2025

SUSTAINABILITY REPORT

Bonfiglioli

We engineer dreams

2025 SUSTAINABILITY REPORT

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Letter from the Executive Chairwoman

Dear Stakeholders,

It is with great satisfaction that I present the 2025 Sustainability Report of the Bonfiglioli Group. This document is not only an act of transparency: it is also the story of our strategic journey towards the creation of shared value, which integrates economic growth, respect for the environment and social progress.

In 2024 we consolidated our sustainability strategy, setting ambitious, concrete and measurable goals. During 2025, these objectives were implemented through tangible initiatives, with a view to achieving them in full.

At the heart of our ESG strategy is the Group's new decarbonization plan, which has enabled us to identify targeted actions to reduce the emissions generated both by our operational activities and along the entire value chain.

Our commitment in this area has led us to achieve significant results, including ISO 14064-1:2019 certification, confirming the robustness and reliability of our emission monitoring and reporting systems, and supporting the establishment of increasingly science-based climate goals.

Our people are the engine that drives us on our journey. We constantly invest to promote inclusive and stimulating working environments which can enhance talent, strengthen skills and guarantee the highest standards of health and safety. We are particularly proud that this commitment has been recognized with the Top Employer certification, obtained for the third consecutive year in Italy and extended, for the first time, to our offices in Slovakia, India and the United States. This certification bears testament to our ability to enhance the experience of those who contribute to our growth every day.

Our responsibility extends beyond company boundaries to embrace the communities in which we operate. We support the development of territories at global level, through volunteer initiatives and donation programs. Within this context, we have drawn up a new Charity & Donations Policy, which will be implemented by 2027 and will direct our actions towards areas in line with our values: support for young people, the development of the territories within which we work, and the promotion of STEM disciplines.

Product innovation, combined with high standards of quality and safety, remains a distinctive feature of the Bonfiglioli DNA. In light of this, the AS/EN 9100:2018 certification awarded to Selcom Group serves as an important confirmation of our ability to guarantee excellence, traceability and reliability along the entire production chain, even in highly regulated sectors such as aerospace and defense.

The initiatives and results presented in this report represent a significant milestone in our journey, but not a point of arrival. Bonfiglioli Group will continue to make strategic choices as part of its increasingly sustainable development model, with the aim of generating a positive and lasting impact for future generations.

Sonia Bonfiglioli

ESRS 2: General Disclosures

Criteria for drafting

BP-1 – General criteria for drafting the sustainability statement

BP-2 – Disclosure in relation to specific circumstances

[ESRS 2 BP-1 3, 4, 5.a, 5.bi, 5.c; BP-2 10.a, 10.b, 10.c, 11.a, 11.b, 11.c, 13.a, 13.b, 13.c, 14.a, 14.b, 14.c, 15, 16]

As part of its sustainability journey, the Bonfiglioli Group (hereinafter also "the Group" or "Bonfiglioli") has prepared a Sustainability Report on a voluntary basis for the current year, with reference to the European Sustainability Reporting Standards (ESRS), developed by EFRAG and introduced by Directive (EU) 2022/2464 (CSRD), implemented in Italy with Legislative Decree no. 125 of September 6, 2024. On February 26, 2025, the European Commission presented the Omnibus regulatory package, containing measures to simplify ESG compliance, including the introduction of the so-called *"Stop the Clock"* directive, which provided for a two-year postponement of the entry into force of the obligation for large unlisted companies. Within this context, our Group has chosen to consistently continue its commitment to sustainability, preparing a voluntary report inspired by the ESRS Standards. The *"ESRS driven"* reporting will be progressively refined over the next few years, in order to ensure compliance with all the qualitative and quantitative requirements of the standards, with a view to the mandatory application starting in 2027, with publication in 2028.

The data and information in the 2025 Sustainability Report refer to the period from January 1 to December 31, 2025, in line with financial reporting dates. As such, the report is produced on an annual basis, and where possible, this edition includes a comparison with the year 2024. **[ESRS 2 BP-1 3]**

The reporting scope includes Bonfiglioli S.p.A. and all fully consolidated companies within the framework of the Consolidated Financial Statements. **[ESRS 2 BP-1 5.a, 5.bi]** The information in the Report, with particular reference to Policies, Actions, Targets (PATs) and Metrics, refers to the entire reporting scope. In any case, any limitation of the perimeter of reporting relating to specific data and/or information is clearly indicated and justified on the basis of relevant criteria.

The information presented in the Sustainability Report has been prepared in consideration of the material sustainability issues for the Group and its stakeholders, as defined by the principle of Double Materiality introduced by the ESRS 1 *"General Requirements"* standard. As required by the ESRS 2 *"General Disclosures"* standard, this document delves into the sustainability issues deemed "material" for the Group, as identified by the Double Materiality Assessment (hereinafter also "materiality assessment") carried out in 2024. The latter identifies the impacts, risks and opportunities concretely addressed by our Group (also referred to as IROs) in the performance of our working activities. For more details and insights with regard to the concept of "materiality", please refer to paragraph *IRO-1 "Description of the processes to identify and evaluate material impacts, risks and opportunities"*.

In addition, as also indicated in paragraph IRO-1 *"Description of the processes to identify and evaluate material impacts, risks and opportunities"*, updating the Double Materiality Assessment will require an in-depth analysis of impacts, risks and opportunities, including those pertaining to the Group's value chain.

However, for some indicators, the qualitative-quantitative information refers exclusively to the scope of the Group, given that the data relating to the value chain are not available currently. The relative limitations are clearly indicated in the document. It should also be noted that the Decree provides for the possibility of omitting information on the value chain for the first three years of reporting, provided that adequate reasons are provided. In addition, if it has not been possible to collect the required information on the value chain, the use of proxy estimates or variables, based on reasonable and verifiable data, shall be reported where available. If this estimated information relates to metrics, the assumptions, the basis of the estimates and the level of accuracy thereof shall also be indicated. At present, the quantitative data available for the value chain refer to Scope 3 emissions **[ESRS 2 BP-1 5.c; BP-2 10.a, 10.b, 10.c, 10.d]**, but the Group reiterates it commitment to integrating and expanding the necessary data in subsequent years.

Any estimated data provided in the Report shall be accompanied by appropriate supporting information, which allows the reader to understand the most significant uncertainties that affect them. In this regard, for each quantitative figure identified, information is provided on the possible causes of uncertainty of the measurement. **[ESRS 2 BP-2 11.a, 11.bi]** The information is also accompanied by any assumptions, approximations and judgments made during the assessment. **[ESRS 2 BP-2 11.bii]**

In the event of any changes to the drafting and presentation of sustainability information with respect to the Sustainability Report 2024, these changes are highlighted and justified. In addition, when possible, revised comparative data between the two periods and differences from the original data are disclosed. In cases where this evidence cannot be provided, this will be made clear. **[ESRS 2 BP-2 13.a, 13.b, 13.c]**

Any significant errors in the previous reporting periods are communicated, explaining the nature of the error, any correction to be made, and the potential effects of the latter on the contextual data previously provided. If correction is not possible, the circumstances that caused the error are nonetheless highlighted.
[ESRS 2 BP-2 14.a, 14.b, 14.c]

Where deemed necessary, and without undermining the completeness and comprehensibility of the Sustainability Report, the information is included via reference, which is appropriately indicated each time this occurs. **[ESRS1 122]** In applying this principle, the ESRS disclosure obligations or specific information elements (so-called datapoints) which fall under the aforementioned category and which have been included via reference are clearly communicated and listed. **[ESRS 2 BP-2 16]**

It should be noted that the current or future financial resources allocated to the action plans have not been indicated in this report when deemed non-significant and/or supported within the scope of the relevant professional duties. **[ESRS 2 MDR-A 69.a, 69.b, 69.c]**

During the drafting of the Report, the essential qualitative characteristics of the information were taken into consideration - namely its relevance and faithful representation - together with the qualitative characteristics that improve the usefulness of the data, such as comparability, verifiability and comprehensibility. These principles are defined and described by the ESRS 1 "General Requirements" standard in Appendix B, which deals with the "Qualitative characteristics of information".

The details of the reported indicators are set out in the ESRS Content Index, which can be found in the "Appendix" section of this document. This section also contains the table "Appendix B" linking the information prescribed by other regulations stipulated by the EU with regard to sustainability and ESRS reporting obligations – both transverse and thematic – as disclosed in the Group's 2025 Sustainability Report. **[ESRS 2 BP-2 15]**

In conclusion, the process of drafting this Report saw the involvement and collaboration of the heads of the main corporate functions of the Group, both in the Double Materiality process (described in detail in the dedicated chapter) and in the compilation of the qualitative-quantitative content. More specifically, the data collection was carried out following a centralized approach, which saw the various functions of the Group Headquarters play a coordinating and supervisory role, both in the collection and in the consolidation of data from the offices distributed across the different regions.

