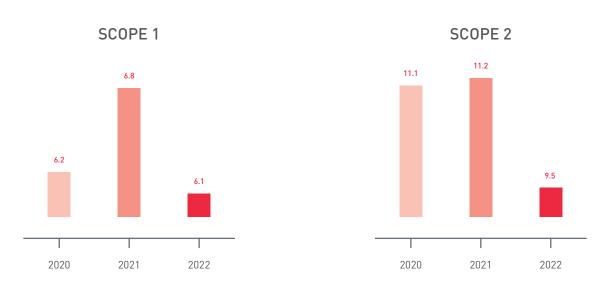
#### EMISSIONS SCOPE 1 AND SCOPE 2 BY GEOGRAPHICAL AREA IN 2022



The data regarding the geographical distribution of Scope 1 and Scope 2 emissions align with those of energy consumption, with 74% of emissions generated by European sites.

The completion of the Scope 3 emissions inventory along the entire value chain in 2022 does not allow for a direct comparison with 2021; however, the trend of emission intensities reported exclusively for Scope 1 and Scope 2 shows a decrease.

#### EMISSION INTENSITY SCOPE 1 AND SCOPE 2 (t CO₂eq/M€)

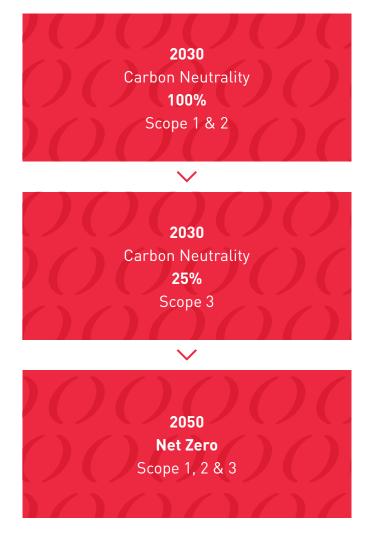


#### COMMITMENT TO DECARBONIZATION

The Group continuously and actively works towards finding solutions to reduce its environmental impact, setting objectives and targets for the coming years. In particular, by 2024, Coesia's commitment involves defining Science-Based Targets, i.e., targets for reducing CO2 and other greenhouse gas emissions in line with the 2015 Paris Agreement.

Furthermore, as a demonstration of its commitment and attention to sustainability issues, the Group set significant objectives, notably:

- Achieving Carbon Neutrality for Scope 1 and 2 emissions by 2030
- Achieving a 25% reduction in Scope 3 emissions by 2030;
- Achieving Net Zero emissions by 2050.



# WASTE MANAGEMENT

Coesia considers waste management activities as an integral part of the production process of its Companies. Minimizing waste generation is closely related to optimizing production efficiency.

After analyzing and characterizing the waste, it is classified based on its characteristics and managed in accordance with applicable regulations, with a particular focus on recyclability.

Waste production in 2022 decreased by 31% compared to the previous period, thanks to initiatives to improve production activities in the same year, a reduction in waste related to pandemic containment devices, and the divestment of IPI S.r.l., which was previously included in the reporting scope.

Specifically, the total of non-hazardous waste produced showed a decrease (-37%) compared to 2021.

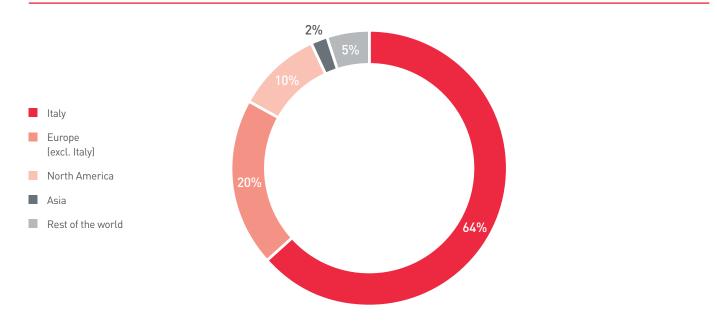
About 17% of the total waste generated in 2022 is classified as hazardous.