The Sustainability Report is published on the company website, in the "Sustainability" section.

Sustainability governance

GOV-1 – The role of administrative, management and supervisory bodies

[ESRS 2 GOV-1 19, 20.a, 20.b, 20.c, 21.a, 21.b, 21.c, 21.e, 22.a]

We adhere to a **corporate governance system** based on compliance with current legislation, Internal Regulations and the Articles of Association, established with a view to ensuring an organic segmentation of roles and responsibilities, as a primary safeguard of the principles of transparency, loyalty and fairness. The various activities carried out by the corporate bodies are designed to create value in the medium to long term, protecting the company's assets, respecting the rights of shareholders and controlling the risks the company is exposed to.

The governance of Bonfiglioli Group is structured in accordance with the principles of the traditional administration and control system, including the bodies listed below:

- the Shareholders' Meeting;
- the Board of Directors (BoD), within which a Chair (and Executive Director) and Non-executive Directors are appointed;
- the Board of Statutory Auditors.

In particular, as the body responsible for the decision-making process, the Board of Directors of the Parent Company is entrusted with the powers of management. Meanwhile, supervisory functions fall to the Board of Auditors, and accounting control and auditing activities are entrusted to the auditing company engaged by Bonfiglioli.

With regard to sustainability issues, during 2025, the administrative, management and supervisory bodies participated in an ESG training program designed to provide up-to-date knowledge on the main environmental, social and governance areas. In particular, the course - which included a final test and a certificate of participation - provided an overview of the European regulatory framework and the reporting standards adopted for the Sustainability Report, delving into the concepts of the Double Materiality Assessment, the Sustainability Plan and the carbon footprint of the Group (scope 1, 2 and 3). At the same time, the training placed these aspects into the context of the sustainability journey undertaken by the Group in recent years, highlighting relevant ESG issues, sustainability objectives and the Group's performance in terms of greenhouse gas emissions. The course was delivered in e-learning mode and made available on the Bonfiglioli Academy platform. **[GOV-1 20.c]**

Board of Directors

The Board of Directors is elected by the Shareholders' Meeting. It is composed of **seven members**, **[GOV-1 20.a]** including the Chairwoman, Sonia Bonfiglioli, who holds the highest position. Temporarily, the Chairwoman is the only executive member with delegations of power, while the remaining members hold a non-executive role. **[GOV-1 21.a]** Of the seven members of the Board of Directors, **four** (**57%**) are **independent Directors**, i.e. they do not hold executive positions and are committed to ensuring that social decisions are taken for the benefit of all shareholders. **[GOV-1 21.e]** All directors have sufficient experience relating to the company's sectors, products and geographical areas. **[GOV-1 21.c]**

A structure of this type is considered important in order to ensure transparency, fairness and propriety in business decisions, avoiding external influences that could compromise the integrity of the management of the company.

Members of the Board are appointed for a period of **three financial years**, and can be re-elected. The directors must meet the requirements of eligibility, professionalism and integrity, as provided for by law. At the time of appointment, the absence of any situation of potential conflict of interest is also confirmed. Furthermore, following the appointment to the role during the management activity, if a director finds themselves in a situation of conflict of interest in relation to a certain operation, this must be presented to the Board of Directors. [GOV-1 20.b]

Below is the structure of the Board of Directors[1]:

Name	Gender	Role	Executive/Non-executive	Independence
Sonia Bonfiglioli	F	Chair of the Board and Director	Executive	Not Independent
Luciano Bonfiglioli	M	Director	Non-executive	Not independent
Federica Guidi	F	Director	Non-executive	Independent
Roberto Carlo Testore	M	Director	Non-executive	Independent
Giampiero Bergami	M	Director	Non-executive	Independent
Alec Ross	M	Director	Non-executive	Independent
Massimo Sarti	M	Director	Non-executive	Not independent

[GOV-1 19, 20.a, 20.b, 21.a, 21.d, 21.e]

Men constitute 71% of the Board of Directors. **[GOV-1 21.d]** Furthermore, while we are constantly committed to ensuring dialog with and representation of our employees, the Board of Directors does not currently provide for the direct presence of a representative of the Group's employees. **[GOV-1 20.a, 21.b]**

The Board of Directors of the Parent Company is vested with the broadest powers for the ordinary and extraordinary administration of the Company, without prejudice to the need to seek authorization in the cases required by law or by the Articles of Association. In particular, it has attributed powers of ordinary and extraordinary management of the company to the Chair of the Board of Directors, some to be exercised with a single signature, others jointly with the Chief Executive Officer.

It is also the responsibility of the Board of Directors to supervise the analysis and monitoring of impacts, risks and opportunities related to sustainability issues, making use at operational level **of the support of the Group's Sustainability Team**, as described in more detail in the paragraph dedicated to the **"Sustainability Plan"**. The contents of this plan were validated during a plenary session attended by the Chairwoman and CEO of the Group, in order to assess its feasibility and understand its consistency with the organization's medium-long term strategic guidelines.
[GOV-1 22.a, 22.d]

Furthermore, each foreign subsidiary, regardless of its corporate name, appoints a **Country Manager and a Finance Manager** as senior operating figures; these individuals act according to specific delegations within a **governance model imposed by the Parent Company**. This model, approved by the Administrative Body of the subsidiary and signed for acceptance by the Country Manager and the Finance Manager, imposes a series of controls and limits on their work.

Finally, it is important to remember that the members of the Board of Directors - supported also by external consultants for the management of ESG aspects, **[GOV-1 23.a]** - can count on a combination of professional skills that enable compliance with regulations to be ensured, reducing the likelihood of incurring regulatory violations and reputational damage.
[GOV-1 23.b]

Board of Statutory Auditors

The Board of Statutory Auditors operates as an independent body, and is responsible for monitoring the correct management of the company, as well as expressing opinions on the adequacy of the organization and the administrative-accounting structure prepared by the directors. Through its activities to monitor and ensure compliance with the law and the Articles of Association, it contributes to ensuring responsible and sustainable management of the company, protecting the interests of shareholders and stakeholders.
[GOV-1 20.b, 22.a].

Through its supervisory role, the Board of Statutory Auditors plays a fundamental part in promoting efficiency and a deeply-rooted culture of responsibility, promoting the adoption of an integrated and transparent approach in company management. **[GOV-1 20.b, 22.b]** To this end, it monitors the company processes and procedures in place, assessing the effectiveness of internal controls. **[GOV-1 22.d]**

1 *The information in the table refers to the Board of Directors in office as of 31.12.2025.*

Below is the composition of the Board of Statutory Auditors[2] of Bonfiglioli S.p.A.:

Name	Gender	Role
Alessandro Gualtieri	M	Chair of the Board of Statutory Auditors
Monica Marisaldi	F	Standing Statutory Auditor
Biones Ferrari	M	Standing Statutory Auditor
Stefania Ricchieri	F	Alternate Statutory Auditor
Paolo Azzolini	M	Alternate Statutory Auditor

[GOV-1 19, 20.a, 20.b, 21.a, 21.d, 21.e]

The composition is periodically reviewed to ensure compliance with the requirements of independence, integrity, good repute and professionalism, thus ensuring fair and transparent representation. In fact, 40% of the members of the Board of Statutory Auditors are women. **[GOV-1 20.a, 21.d]**

Supervisory Body

The Supervisory Body, which is in charge of monitoring the application of and compliance with the Code of Ethics, was appointed by the Board of Directors. In light of the nature of the Group's business and organizational structure, the Board of Directors decided to adopt a collegial composition for the Supervisory Body.

The SB is composed of three members, with a female representation of 33%, chosen on the basis of strict criteria of autonomy, independence, professionalism and integrity. Members must have specific skills in inspection, consultancy and risk analysis, as well as in-depth knowledge of regulations and administrative-accounting techniques. **[GOV-1 20.a, 21.d]** The Supervisory Body (SB) of the Parent Company is tasked with ensuring that the Organization, Management and Control Model is adopted and implemented correctly, preventing the occurrence of the offenses provided for by Legislative Decree 231/2001. **[GOV-1 19]**

To ensure full compliance with Italian Legislative Decree 231/2001, the Supervisory Body reports directly to the senior management of the company, while maintaining constant contact with the Board of Statutory Auditors. In addition, the Supervisory Body is completely independent of company operations and any hierarchical relationships, thus ensuring maximum autonomy and independence in the exercise of its functions. In fact, the members of the SB are bound by strict independence requirements and must not hold executive positions on the Board of Directors, nor have significant relationships with the company or with the managing directors.