#### WASTE DISPOSED BY TYPE OF DESTINATION (t)

	2020	2021	2022
Total hazardous waste	897	912	1,068
sent for recycling/reuse	247	340	485
sent to landfill	650	572	583
Total non-hazardous waste	7,006	8,460	5,366
sent for recycling/reuse	5,494	6,350	3,854
sent to landfill	1,512	2,110	1,512
Total disposed waste	7,903	9,372	6,434

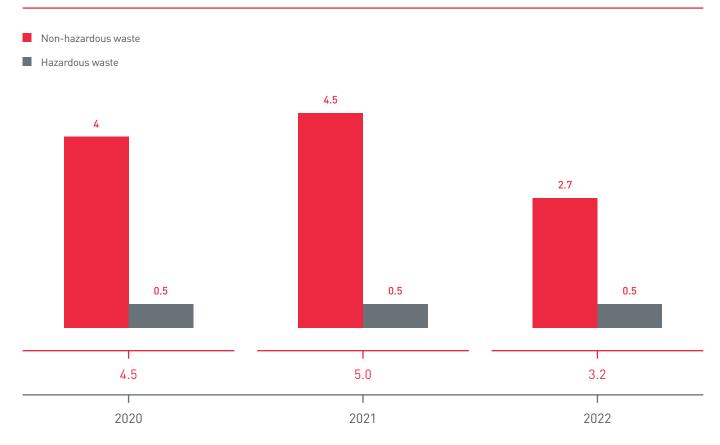
Over the years, Coesia has invested in improving production processes and proper waste sorting to promote material recycling, aiming to minimize the environmental impacts caused by waste production. In 2022, approximately 67% of the waste was sent for recycling.

#### WASTE PRODUCTION BY GEOGRAPHICAL AREA IN 2022



The breakdown of waste by geographic area shows that approximately 83% of the waste produced and disposed of comes from European sites. This is due to to the higher concentration of production facilities in Europe.

#### WASTE PRODUCTION NORMALIZED BY TURNOVER (t/M€)



Relating the total waste production to the Group's turnover, the decrease results in a reduction of 36% compared to the previous year.

# WATER MANAGEMENT

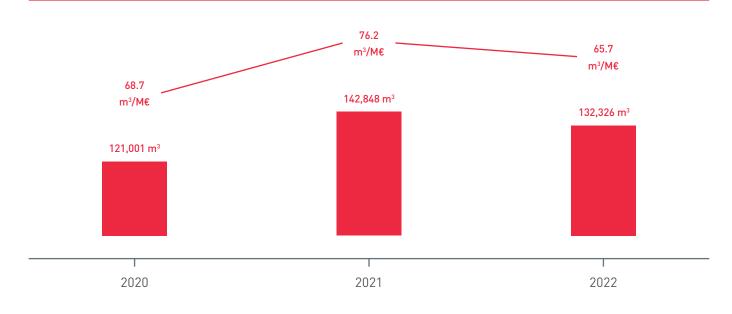
Considering the global context, Coesia is attentive to preserving water resources as a precious and limited element. The Group regularly monitors water consumption and strives to adopt effective measures to reduce its use.

Coesia's water consumption is primarily related to civil and non-productive purposes (hydraulic and thermal systems, toilets, irrigation, etc.). Wastewater from all activities is sent to and managed in specific treatment plants, as required by national legislation.

In 2022, there was a decrease in water consumption compared to 2021 (-7%), due to attention being paid to the correct use of water resources.

The same trend is reflected in the normalized value relative to revenue, which in 2022 stands at about 65.7 m3 of water per million euros, a decrease of 14% compared to the 2021 index.

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









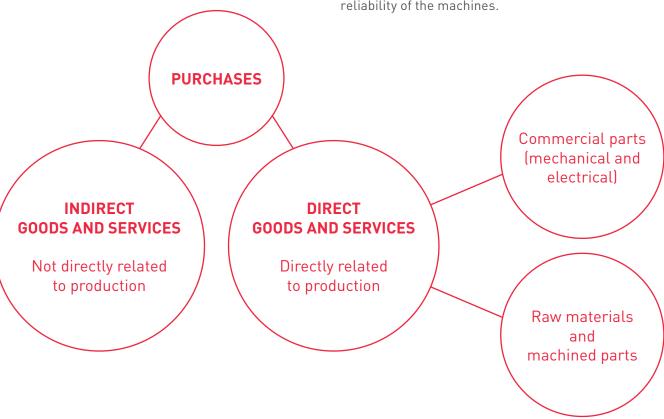
# **7.1** OUR SUPPLIERS

The Group's commitment to suppliers, especially local ones, is based on enhancing their skills and capabilities to improve their performance and economic stability. A well-connected supply chain allows for the rapid identification and response to any issues, simultaneously promoting greater collaboration.

As evidence of this, despite the global shortage of electronic components characterizing 2022, Coesia managed to ensure production continuity. This was achieved by increasing economic efforts compared to previous years and expanding its supplier base.

Within Coesia, purchases are divided into direct and indirect ones, based on their proximity to production. Direct purchases include two categories directly related to production: commercial parts (mechanical and electrical) and raw materials and parts manufactured according to design. The Group's knowhow is represented by the raw materials purchased for internal production and machined parts designed by the technical offices to ensure excellent performance and reliability of the machines.