The decisions of the SB are supported, where necessary, by all company functions, and may use external consultants for specialized tasks or for special requirements. In order to fully perform its functions, the Supervisory Body has autonomous powers of initiative and control.

Below is the composition of the Supervisory Body[3] of Bonfiglioli S.p.A.:

Name	Gender	Role	Executive/Non-executive
Pierluigi Lucchini	M	Chair of the Supervisory Body	Non-executive
Ettore Raspadori	M	SB member	Non-executive
Simona Bonini	F	SB member	Non-executive

[GOV-1 19, 20.a, 21.a, 21.d, 21.e]

We have also adopted a Whistleblowing Channel, a key system to ensure transparency and integrity within the organization. This channel allows employees, partners and third parties to report any violations or illegal conduct that may compromise the company's operations and violate current legislation, including Italian Legislative Decree no. 231/2001 and the new Legislative Decree no. 24/2023 on Whistleblowing.

2 *The information in the table refers to the Board of Statutory Auditors in office as of 31.12.2025.*
3 *The information in the table refers to the SB in office as of 31.12.2025.*

The Group's Supervisory Body is responsible for monitoring and verifying the effectiveness and continuing adequacy of these information channels. This commitment ensures that the company operates in an environment where violations can be promptly identified and corrected, thus preserving the values of legality and ethics.

Remuneration Committee

The Remuneration Committee was established internally by the Board of Directors and has proactive and advisory functions: indeed, following the proposals put forward by this Committee, the Board of Directors establishes the policy for the remuneration of executive directors or those with particular roles, as well as managers with strategic responsibilities.

The Committee consists of two members, neither of whom hold executive roles in the company. It is required to meet at least once a year, and in order for its meetings to be deemed valid, the presence of a majority of the members is required. Specifically, the Committee is always responsible for assessing the adequacy and consistency of the remuneration policy, as well as for submitting proposals or opinions to the Board.

HEADQUARTERS

PRODUCTION SITES

COMMERCIAL SITES

SELCOM GROUP

AUSTRALIA

BRAZIL

CHINA

FRANCE

GERMANY

UNITED KINGDOM

INDIA

ITALY

NEW ZEALAND

SINGAPORE

SLOVAKIA

SPAIN

SOUTH AFRICA

TURKEY

USA

VIETNAM

Sustainability strategy and objectives

SBM-1 Strategy, business model and value chain (Sustainability Plan)

[ESRS 2 SBM-1 40.a, 40.e, 40.f, 40.g]

Our Group designs, manufactures and distributes a wide range of gearboxes, gearmotors, drives and inverters, which can meet the most complex demands in the industrial sectors of automation, mobile machinery and renewable energy. Founded in 1956 by Clementino Bonfiglioli as Costruzioni Meccaniche Bonfiglioli, our company was distinguished from the outset by its production of worm gears, designed by the historic founder for local industries in the packaging sector.

The Bolognese company quickly achieved considerable success, and in just a few years, it became a leading name in several sectors including industrial automation, mobile machinery and wind energy.

17 PRODUCTION SITES

23 COMMERCIAL SITES

80 COUNTRIES

550 DISTRIBUTORS

~5,000 PEOPLE

We lead the global market with ***comprehensive and efficient solutions****,* ***supporting our customers*** *with dedicated services ranging* ***from co-engineering to after-sales assistance****.*

We engineer dreams

Shared purpose

We exist to ***engineer dreams****.*

To turn our customers' challenges into ***concrete solutions****.*

Through our work, we make their dreams become ***reality****.*

Mission

We have a relentless commitment to ***excellence****,* ***innovation*** *and* ***sustainability****. Our team creates, distributes and supports* ***world-class power transmission and solutions to keep the world in motion****.*

Values

CHALLENGE

We search for limits, then overcome them through innovative ideas, cutting-edge products, and unrivaled performance.

RESPECT

We explore different cultures, religions, and experiences to turn diversity into a resource and pursue sustainable economic growth in harmony with the environment.

ACCOUNTABILITY

We put our heart into everything we do, to improve ourselves and set an example for others, because the efficiency of a team begins with that of the individuals in it.

WINNING TOGETHER

We foster talent to generate and share the knowledge that leads to success.

"Our values are the foundation; our drivers are the engine of our future."

CUSTOMER CENTRICITY

Shaping our organization to deliver enduring customer value.

ENGINEERING AND INNOVATION

Focusing on technical expertise to tailor innovative solutions.

OPERATIONAL EXCELLENCE

Leveraging continuous improvement to ensure world-class manufacturing.

STRONG CULTURE & COLLABORATION

Nurturing a global culture to drive sustainable growth together.

Thanks to an international network of production sites and commercial sites which are closely connected, we maintain high quality standards all over the world. Over time, our family has expanded, with the awareness that in order to achieve long-term success, a physical presence in local markets is essential. Bonfiglioli Group's leadership can be found in 80 countries today, with 17 production sites, 23 commercial sites, a global network of 550 distributors and around 5,000 professionals worldwide.

In **New Zealand**, in 2025, the Group officially opened its new headquarters in Auckland, consolidating Bonfiglioli's leadership in the region, in line with the vision of a Global Family Company capable of offering excellent local support. This initiative also represents a strengthening of service standards in the region, providing customers with guaranteed access to superior quality assistance and an agile response to specific local technical needs: this demonstrates how proximity to the customer is an essential pillar of the Group's competitive excellence at global level, as well as a key element in facing the challenges of the future in individual markets.

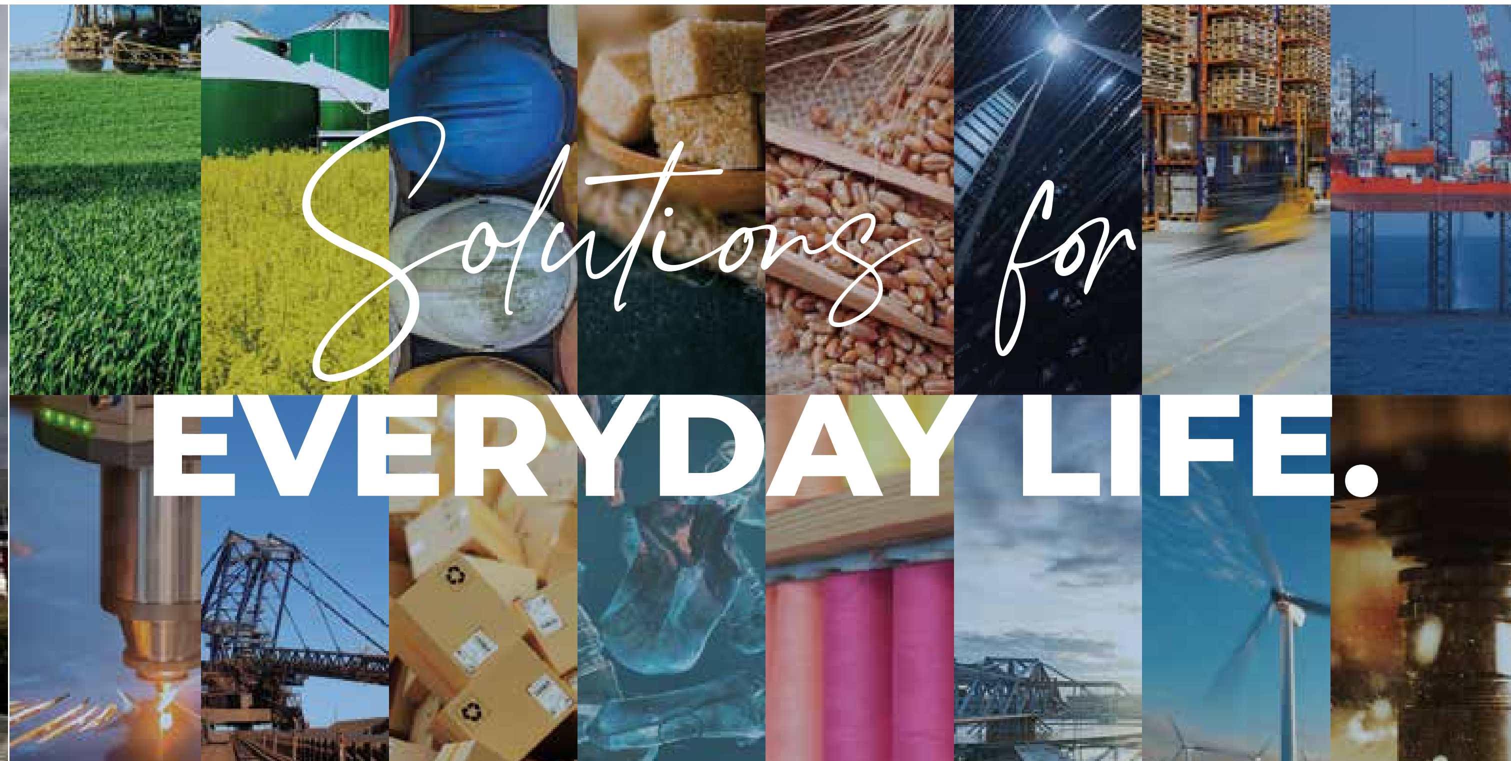
Our approach to sustainability is rooted in the Group's mission, where it is of prime importance, together with the principles of quality excellence and technological innovation. Indeed, our Research and Development, Quality and Production departments are constantly committed to ensuring the highest quality standards, from research into new technologies and solutions to the production of each individual component.

For some time, we have been learning towards a new business model, which is no longer based on simply selling products, but rather on offering integrated, vertical solutions for individual markets. With a view to improving our value proposition, we decided to consolidate the two **Discrete Manufacturing & Process Industries and Motion & Robotics** business areas into the new **Industry & Automation** Business Unit.

Accordingly, our three business areas, **Industry & Automation Solutions (I&A), Mobility & Wind Industries (M&W) and Selcom Group (SEL)** aim to integrate all the know-how and experience necessary to support the growth of our customers, allowing us to fully meet their application needs.

The Industry & Automation Solutions business area responds to the ever-changing needs of industrial processes and automation. Courtesy of our technologically advanced production plants and dedicated services, and with a focus on sustainability and innovation, the company is able to serve more than 20 industrial sectors, including packaging, logistics, food and beverage processing, materials processing, mining, recycling and biogas production.

Finally, the Mobility & Wind Industries Business Unit offers the widest range of gearmotors currently available on the market. Its product portfolio includes drives for linear motion, rotation, winches, and other potential applications, all of which can be customized to meet any customer requirement.



Accordingly, the concepts of excellence, innovation and sustainability are at the core of the Group's strategic objectives, underlining our daily commitment to creating shared value with all stakeholders.

Since the acquisition of Selcom Group in 2023, we also operate in the market as manufacturers of customized electronic solutions for various industrial sectors[4]. Selcom is a mechatronic services partner, which designs and manufactures customized electronic solutions.

We are aware of the importance of our contribution on the issues of environmental and social responsibility, and as such, have chosen to strengthen the alignment between the SDGS and our company strategy, through a tailored policy and a structured action plan. The Sustainability Policy, approved in 2023, includes a series of commitments that have been broken down into specific objectives to be achieved over the following year, through the drafting of a Sustainability Plan. For more details, please see the "**Sustainability Plan**" sub-section.

As testament to our commitment to measuring our ESG performance, EcoVadis, one of the world's leading agencies for assigning corporate sustainability ratings, confirmed the same score as the previous year for Bonfiglioli Riduttori S.p.A. in 2025.

EcoVadis ratings demonstrate a company's efficiency in integrating sustainability principles into its operating and management system. The assessment covered four areas: **Environment, Health and Safety, Ethics and Sustainable Procurement**. Both goals therefore represent a further step in the **Bonfiglioli Group's sustainable growth strategy**, highlighting the tangible nature of our initiatives and confirming our ability to create long-term value and maintain a competitive advantage on global markets through responsible performance.

Finally, our commitment to promoting a sustainable working environment that is focused on the well-being of our people was also recognized: the Group was awarded first place in the *sustainability* category of the 2025 edition of the "**HR Mission 2025**",by the **AIDP [5] Labor and Sustainability Foundation** at the Milan Stock Exchange. The award was given for the innovative sustainable mobility project developed in collaboration with external bodies and companies in the area of Calderara di Reno, in the province of Bologna.

4 *In the first half of 2023, Bonfiglioli completed the acquisition of 100% of the capital of Selcom Group S.p.A. Unipersonale. Selcom Group is a global EMS (Electronic Manufacturing Services) and ODM (Original Design Manufacturing) company that designs, tests and manufactures custom electronic solutions for various sectors including industrial automation, biomedical equipment, the home appliance industry and the electric mobility industry.*

5 *Italian Association for Personnel Management*

Sustainability Plan

The Sustainability Plan was prepared in consideration of the principles reaffirmed by the Group's Sustainability Policy, current and future regulatory requirements and the business models that are currently being defined, including through the implementation of new projects and research and development activities. The ultimate purpose of the Plan is to serve as a tool that guides the Group's strategic vision, defined at corporate level, in order to promote new organizational synergies.

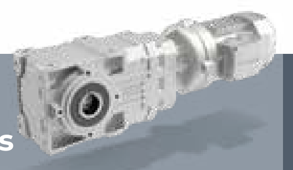
In particular, a structured "**bottom-up**" path has been initiated, which saw the main corporate functions (Legal & Corporate Affairs, R&D, Administration, Finance & Controlling and Strategic Purchasing, QHSE...) engaged in identifying specific areas for improvement, both at the level of internal operations and along the value chain: with respect to each of these, specific objectives were then established for each issue deemed "material". The (qualitative-quantitative) targets identified were then related to the three areas into which the concept of sustainability is divided: Environmental, Social and Governance. This has allowed us to guarantee a coherent and integrated vision, fundamental for the achievement of medium-long term objectives, and to ensure that every action implemented is concretely aimed at achieving the objectives of the Plan. **[MDR-T 80.a, 80.h]**

The Group Sustainability Plan was shared with Group Chairwoman Sonia Bonfiglioli in December 2024. The targets are in any case subject to a periodic review process, in order to evaluate the success of their implementation and to take corrective actions, where necessary. To this end, the Group's Management Team has planned an update to the Sustainability Plan for 2026, which will allow the objectives defined and published in this Sustainability Report to be reviewed in order to ensure that they remain aligned with company strategy and the business context.

Within each chapter, a table is provided that summarizes the objectives established for each ESG and ESRS reference standard **[MDR-T 80.a]**, providing details about the level of the objective to be achieved ("Target" column) **[MDR-T 80.b, 81.b]**, the scope of the objective ("Scope" column) **[MDR-T 80.c]**, the base value and the base year from which progress is measured ("Base line" and "Base year" columns) [MDR-T 80.d, 81.bii] , the period to which the objective applies ("Target year" column) **[MDR-T 80.e]**, and the state of progress in the financial year ("Status update 2025" column).

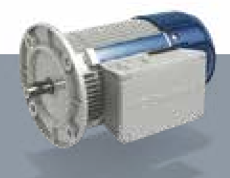
[SBM-1 40.e, 40.f, 40.g]

Our business model: innovation and quality for the benefit of customers



Gearmotors for industrial applications

The gearmotor is an indispensable device in the industrial and engineering field, which enables the input energy of the motor to be reduced in order to obtain a greater torque. We have an extensive range of models specifically tailored to each intended use, beginning with industrial applications. Parallel, coaxial and orthogonal axis models guarantee efficiency, durability and precision, enabling optimal adaptation to specific requirements (*an A-Series Gearmotor can be seen in the photo*).

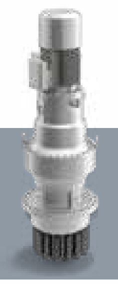


Electric motors

We produce high-performance electric motors which can meet a vast range of requirements in terms of precision, dynamism and speed. Other key features of our electric motors are customization and safety: there are numerous options to choose from, and they all guarantee a safe electrical connection regardless of the environment of use.(*a BCR Series motor can be seen in the photo*).

Inverters and servo drives

We offer a wide selection of standard and premium inverters, servo drives and regenerative units compatible with many kinds of machinery. These products offer maximum control and the possibility of optimizing performance, resulting in extremely advantageous solutions both from an economic perspective and an application point of view (*an Active Cube Inverter can be seen in the photo*).

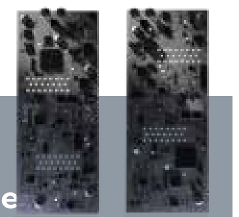


Slew drives

We manufacture slew drives for machines with rotational movement, in the field of construction, agriculture, mining or renewable energy. They allow high torques to be achieved in the smallest spaces, maximizing the performance of the machinery and requiring minimum maintenance (*a 700TW Series Reducer can be seen in the photo*).

Precision gearboxes and gearmotors

Excellence and reliability are the characteristics that unite all the precision devices we make. A broad range of gearbox and gearmotor options that stand out for their versatility, compactness, high load capacity, optimized torque speed and ease of adaptation to different applications. (*a TQ Series Reducer can be seen in the photo*).



Electronic and mechanical compone

Finally, through Selcom Group, we manufacture electronic and mechanical components for the main industrial sectors, such as Home & Professional Appliances. In addition, we also work in the Industrial Automation and Packaging sector, providing electronic and mechanical solutions to optimize production processes and improve operational efficiency.