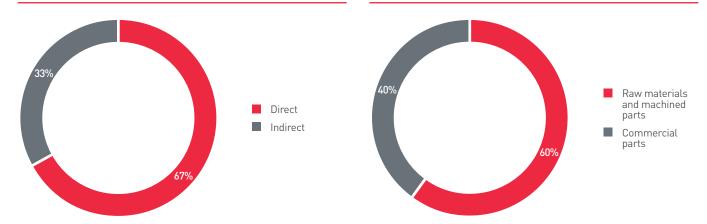
The know-how of the Group is represented by the raw materials that are purchased for internal production and by the components designed by the Technical Offices every day to ensure excellent performance and reliability of the machines.



At the global level, the Group's supply chain includes numerous suppliers, varying in nature and size. The Direct Procurement function collaborates with 5,838 suppliers<sup>8</sup>, while the Indirect Procurement function collaborates with 6,320. Strategic suppliers are coordinated by the Group's Procurement function and are included in the Group's vendor list.

All the others are managed at local level. In 2022, 68% of the total purchasing turnover is related to production (direct purchases), and of this, 62% pertains to raw materials and machined parts.

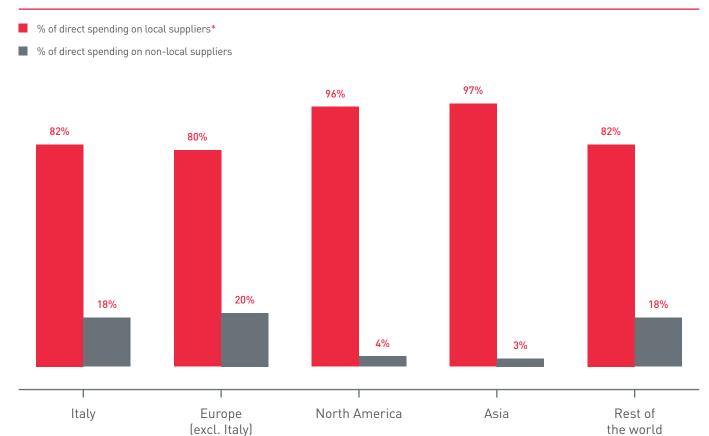
<sup>8</sup> A decrease of approximately 22% compared to 2021 is the result of rationalization activities and category management carried out during the year.



Coesia aims to continuously improve its business practices and promote the growth of its suppliers and the communities in which it operates by emphasizing local procurement.

In 2022, the share of the Group's direct purchases from local suppliers reached 87%, recording significant percentages in all geographical areas, ranging from 80% in Europe to 96% in North America and 97% in Asia.

#### PERCENTAGE OF SPENDING ON SUPPLIERS IN 2022



<sup>\*</sup> The percentage of products purchased locally has been calculated on the total of direct purchases, excluding transactions between Group Companies. A product is purchased locally when the supplier is based in the same country as the Company that purchased it.

# RISKS AND OPPORTUNITIES CONNECTED TO THE SUPPLY CHAIN

Aware of the importance of a robust and responsible supply chain, Coesia is committed to monitoring the environmental and social impacts generated, or that may arise, along its supply chain.

To this end, in 2022, the Group initiated a project aimed at mapping the risks and opportunities related to its procurement practices. In addition to operational risks and opportunities closely linked to Coesia's business activities, the project also considers risks and opportunities related to environmental, social, and governance (ESG) issues within the value chain.

In terms of risks, the main potential operational criticalities identified by Coesia are:

- the loss of customer trust and the escalation of complaints and legal actions as a consequence of a decline in the quality of products and services from suppliers;
- production delays, economic losses, and customer dissatisfaction due to supply chain disruptions caused by the closure of the business of one or more suppliers or the inability to meet demand.

The sustainability risks identified by Coesia include:

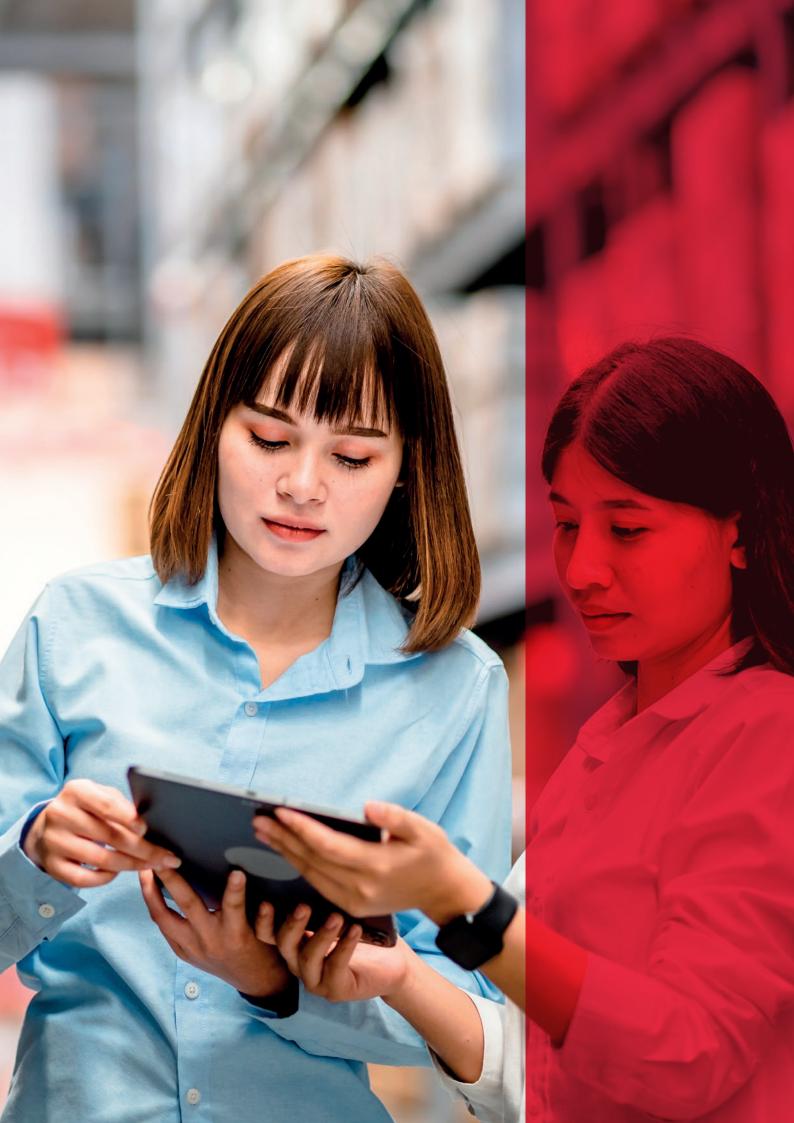
- sanctions resulting from violations of laws or regulations related to the environment, health and safety of individuals, or corporate ethics by suppliers;
- damage to the corporate reputation due to the failure to ensure decent working conditions by suppliers;
- negative impacts on the local community arising from the value chain (e.g., air or water pollution).

Regarding operational opportunities, Coesia identifies competitive advantages linked to effective collaboration with its suppliers (e.g., competitive prices, reduced delivery times, access to resources, specialized expertise).

In terms of sustainability, the mentioned opportunities include:

- conducting business in line with Coesia's values through close collaboration with suppliers to ensure adequate working conditions and respect for workers' rights;
- proactive risk management in the value chain and protection of business continuity in the face of potential negative influences in the context and market;
- pursuing sustainability strategies for the benefit of corporate reputation, stakeholder satisfaction, and business results.





## 7.3

## RESPONSIBLE SOURCING

Regarding procurement strategies, Coesia periodically evaluates and selects its suppliers considering various criteria, including:

- technological and innovation capabilities;
- speed and reliability in responding to customer requests;
- financial soundness:
- management of health, safety, and environmental issues:
- quality performance;
- · economic competitiveness;
- financial rating.

Coesia's strategy in supplier management has a dual objective: on one hand, to develop a robust local supply chain for machined parts to effectively manage tight design and production timelines, and on the other hand, to leverage the total volumes generated by the entire Group for suppliers of commercial components.

Moreover, the Group requires its suppliers to ensure the highest quality standards in compliance with current regulations concerning health and safety of individuals and environmental respect. Therefore, it has established a system for mapping and periodically evaluating their performance using the Supplier Initial Survey (SIS) questionnaire. The evaluation parameters include the presence of quality management systems, production, and facility management systems, delivery punctuality, in addition to the criteria of environmental sustainability and protection of health and safety. Furthermore, the questionnaire serves to promote improvement actions to foster the development of the value chain in terms of quality, sustainability, and competitiveness.

In the future, the Group aims to integrate the country/industry risk dimension into the mapping process to identify potential risks related to human rights violations, environmental issues, corruption, or other unethical practices in the supply chain.