The main product families of our Group are listed below:

For more information on the solutions developed during 2025, please refer to chapter S4 "*Consumers and end users*". **[ESRS 2 SBM-1 40.ai]**

Gearboxes, gearmotors and inverters are used in a wide range of industrial sectors and applications, thanks to their ability to improve efficiency, control speed and optimize mechanical operations. The main markets of use are as follows:

- Industrial automation sector, where they can be used in robots for handling materials, assembly lines and transport systems;
- Automotive sector;
- Food & beverage sector, where they can be used to operate packaging, mixing and material transport systems;
- Logistics and intralogistics sector;
- Material handling sector;
- Marine and offshore sector, for the construction of lifting machines and port cranes;
- Mining industry, with specific applications for earth handling, extraction and sludge processing;
- Agriculture;
- Wind power sector, for the construction of wind generators;
- E-mobility, where they play an essential role in the power transmission of electric vehicles;
- Recycling, for the collection, sorting, scaling and shredding of waste materials, including in activities in close collaboration with the user.

Our clients range from large multinationals with thousands of operating entities to family businesses with just one or two. **[ESRS 2 SBM-1 40.aii]** With the support of as many as 4,522 employees in 2025, we are able to create crucial devices to improve efficiency, precision and safety in many industrial areas. For more information on the distribution of personnel by geographical area, please refer to chapter S1 "*Own workforce*". **[ESRS 2 SBM-1 40.aiii]**

SBM-2 Stakeholder Interests and Opinions

[ESRS 2 SBM-2 44, 45.a]

As a Group, we place considerable emphasis on **safeguarding relationships with our stakeholders**, providing various kinds of listening moments in accordance with the level of involvement and the specific nature of the stakeholder. The goal of the meetings is to encourage the exchange of ideas, with advantages for both parties, highlighting needs and expectations that would otherwise risk remaining in the background.

The involvement of our stakeholders is essential in order to benefit from the contributions that they can bring to our Group, as well as to promote a fair distribution of the value generated through our business activities. **[ESRS 2 SBM-2 44, 45.aiv]**

Below is a list of the main stakeholder categories involved, accompanied by the respective listening tools and methods for each: **[ESRS 2 SBM-2 45.ai, 45.aii, 45.aiii]**

Stakeholder category	Engagement methods	Frequency
Employees	Training activities (e-learning and in-person) Performance management and feedback analysis Bilateral Technical Committees Individual listening channels (Employee Listening) and anonymous reporting channels (Whistleblowing) Company portal	Continuous
Suppliers	Qualification and assessment during on-site audit One-to-one meetings E-mails/phone calls	Periodic
Customers	Trade Exhibitions Physical and online meetings Audit and evaluation by clients	Periodic
Trade associations	Meeting and events Newsletters	Periodic
Local communities	Participation in local associations Organization of events	Periodic
Investors	One-to-one meetings with investors	Periodic
Shareholders	Periodic meetings with shareholders	Periodic
Partners and distributors	Distributors' audit and qualification One-to-one meetings E-mails/phone calls Events	Periodic
Universities and research centers	Open days Collaboration in research projects and education	Periodic
Trade Unions	Meetings and briefings Working tables	Periodic
Local government bodies	Meetings and briefings Working tables	Periodic

The opinions and interests that have emerged after these meetings represent a starting point in the definition and updating of our strategy, enabling us to establish concrete, tailored development plans, capable of responding to the needs of the stakeholder groups involved. **[ESRS 2 SBM-2 45.av]**

In particular, we place the needs and rights of our employees, who we consider a key group of stakeholders, at the heart of our business strategy. We recognize the importance of creating a working environment based on respect for human rights, promoting an ethical approach to human resource management. Accordingly, through active listening to employees and trade union representatives, we integrate these principles into our business model; further details can be found in S1 "*Own workforce*". **[ESRS 2 S1 12, RA 4, 5]**

Workers in the value chain are another important stakeholder group for Bonfiglioli. As such, year upon year, we reaffirm our commitment to the creation of sustainable practices along the entire supply chain, increasing the number of collaborations and meetings with suppliers and partners. **[ESRS 2 S2 9, RA 4]** This approach reflects the Group's willingness to integrate sustainability into the management of its supply chain, helping to create a positive impact on the entire corporate ecosystem (see chapter S2 "*Workers in the value chain*").

Our dedication to communities is another element that sets us apart; we promote collaboration through specific initiatives described in chapter S3 "*Affected communities*". Indeed, working at global level, we seek to improve people's living standards, both in Italy and abroad, tailoring our involvement to the needs of local communities. **[ESRS 2 S3 7, RA 3**]

Finally, customers and end users are at the heart of our business strategy: their involvement - both direct and indirect - is therefore an integral part of our business model, allowing us to develop products and solutions in line with their needs, including through co-engineering and testing activities, as described in S4 "*Consumers and end users*". **[ESRS 2 S4 8, RA 3]**

Managing impacts, risks and opportunities

IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities

[ESRS 2 GOV-2 26.b, SBM-3 S1 13.b, S2 10.b, S4 9.b, IRO-1 51, 52, 53.a, 53.bii, 53.cii, 53.h, IRO-2 56, 59]

Starting from the first year in which we began non-financial reporting, we have attributed fundamental importance to the identification of sustainability issues that are relevant to stakeholders and to which we must necessarily dedicate greater attention.

In 2024, *materiality analysis* evolved, broadening its perspective from an approach focused on the analysis of impacts only to a more structured approach, in line with the principle of **Double Materiality**, as referred to in the ESRS 1 "*General Requirements*" standard.

The concept of Double Materiality requires taking two distinct dimensions into account: impact materiality (inside-out perspective) and financial materiality (outside-in perspective). In the first case, a sustainability aspect is considered material in terms of impact when it entails significant effects - whether negative or positive, actual or potential - on people or the environment in the short, medium or long term. Conversely, a question of sustainability is material in financial terms when it produces significant financial effects - that is, consequences on the economic-financial performance, current or future, of an organization.

The Double Materiality Assessment carried out by our Group followed a process divided into several phases, briefly described below, including at methodological level. **[ESRS 2 IRO-1 53.a]**

The goal is to provide an overview of the approach used to identify, assess and monitor impacts, risks and opportunities, as well as prioritizing these. The topics deemed relevant in the wake of this assessment are set out in this Sustainability Report, at the beginning of each chapter.

Identification of material impacts, risks and opportunities

In the first phase of the Double Materiality Assessment, a preliminary review of the Materiality Assessment, previously carried out in accordance with GRI standards, was conducted. This activity made it possible to:

- Identify any gaps with respect to ESRS not considered in the previous report
- Evaluate the validity of the themes already mapped, integrating them with recent trends and best practices
- Refine and update emerging themes, including new information and any needs identified.

Subsequently, a mapping process of IROs (Impacts, Risks and Opportunities) was initiated, with a view developing a long list of topics relevant to the Group. The steps followed in order to achieve this were as follows:

- **Preliminary identification** of sustainability issues, based on the elements that emerged from the previous materiality assessment and the analysis of the main sector and context benchmarks;
- **Correlation** with ESRS standards, i.e. alignment of the topics identified with the requirements of Annex A Application Requirements 16 of ESRS 1 ("General Requirements");

- **Mapping of impacts, risks and opportunities** (IROs, so-called "long list impact" and "long list financial"), through an analysis of the Group's business and its value chain, to identify direct and indirect impacts deriving from internal operations (own operations), suppliers (upstream) and strategic customers (downstream). For each impact, the "perimeter of the impact" was then identified, or in other words, "where the impact is generated" (Own Operations and Value Chain). During the next financial year, we are committed to carrying out a more in-depth assessment of the value chain, through a quantitative sectoral analysis ("sector heat map");
- **Sharing and validation** of the long list with the Working Group and the Chairwoman, for further refinement and final approval.

The actual and potential impacts were identified following the sustainability due diligence procedures, thus focusing on the activities carried out by the Group, its business relationships, and the value chain.
[ESRS 2 IRO-1 53.b, 53.bii].

Assessment of material Impacts, Risks and Opportunities (IROs)

The process of assessing Impacts, Risks and Opportunities (IROs) was carried out in 2024 with the involvement of Management Team and the Group's core business lines.

Each IRO was evaluated according to two main criteria, **Magnitude** and **Probability**, using scales of specific values for each criterion. In particular, magnitude was differentiated by impacts, on the basis of *size*[6], *scope*[7] and remediability[8], and by risks/opportunities, considering *economic-financial, qualitative and reputational* aspects. Probability, on the other hand, took into account the historical frequency of the event (event that occurred in the last 3 years), the expected frequency (event that could occur in the next 3 years) and the percentage of incidence on all cases. **[ESRS 2 IRO-1 53.b, 53.cii]**

In accordance with ESRS standards, an "inherent" assessment of the Impacts, Risks and Opportunities was adopted, i.e. net of the safeguards already implemented within the Group. During the evaluation, various aspects were considered in line with the guidelines and indications of ESRS 2 "*General Disclosures*", including:

- **Perimeter**: Impacts, risks and opportunities were divided according to their origins: own operations and value chain.