In addition to this process, Coesia has an ongoing risk assessment program for the deliveries of its direct suppliers, especially those that provide highly specialized and not easily replaceable goods and services. This analysis considers criteria such as financial stability, the presence of intellectual property rights, and the efficiency level of the supplier's facilities and production equipment.

## GENERAL TERMS OF PURCHASE AND IT SUPPORT

To harmonize purchasing procedures across different companies within the Group, general purchasing conditions have been developed, and their global implementation is ongoing. In 2022, the Group continued to utilize its purchasing portal, which features a platform for communication and sharing among various purchasing offices. This includes procedures, analyses, best practices, initiative status, and the risk level of each supplier. Through this platform, Coesia has enhanced information exchange. This IT support system is instrumental in coordinating various activities at central level.

# THE INITIATIVES IN FAVOR OF SUPPLIERS: REVERSE FACTORING PROGRAM AND TRAINING

The Reverse Factoring program, initiated in 2019, was also confirmed for 2022. Through this program, suppliers can access favorable credit at low costs. The program has received positive feedback, particularly for the Group's efforts in ensuring payment continuity even during uncertain periods.

Additionally, training activities for some companies within the Group's suppliers continued in 2022. These activities aim to understand the supplier internal processes and enhance delivery reliability. Through these efforts, Coesia aims to generate mutual benefits for both the Group and its suppliers, who can leverage the acquired skills to improve production processes and the provision of goods and services.

#### THE GROUP'S SUSTAINABILITY ROADMAP

To strengthen its commitment to responsible supply chain management, the Group has established a sustainability program – the Sustainability Roadmap – with the aim of guiding procurement processes toward a more consolidated and sustainable management of the supply chain. In this regard, the Group has developed and shared with its suppliers a Supplier Code of Ethics. The document, currently under review, clearly outlines the standards that the Group aims to uphold on issues such as ethics, labor practices, human rights, health, safety, and environmental respect.

#### HUMAN RIGHTS IN THE SUPPLY CHAIN

The Group is committed to ensuring the respect and protection of the fundamental rights of all persons involved in the supply chain, both workers directly employed in Companies and those working at suppliers, subcontractors, and other organizations involved in the production. In general, the majority of the Group's suppliers operate in contexts where the risk of human rights violations is not significant.

Through its Code of Ethics, Coesia aims to raise awareness among its employees, including those involved in supply chain management, about human rights issues and the standards to be upheld to ensure their protection.

Furthermore, the Group has planned to introduce, by 2024, considerations related to the respect of human rights along the value chain among the criteria for supplier selection. For contracts that involve the supplier's presence at the Group's locations, a qualification process is in place to verify consistency with the service provided, compliance with contributions, and the existence of a regular employment relationship with the personnel employed.

#### MANAGEMENT OF GOODS AND RAW MATERIALS

Raw materials are a fundamental requirement in the components designed by the technical offices of the Group.

The majority of purchased raw materials consist of semi-finished or finished components. Only a small portion is directly purchased for internal production. Specifically, the most significant portion of expenditure on semi-finished goods (70%) is directed towards the purchase of steel, followed by aluminum (20%), and, to a lesser extent, stainless steel and polymers (5%). Regarding materials used for packaging, almost the entire expenditure (89%) is attributed to the purchase of wood, while a minority portion is allocated to plastic (8%) and paper (3%).

At a strategic level, Coesia diversifies its suppliers of raw materials to reduce dependence on any single supplier and simultaneously mitigate the risk of supply chain disruptions. The diversification process involves identifying alternative suppliers in different geographical regions or seeking suppliers with flexible production capacities.

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

Concurrently, Coesia has implemented a stock management system to avoid excessive or insufficient raw material inventories. This allows the Group to plan orders based on forecasted demand and reduce the risk of obsolescence for raw materials and finished products.

As part of the Sustainability Roadmap, Coesia also intends to introduce environmental and sustainability criteria related to materials and raw materials into the procurement processes.





# 8.1

# THE VALUE DISTRIBUTED TO STAKEHOLDERS

In 2022, Coesia generated an economic value of 2,045.4 million euros, showing a 7% increase compared to 2021 (1,911.7 million euros) and a 14.5% increase compared to 2020 (1,786.2 million euros). Of the overall economic value generated in 2022, 87.8% – equivalent to 1,796.6 million euros – was distributed to stakeholders, marking an increase of 23.2 million euros compared to 2021.

A majority share of the distributed value, 1,112.0 million euros (54.4% of the total), was allocated to suppliers in the form of operating costs. Following them are the employees, who received 615.1 million euros, accounting for 30.1% of the total generated.

A smaller portion of the generated value was allocated to capital providers, amounting to 32.7 million euros (1.6% of the total generated), and to the Public Administration, 35.9 million euros (1.8% of the total generated), while no dividends were distributed to shareholders.

The economic value retained by Coesia, complementary to the generated value, amounts to 248.8 million euros, representing 12.2% of the total generated.

In 2022, Coesia reaffirmed its commitment to the communities in which it operates, allocating 0.9 million euros to initiatives in support of them. Further details on the main funded initiatives are provided in <u>section 8.2</u> "The relationship with the community".

#### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED - ABSOLUTE (M€)

	2020	2021	2022
Direct economic value generated	1,786.2	1,911.7	2,045.4
Economic value distributed	1,553.8	1,773.4	1,796.6
Suppliers	953.4	1,017.8	1,112.0
Employee	543.7	579.9	615.1
Capital providers	32.0	131.4	32.7
Public Administration	20.0	44.5	35.9
Community	4.7	5.1	0.9
Economic value retained	232.4	138.3	248.8



# 8.2

# THE RELATIONSHIP WITH THE COMMUNITY

All Coesia companies are committed to supporting the well-being of the communities in which they operate by promoting collaborations, relationships, and partnerships with institutions, and associations.

Coesia supports various projects on topics such as social inclusion, disabilities, immigration, and collaborates with institutions, foundations, non-governmental and non-profit organizations in scientific research, healthcare, cultural, educational, and sports initiatives.

#### **COESIA IN SUPPORT OF UKRAINE**

In 2022, Coesia assisted the Ukrainian population affected by the recent conflict by supporting:

- families that welcomed Ukrainian family units in an integration program through the "Vesta Project" of the Municipality of Bologna. The project includes providing legal assistance, linguistic mediation, school or work placement, educational and psychological support;
- the purchase of meal vouchers for Ukrainian families residing in the Bologna area;
- the purchase of medicines and medical devices and their dispatch to the country through the Ukrainian Embassy in the Vatican;
- Free access for 300 Ukrainian children and teenagers, aged 3 to 16, to attend summer centers in the Bologna metropolitan area, including the learning of the Italian language.

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

Coesia's Companies are committed to innovation both internally and in the territories they are part of, collaborating with institutions and universities to promote a virtuous cycle that combines the growth of knowledge within the company boundaries and extends to the community, and vice versa.

The Group's Companies have always had a special connection with the University of Bologna, manifested in the parneships with the Degree Course in Industrial Heritage Design with a professional focus on Mechatronics. Coesia also contributes to technical and specific training programs and research projects.

In 2022, research doctorates were activated both with the University of Bologna and the Polytechnic University of Turin on topics such as artificial intelligence, sustainable innovation management, systems for energy transition, and sustainable production processes.

The Istituti Tecnici Superiori (ITS) are Foundations established in Italy in 2008, with founding members including companies, local authorities, higher technical institutes, universities, and training institutions. Among the companies in the Group, G.D is a member of the ITS Maker Foundation, the Higher Institute for Mechanics, Mechatronics, Automotive Engineering, and Packaging of Emilia-Romagna, since its establishment. It actively participates in governance, contributes to courses through its engineers, and hosts two interns each year who attend the two-year post-diploma program at the Group's Companies in Bologna.

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

MAST is a model of integration between business and community where spaces and contents, from the Nursery School to the Gallery, from the Auditorium to the Corporate Restaurant, are made available to employees and the community in a common cultural platform.

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

#### THE GALLERIES OF THE MAST FOUNDATION

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

The MAST Photo Gallery is an exhibition space hosting temporary exhibition of industrial and work-related photography. The exhibition program alternates thematic and monographic projects, historical exhibitions, and proposals from contemporary authors, drawn from the MAST collection, which has over 5,000 works, or from other archives, international institutions, and private collections. Each exhibition is accompanied by a program of talks, meetings with protagonists of the world of photography, film reviews, hosted in the MAST Auditorium, workshops for children and young people, free and open to the public.

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

#### MAST NURSERY SCHOOL

The MAST Nursery School is an innovative educational service open to both the children of Coesia employees based in Bologna and those from the city's community. It offers a high-quality educational experience to over a hundred children from three months to five years old. Active since 2012, it is a place of encounter, discovery, experimentation, and research for children, teachers, and families, with cutting-edge educational programs inspired by the Reggio Children Approach. Spread over an area of over 1000 square meters and surrounded by a garden with a playground, it has been designed as a space where light, colors, and the environment are an integral part of the educational project.