6 Entity/ degree of relevance means "how serious is the negative impact or how many benefits does the positive impact entail for people or the environment".
7 Scope/perimeter means "how widespread are the positive or negative impacts. In the case of environmental impacts, the scope can be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope can be understood as the number of people negatively affected "
8 Irremediability means "whether and to what extent it is possible to remedy the negative impacts, that is, by returning the environment or the people concerned to their original state". It should be noted that the degree of remediability was applicable exclusively for negative impacts.

- **Impacted factors**: Impacts were assessed in relation to the aspects affected, such as the environment, communities and workforce.

Validation of material Impacts, Risks and Opportunities (IROs)

To identify the material Impacts, Risks and Opportunities (IROs), a threshold mechanism was used which provided for the positioning of all IROs within an evaluation matrix.

Using this approach, it was possible to identify a materiality threshold - that is, to reasonably establish which IROs are below the materiality threshold and therefore not material for our Group.

The materiality threshold, i.e. the minimum level of significance for an IRO and the related sustainability issue to be considered material for Bonfiglioli, was established in line with the indications provided by the technical reference material available at the time of drafting the document (*Implementation Guidance - 3.5 Deep dive into impact materiality - Setting thresholds*). **[ESRS 2 IRO-2 59]** This approach has also made it possible to identify which IROs are below the materiality threshold and therefore not material for the Group.

The identification of the materiality threshold made it possible to select the most relevant IROs, drawing up a short list ad aggregating and identifying the sustainability issues that were significant for the Group.

Formalization of the final results

Once the main business lines of the Group were engaged in the process of assessing Impacts, Risks and Opportunities, we established a final list of material sustainability issues for Bonfiglioli Group.

The results of the Double Materiality Assessment were presented to Chairwoman Sonia Bonfiglioli, who approved them on March 26, 2024. This allows them to be taken into account in business strategy, significant operating decisions and the risk management process. **[ESRS 2 GOV-2 26.b**]

The Double Materiality Assessment will be subject to a periodic review, designed to ensure alignment with the evolution of the internal and external context of the organization. The update is planned for the coming years in line with the evolution of the European regulatory framework and with a view to aligning with the ESRS Sustainability Reporting Standards, which - at the time of preparation of this document - were subject to review by the European Commission following the simplification proposal by EFRAG. **[ESRS 2 IRO-1 53.h]**

The Annex shows the list of disclosure obligations which the Group has fulfilled in the preparation of the 2025 Sustainability Report, based on the results of the Double Materiality Assessment, with a precise indication of the paragraphs in which the relevant information can be found. **[ESRS 2 IRO-2 56]**

Enterprise Risk Management

Starting from the first half of 2024, we rolled out a risk mapping activity (**"Enterprise Risk Management"**), in order to improve the way the Group's risk management activity is structured. This follows a specific logic and assessment scales, which include qualitative-quantitative criteria. The risk assessment activity, both that in progress and for the purposes of 231, was supervised by the Legal & Corporate Affairs Department, and concerns all the business processes of our Group. With a view to ensuring greater stakeholder engagement, the assessment activity necessitated a series of interviews with stakeholders inside and outside the Group: **17 of these involved management** (9 from functions belonging to Headquarters, 3 with Business Unit Managers, 5 with Regional Managers) **and 6 external individuals** (members of the Board of Directors, the Group's most important customers and distributors).

Various types of risks are examined: strategic, operational, legal and regulatory and those pertaining to financial compliance. Among these, the most significant are related to geopolitical changes, especially in the Group's outlet markets, cybersecurity and data protection, as well as any critical issues in the procurement process of the materials used in the production process. Where possible, **the results of the Enterprise Risk Management process have also been revisited in light of the Double Materiality Assessment carried out in 2024 and integrated with the sustainability issues considered most significant**. Following a future update of the Double Materiality Assessment, the results of the ERM will be aligned in a coherent manner, so as to ensure full integration between the risk management process and the evidence that has emerged in the field of sustainability. **[ESRS 2 SBM-3 S1 13.b, S2 10.b, S4 9.b]**

IRO-2 ESRS reporting obligations covered by the company sustainability declaration

For a list of the material impacts, risks and opportunities that have contributed to determining the material issues covered by the disclosure obligations provided for by the ESRS **[ESRS 2 GOV-2 26.c, SBM-3 48.a, IRO-2 54, 46]**, please refer to the tables at the beginning of each chapter. The level of involvement of the Group in the generation of impacts is also indicated. **[ESRS 2 SBM-3 48.civ]**

Environment

ESRS E1: Climate change

Reducing the environmental impact of our activities is a challenge we simply can't ignore.

To achieve this goal, we have made sustainability a shared philosophy, a guide for all our corporate activities, through theresponsible management of our entire production chain.

Protecting the environment is a priority for us: we are constantly committed to responding to climate challenges, making choices that can reduce our environmental impacts and implementing improvements during the design, development and production of our products.

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
E1 Climate change	Current Negative Impact	Contribution to climate change through the generation of greenhouse gas (GHG) emissions in the performance of business activities (scopes 1 and 2). Climate change mitigation activities are designed to implement actions in order to prevent and reduce the magnitude of the negative impact of emissions.	Bonfiglioli Group
	Current Negative Impact	Production of emissions along the value chain (scope 3), with negative impacts in terms of contribution to climate change.	Value chain
	Current Negative Impact	Consumption of natural resources for energy production	Bonfiglioli Group
	Risk	Changes in climatic conditions and/or extreme climatic events (e.g. storms, landslides, floods and coastal inundations, extreme rainfall, extreme heatwaves, etc.) with negative impacts in terms of raw material supply and impacts on the organization's sites.	Bonfiglioli Group
	Risk	Obsolescence risks related to the transition to a low-carbon economy with risks related to regulatory, technological, market or reputational changes, with particular reference to the products of the D&P BU that may no longer be marketable due to regulatory changes (greater energy efficiency)	Bonfiglioli Group
	Opportunities	Self-production of renewable energy (photovoltaic energy) at a lower cost.	Bonfiglioli Group

[ESRS 2 SBM-3, IRO-1]

Please refer to ESRS 2 "Managing Impacts, Risks and Opportunities" for more information on the process for identifying climate change-related impacts, risks and opportunities.

Climate Change Mitigation Transition Plan

[E1-1 15, 16a, 16b, 16i, 17]

Although a transition plan for climate change mitigation has not been formally drawn up to date, our **commitment to sustainability** is actualized through a series of strategic activities and projects developed in the three-year period 2023-2025. **[E1-1 17]**

During the last year, in particular, we have formalized the Bonfiglioli Group's overall **"Emissions Inventory**" and **"Decarbonization Plan**", both with the year 2023 as the *baseline* and the following objectives:

- To map and quantify all direct and indirect emissions on a company scale (Scope 1, 2, 3), ensuring a clear and detailed overview of our environmental impact;
- To integrate the results of the previous "Energy Transition Roadmap" and the "Emissions Inventory" in order to define a structured path towards the **reduction of emissions and the energy transition**.

Decarbonization Strategy

The **Decarbonization Strategy** represents an important step in aligning the Group's carbon footprint reduction targets with the 1.5°C global warming limit established by the Paris Agreement. The objectives were defined following the guidelines of the Science Based Targets initiative (SBti) in order to implement an ambitious mitigation plan for the Group, supported by scientific theories. **[E1-1 15, 16a, 16i]**

With reference to **Scope 1 and 2 emissions**, Bonfiglioli has implemented the following decarbonization measures **[E1-1 16b]**:

- installation of photovoltaic panels;
- purchase of renewable electricity certified with Guarantees of Origin (GO) or Power Purchase Agreement (PPA) contracts.

With regard to Scope 3 emissions, given the nature of the business and the base year of reference, the categories defined by the GHG Protocol that are most relevant to the Group have been identified. The result of the carbon footprint assessment indicates that Scope 3 emissions are mainly due to **the purchase of goods** (*Category 1 - Goods and services purchased*) and **the use of the products sold** (*Category 11 - Use of products sold*). The decarbonization levers identified focus on **[E1-1 16b]**:

- use of alternative materials with less environmental impact;
- benefits obtained from the evolution of the Energy Mix of the countries where the goods are sold;
- promotion of research and development activities aimed at improving energy efficiency;
- active involvement of direct suppliers to integrate sustainability and emission reduction criteria into calls to tender and selection processes.