#### **EXPEDITIONS**

Expeditions is a project for transversal skills and orientation, active since 2015, in collaboration with the MAST Foundation and the Regional School Office for Emilia-Romagna. It is aimed at third-year high school students and proposes an 80-hour learning path focused on technological innovation and practical knowledge of the business world. The program is designed to stimulate interest in the culture of doing and entrepreneurship. In 2022, more than 800 students from 25 classes were involved in projects ranging from Industrial Automation, Artificial Intelligence, Packaging Design, Product Marketing, to Sustainability.

#### **COESIA SUMMER CAMP**

The Coesia Summer Camp is organized in collaboration with the MAST Foundation and LGS SportLab for the seventh consecutive year. It is a project aimed at the children, aged between six and thirteen, of employees in the Bologna area. The camp offers sports activities and creative workshops to approximately 145 children to promote their social and emotional development.

#### **SUMMER SCHOOL**

At the sixth edition of the Summer School, a residential educational initiative promoted in collaboration with the MAST Foundation and the Regional School Office for Emilia-Romagna, held in June 2022, 23 third and fourth-year secondary school students from across Italy participated. The project involves six days of intensive training and orientation on cutting-edge topics such as Artificial Intelligence and the Internet of Things. It includes laboratory and team-building activities with engineers, managers, and researchers from the business and university world, sharing and alternating study sessions with talks from national quests.

#### TEN YEARS OF "FARE IMPRESA IN DOZZA" (FID)

The social enterprise FID, established in 2010 by some of the major industrial companies based in Bologna: G.D, IMA, and Marchesini Group, along with the Aldini-Valeriani Foundation, and later joined by FAAC, has been operating within the Dozza prison in Bologna since 2012. In 2022, it celebrated its first decade of activity.

The mission of FID is to provide inmates with a real opportunity for reintegration into civil society once they have served their detention sentence.

In 2022, about fifteen inmates benefited from the project. Three of them, upon completion of their sentences, found employment with the suppliers of the member companies.

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

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

The activity is carried out under the guidance of retirees from the member companies who act as tutors, providing professional guidance and personal growth. In 2022, a total of four tutors were active, joined by two workers from the member companies.

Throughout the year, the sixth course conducted by the Aldini-Valeriani Foundation was completed, admitting thirteen inmates selected through an assessment of potential skills or previous technical experiences, motivation, and relational abilities. As in the past, all participants in the course were hired as their conditions were verified.

In 2022, Professor Alvise Sbraccia from the University of Bologna and Valerio Pascali were entrusted with an evaluative research project on the training and work placement program initiated ten years earlier by FID. The research concluded with a publication titled "La fabbrica in carcere e il lavoro all'esterno: uno studio di caso su Fare Impresa in Dozza," (The Factory in Prison and Work Outside: a case study on FID - Doing Business in Dozza) presented in June 2023 at the MAST Foundation Auditorium.

During the first ten years of FID's activity, the main social achievements are summarized in the following figures:

- 60 inmates trained in mechanical assembly and soft skills;
- 55 people employed;
- 21 former FID collaborators are currently working for the suppliers of partner companies;
- 20 volunteers engaged as tutors, all retired specialized technicians from partner companies;
- 9% recidivism rate for former inmates involved in the FID project, significantly lower than the national average.

# ASSOCIATIONS OF WHICH COESIA'S COMPANIES ARE MEMBERS

As an expression of its interest in the territory, Coesia joins industry associations and other organizations active in the areas where it operates.

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

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

Coesia, G.D, ACMA, CIMA, and SASIB are partners of the "Friends of the Museum of Industrial Heritage" Association, which supports the activities of the homonymous museum aimed at enhancing the historical industrial culture of Bologna and its territory, from the 14th-century silk mills to contemporary innovations.

To strengthen the relevance of sustainability and corporate social responsibility issues, Coesia is a member of Impronta Etica, an association that promotes these goals with companies mainly from the Bologna area, and Sustainability Makers, with a more national scope.





# METHODOLOGICAL NOTE

## METHODOLOGICAL NOTE

The goal of Coesia's Sustainability Report (hereinafter also referred to as the "Report") is to communicate the values, strategy, and performance of the Group in the field of sustainable development and provide a comprehensive overview of the Company's activities, outlining aspects of a corporate culture based on the integration of financial results with social and environmental aspects.

This Sustainability Report is not subject to assurance.

#### THE CONTENT OF THE REPORT

The present Report, published annually, relates to the fiscal year 2022 (from January 1 to December 31) and includes, where available, comparative data for 2020 and 2021.

The reporting standards adopted by the Group for the preparation of the Report are the GRI Sustainability Reporting Standards (hereinafter also referred to as "GRI Standards"), published by the GRI – Global Reporting Initiative and updated in 2021, according to the "With Reference to" option.