Policies related to climate change mitigation and adaptation

[MDR-P 63, 64, 65.a, 65.b, 65.d, 65.e, 65.f; E1-2 22, 23, 24, 25.a, 25.c, 25.d]

As the years pass, we remain committed to reducing the negative impacts of our activities and generating lasting environmental and social value.

In particular, inspired by the UN's 17 Sustainable Development Goals, we are committed to ensuring sustainable growth in the long term: this requires us to integrate ESG objectives into the Group's business model.

Sustainability Policy

The Sustainability Policy sets out our commitments on several issues, dividing the various aspects of business management in relation to the three spheres of sustainability: **Environmental, Social and Governance**. **[MDR-P 64, 65.d, E1-2, 22, 24]** This document, which consolidates and expands upon previous initiatives, is based on our core values of innovation, excellence, prevention and resource optimization, representing one of the pillars of our sustainable growth model.

Environmental activities require a strong commitment to the responsible management of the entire supply chain. This policy is in fact designed to serve as a strategic tool to address **climate change**, promoting the reduction of the impact of our activities, processes and services on **greenhouse gas emissions**. Our commitment covers both direct emissions **(Scope 1)** and **indirect** emissions related to **energy consumption (Scope 2)** and the **extended supply chain (Scope 3)**. **[MDR-P 65.a, 65.e]**

The main objectives identified in the policy concern **energy efficiency** and the increasing the use of renewable energy, including through the design of sustainable workplaces. **[E1-2, 25.c, 25.d]**

This policy applies to the entire Group, and is also extended to third parties with whom we have professional and collaborative relationships, as well as to the value chain. The concrete implementation of the policy is entrusted to the Supervisory Body, including by sending periodic flows of information. **[MDR-P 65.b, 65.c]** It is also available on company bulletin boards, on BClose, on the website (in the "Sustainability" Section) and on the Zucchetti portal for dissemination to suppliers. **[MDR-P 65.f]**

Business Management Systems

In order to guarantee high quality standards and adequate governance on environmental issues, we have progressively chosen to implement and maintain several Environmental and Energy Management Systems, including the **ISO 14001 Environmental Management** System and the **ISO 50001 Energy Management System**[9]. These certifications were confirmed once again in 2025, bearing testament to our constant commitment to improving environmental performance and energy efficiency. In addition, in 2025, Bonfiglioli Riduttori S.p.A. obtained emissions inventory certification in accordance with the **ISO 14064-1:2019 Standard**.

Below is the list of companies and sites that currently hold ISO 14001 certification:

Region	Country	Company/Branch
EMEA	Italy	**Bonfiglioli S.p.A.** **Bonfiglioli Riduttori SpA Unipersonale** (5 plants), **Selcom Group SpA Unipersonale** (3 plants)
APAC	India	**Bonfiglioli Transmissions Ltd.** (3 plants)
APAC	China	**Selcom Electronics (Shanghai) Co. Ltd**
APAC	Vietnam	**Bonfiglioli Vietnam Ltd.**

In the two-year period 2024-2025, **we developed a strategy designed** to increase the share of electricity from renewable sources, with the aim of reaching the **environmental goals set for 2030**, consolidating our role as a responsible actor in the energy transition. The strategy we have developed is taking shape courtesy of the actions reported in the next paragraph. **[E1-2, 25.a]**

Actions and resources related to climate change policies

[MDR-A 66, 67, 68.a, 68.b, 68.c; E1-3 26, 27, 28, 29.a, 29.b; E1-4 30,31, 32, 33]

Using a systematic measurement and monitoring process, over the years we have become increasingly aware of the environmental impact generated by our activities. Within this context, as reported in the previous paragraph, in 2025 we formalized the **inventory of greenhouse gas emissions for the entire Group**, in accordance with the leading international standards. This result represents an essential step for the **identification of priority areas of intervention and for the planning of actions designed to reduce emissions**.

Below are the main actions that have been carried out, are currently in progress or are planned in order to achieve the Group's objectives and manage IROs in the following areas: **promotion of energy efficiency, energy transition and renewable energies**. **[E1-3, 26, 27, 28]**

Key actions [MDR-A 68.a]	Scope of actions (value chain, stakeholders) [MDR-A 68.b]	Timeframe [MDR-A 68.c]
Installation of photovoltaic panels	Own operations	Constant
Formalization of the Bonfiglioli Group Decarbonization Plan	Own operations and value chain	2025
Optimization and energy efficiency of main activities: ancillary services and general services	Own operations	Constant
Consumption monitoring systems	Own operations	Constant
Installation of electric charging stations for the company vehicle fleet	Own operations	Constant

Of all the steps we have chosen to take, the key actions fall under the interventions and **energy efficiency** measures with regard to the Group's main activities, such as: ancillary services to production (e.g. compressed air) and general services (e.g. lighting). **[E1-3, 29.a]** In fact, in several plants and company sites, we monitor consumption and promote efficiency initiatives, with the aim of ensuring that all sites consume an amount of energy that is in line with their needs, whilst enabling energy management to be constantly optimized.

These activities have allowed us to develop **operational objectives** related to climate change at Group level, involving the production plants and subsidiaries located around the world. Through the adoption of a core metric, which concerns the **consumption of electricity for each hour of production**, as well as more detailed metrics used in plants certified in accordance with the ISO 50001 Standard, we seek to ensure that the KPIs remain **below a certain threshold**. These are different for each plant or site, in light of the fact that these are of different sizes and have diverse energy needs. **[E1-4, 30, 31]**

Monitoring this metric allows us to **understand the actual consumption of electricity** and **develop measures designed to reduce its use**. Based on this, measures are taken to achieve the desired results, which involve **[E1-3, 27]**:

- The adoption of consumption monitoring systems;
- Measurement of the energy consumption of machines/plants/equipment to identify waste and any anomalies;
- Improving efficiency;
- The comparison of electricity consumption with other companies through benchmarking,
- The assessment of the potential for using alternative energy sources in local markets.

Photovoltaic systems

The advantages deriving from the green-focused restructuring process continued in 2025. In particular, in addition to the interventions already completed during 2024 and operational from 2025, we have also completed the installation of two new photovoltaic plants that will start producing renewable energy from 2026: one is located at the Forlì plant, with an installed power of 1,900 kW_p; the other at the plant in Slovakia, with an installed power of 390 kW_p. **[E1-3, 29.a]**

9 *With reference to the ISO 50001 certification, it should be noted that this is held by the company Bonfiglioli Riduttori SpA Unipersonale (3 plants).*

Energy monitoring, optimization and efficiency

Of all the efficiency measures implemented in 2025 or scheduled for 2026, the following are of particular note:

- Interventions and measures to promote **energy efficiency with regard to general services**:
  - LED relamping of outdoor lighting at the Forlì plant, resulting in estimated savings on electricity consumption attributable to lighting of approximately 48,000 kWh/year; **[E1-3, 29.b]**
  - Installation of presence sensors in the bathrooms and on the emergency stairs of the office building at the Forlì plant, leading to an estimated saving in electricity consumption attributable to lighting of about 40,000 kWh/year; **[E1-3, 29.b]**
  - Installation of sensors and timers for dimming and/or switching off LED lighting in the production area at the Rovereto plant. This intervention, completed in 2025, has led to a total estimated saving of 9,500 kWh/year; **[E1-3, 29.b]**
  - Replacement of incandescent lighting fixtures in the production area of the plant in Vietnam; this was started in 2025 and is scheduled for completion in 2026.
- Implementation and set-up of a **system for monitoring electricity consumption related to the main energy** uses at the Rovereto and Vietnam plants, designed to create a database that allows critical issues to be intercepted and intervention priorities to be addressed;
- Interventions and measures to promote **energy efficiency with regard to auxiliary services**:
  - Adjustment of the compressors and the relative compressed air distribution circuit (e.g. lowering of mains pressure, etc.) at the plant in Vietnam;
  - Replacement of the compressor at the SELCOM Shanghai plant (China), using the Energy Performance Contract (EPC) mechanism, which will allow a saving of about 25% on the annual amount of electricity attributable to compressed air. **[E1-3, 29.b]**

In addition, as a Group, we have established quarterly meetings between the representatives responsible for the environmental activities of each plant/branch; starting back in 2024, these are designed to align the activities across the different sites and improve the effectiveness and sharing of the actions taken. This also allows us to verify that each site

is in line with the objectives established, and if this is not the case, to define corrective actions to be implemented

Targets related to climate change mitigation and adaptation

[MDR-T 78, 79.a, 79.b, 79.c, 80.a, 80.b, 80.c, 80.d, 80.e, 80.g]

As confirmation of our commitment to the mitigation of material risks related to climate change, in addition to the Decarbonization Strategy, in 2024 the Group drew up the **Sustainability Plan**, formalizing commitments related to environmental, social and governance aspects. **[E1-4 30]**

The sustainability objectives related to climate change are established annually by our Group, and are based on structured planning processes. Once approved, the targets will flow into the Group's ESG strategy, and will be applied across the entire company.