The Report accounts for topics identified as material through the materiality analysis. For further details on the process, please refer to Chapter 2, <u>Section 2.3</u>, "Materiality Analysis".

In accordance with the definition provided by the GRI Standard, the definition of material topics is closely tied to the identification of actual and potential significant impacts on the economy, environment, and people, including impacts on human rights. The significance of an actual impact is determined by its severity, while the significance of a potential impact is determined by both severity and the probability of occurrence.

In particular, the severity of an impact was assessed considering three aspects:

- 1. Severity scale: how severe is the impact;
- 2. Scope: how widespread is the impact;
- 3. Irremediable character: how difficult is it to mitigate or compensate for the damage resulting from the impact.

Regarding the specific assessment of potential negative impacts, all policies, procedures, and activities implemented by the Company to prevent and mitigate the identified impact were considered within the evaluation of the probability of occurrence.

Based on the severity and probability, each mapped impact was classified as highly relevant, relevant, less relevant, or negligible. Impacts with very high, high, and low relevance were considered material.

Based on the results of this analysis, within this Report, reference has been made to the GRI Standards listed in the GRI Content Index.

#### REPORTING BOUNDARY

The present Report includes data from all 20 Companies that are part of Coesia (ACMA, ATLANTIC ZEISER, CERULEAN, CIMA, CITUS KALIX, COMAS, EMMECI, FLEXLINK, G.D, GDM, GF, HAPA, MGS, MOLINS, NORDEN, R.A JONES, SASIB, CERAMICS, TRITRON, VOLPAK).

To ensure consistency with financial reporting, IPI S.r.l. has not been included in this Sustainability Report as it was divested during 2022. Any details regarding this are provided within the document.

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#### MAIN CRITERIA FOR CALCULATION

Below are reported the criteria and sources used for the calculation of some performance indicators included in this Report.

#### **HIRINGS AND TERMINATIONS**

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

The number and rate of hires and terminations by gender and age group consist of the ratio of the number of new hires and terminations, by gender and age cluster, relative to the total number of employees in the group. The percentages are calculated based on the total number of women and the total number of men overall, without being related to the number of women and men in the reference age cluster.

#### **ENERGY CONSUMPTION**

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

- District Heating and Electricity: "UK Government GHG Conversion Factors for Company Reporting" from the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2020, 2021 and 2022;
- Natural gas, diesel, petrol, LPG and fuel oil: "Tabella parametri standard nazionali" (Table of National standard parameters" published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA) for the years 2020, 2021 and 2022.

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

Emissions have been calculated in terms of CO<sub>2</sub> 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" (Table of National standard parameters" published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA) containing the values proposed by the UNFCCC National Inventory for the years 2020, 2021 and 2022;
- fuels (diesel, petrol): "Tabella parametri standard nazionali" (Table of National standard parameters" published by the Italian Ministry of Environment and Protection of Land and Sea (MATTM), based on data from the Italian Institute for Environmental Protection and Research (ISPRA) containing the values proposed by the UNFCCC National Inventory for the years 2020, 2021 and 2022;

• 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 the years 2020, 2021 and 2022.

Indirect Scope 2 emissions have been calculated using emission factors from the following sources:

- location-based calculation method: the factors used are those reported in "Confronti Internazionali" published by Terna in 2020 (with 2019 data) for the years 2020, 2021 and 2022;
- market-based calculation method: the factors used are those of 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 (2018 data) for the year 2020. 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 (data 2019) for the year 2021; the "European Residual Mix" published by the Association of Issuing Bodies (AIB) in 2021 and the "Green-e Energy Residual Mix Emission Rate" published by the Center for Resource Solutions (data 2020) for the year 2022.

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

The calculation of Scope 3 Indirect Emissions considered primary data relating to:

- Purchased goods and services
- Capital goods
- Fuel and energy related activities
- Upstream and downstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Use of sold products
- End-of-life of sold products

The calculation of emissions was then carried out using a proprietary database of data and emission factors related to the primary data collected for the various categories mentioned above.

The calculation method used is in accordance with the GHG Protocol and ISO 14067.

For air transport, both domestic and international routes, and for trips by vehicles not owned by employees, 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) for the years 2020, 2021, 2022.



# GRI CONTENT INDEX

# GRI CONTENT INDEX

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Thank you to all the collaborators who contributed to the drafting of the 2022 Sustainability Report.

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

In line with the internal environmental sustainability policy, this document is available only in digital format.

Any printed copies will be prepared upon request.

In order to further enhance our commitment to sustainability, feedback from readers is more than welcome.

For comments and information: communication@coesia.com

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