On a quarterly basis, the degree of compliance with the defined objectives is analyzed internally by the HSE department, in collaboration with the Quality & After Sales department, during meetings with the HSE managers of the various locations. The aim is to assess the company's performance with respect to achieving the target, as well as identifying possible areas for improvement. The targets are set and monitored at Group level, including on the basis of the data collected, in a specific internal database. In particular, the information provided by individual companies is monitored at the level of each plant and in aggregate form, and is available with different levels of detail (e.g. annual or monthly data, by individual plant, by type of branch, etc.). **[MDR-T 79.a, 80.g]**

Target	Short target description	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Climate Change							
Achievement of 100% electricity from renewable sources	A plan is being developed with a view to hitting the target of drawing 100% of electricity from renewable sources, contributing to the fight against climate change and at the same time reducing dependence on fossil fuels	ESRS E1-4 Metrics and Objectives, E1-5 (**Energy consumption and energy mix**)	Own operations	2023	4.8%	2030	6.5%
Definition of a Scope 1 and Scope 2 decarbonization strategy	A decarbonization strategy is being defined that includes the entire Group perimeter, incorporating Scope 1 and Scope 2 emission categories	ESRS E1-4 Metrics and Objectives, E1-6 (**Gross emissions of Scope 1, 2, 3 GHGs and total GHG emissions**)	Own operations	2024	Undefined	2025	Achieved
Definition of a Scope 3 decarbonization strategy	A decarbonization strategy is being defined that includes the entire Group perimeter, incorporating Scope 3 emission categories	ESRS E1-4 Metrics and Objectives, E1-6 (**Gross scope 1, 2, 3 GHG emissions and total GHG emissions**)	Value chain	2024	Undefined	2026	Achieved

The implementation of these ambitious targets is in line with our commitment to climate change mitigation and adaptation, addressing climate-related impacts, risks and opportunities.
[E1-4, 31, 32, 33]

Metrics

[E1-5] Energy consumption and energy mix

Following the project relating to the Group Emissions Inventory, we have **mapped all the energy consumption of the various plants**. This activity, which is fundamental to understanding the Group's total consumption, has also proved useful in terms of reducing emissions and **constantly improving the energy mix**, allowing us to carry out our main activities in a more sustainable way. **[E1-5, 35, 36]**

The following tables show our energy consumption and the energy mix of the Group[10]; as well as the related direct and indirect emissions of greenhouse gases (Scope 1 and Scope 2).

10 The energy consumption data for 2024 and 2025 do not include the figures for the following companies: Bonfiglioli Canada Inc., Bonfiglioli Swiss SA, Bonfiglioli South East Asia PTE Ltd., Bonfiglioli Trading (Shanghai) CO. Ltd., Bonfiglioli Drive Solutions PVT Ltd., Bonfiglioli Transmissions (Aust.) PVT LTD. (located in New Zealand)

[E1-5] Energy consumption and energy mix

Table 1

E1-5, 35, 37, 38, 39, RA 32, 33, 34

Energy consumption (MWh)	2024	2025 [11]
Total energy consumption from fossil sources disaggregated by:	**82279.15**	**84813.99**
a) Coal and coal products	-	-
b) Crude oil and petroleum products	2110.55	5234.49
c) Natural gas	13939.62	17421.52
d) From other non-renewable sources	1556.62	-
e) Electricity, heat, steam and cooling from fossil sources, purchased or acquired	64672.37	62157.98
Consumption from nuclear sources	**-**	**44.52**
Total energy consumption from renewable sources disaggregated by:	**5874.83**	**11514.74**
h) Consumption of fuels for renewable sources, including biomass (also includes industrial and urban waste of biological origin, biogas, renewable hydrogen, etc.)	-	-
i) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	1624.18	7489.05
l) Consumption of self-produced renewable energy without resorting to combustible fuels	4250.65	4025.69
Total energy consumption	**88153.98**	**96328.73**
Share of fossil fuels in total energy consumption (%)	**93%**	**88%**
Share of renewable sources in total energy consumption (%)	**7%**	**12%**
Share of nuclear sources in total energy consumption (%)	**0.0%**	**0.05%**

[E1-5] Energy intensity versus net revenues

Table 2

E1-5, 40, 41, RA 36, 37, 38

MWh / mln €	2024	2025
Total energy consumption of activities in sectors with high climate impact (MWh)	88153.98	96328.73
Net revenues from activities in sectors with a high climate impact (€ million)	€1,190.9 million	€1,172.9 million
Total energy consumption of activities in sectors with a high climate impact compared to net revenues deriving from these activities	**74.02 Mwh/mln €**	**82.13 Mwh/mln €**

11 The data as at 2025 have been estimated for the company Bonfiglioli Transmissions (Aust.) PVT LTD. (located in Australia)

[E1-6] Greenhouse gas emissions[12]

Table 3 and 4

E1-6, 44.a, 44.b, 45.a, 45.b, 46, 47, 48.a, 49.a, 49.b, 50.a, 50.b, 52.a, 52.b

t CO_2eq	2024	2025
Scope 1 GHG emissions		
Gross GHG emissions from Scope 1	**3220**	**4549**
Percentage of GHG emissions from Scope 1 covered by regulated emission allowance trading schemes (%)	0	0

t CO_2eq	2024	2025
Scope 2 GHG emissions		
Gross GHG emissions from Scope 2, location-based	**29951**	**27411**
Gross GHG emissions from Scope 2, market-based	**35921**	**30809**

Total GHG emissions (t CO_2eq) [13]	2024	2025
Total GHG emissions (location-based) (t CO2eq)	**33171**	**31959**
Total GHG emissions (market-based) (t CO2eq)	**39141**	**35357**

* The total emissions includes Scope 1 and 2 emissions.

[E1-6] GHG intensity based on net revenue

Table 5

E1-6, 53, 54, RA 53, 54

GHG intensity based on net revenues (t CO_2eq / mln €)[14]	2024	2025
Total GHG emissions (location-based) (t CO_2eq)	33171	31959
Total GHG emissions (market-based) (t CO_2eq)	39141	35357
Net revenues (€ m)	€1,190.9 million	€1,172.9 million
Total GHG emissions (location-based) compared to net revenues	**27.86 ton CO_2eq/ mln €**	**27.25 ton CO_2eq/ mln €**
Total GHG emissions (market-based) compared to net revenues	**32.86 ton CO_2eq/ mln €**	**30.14 ton CO_2eq/ mln €**

12 The conversion factor used for the calculation of Direct Emissions (Scope 1) in 2024 is DEFRA 2024, and in 2025, it is the DEFRA 2025 version.
The conversion factor used for the calculation of Location-Based Indirect Emissions (Scope 2) was made public by the IEA (International Energy Agency) regarding country-by-country emissions, while the conversion factor used for the calculation of Market-Based Indirect Emissions (Scope 2) was published by the IEA or AIB (Association of Issuing Bodies).
13 The total emissions includes Scope 1 and 2 emissions.
14 The total emissions includes Scope 1 and 2 emissions.

ESRS E5: Resource use and the circular economy

> *In compliance with the highest quality standards, we encourage the use of* recyclable, renewable, reusable materials from local suppliers, *with a view to promoting a sustainable and circular economy.*
>
> *Supplier Code of Conduct.*

The circular economy is an important factor for our Group. For this reason, we commit ourselves daily through **strategic choices aimed at reducing our environmental impact**. We take a responsible and sustainable approach during our activities, from design to development and right up to the manufacture of our products. Thanks to a **constant process of improvement**, we implement innovative solutions that allow us to **optimize resources, minimize waste and actively contribute to the protection of the environment**.

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
E5 Circular economy	Current Negative Impact	Use of natural resources with consequent impact on their availability	Bonfiglioli Group
	Current Positive Impact	Appropriate recycling techniques and internal reuse of raw materials and waste materials deriving from the production process allows a lower environmental impact with regard to the consumption of resources.	Bonfiglioli Group
	Impact Current Negative	Production and inadequate management of hazardous and non-hazardous waste related to manufacturing, including how to dispose of it, with possible negative impacts on the environment and on the health of living organisms.	Bonfiglioli Group Value chain
	Risk	Decrease in the availability and increase in the costs of consumables used, as a result of geopolitical events and regulatory changes.	Bonfiglioli Group
	Opportunities	Implementation of initiatives in the field of circular economy: use of recycled materials (100% aluminum, cast iron and 40-60% steel), with a consequent reduction in the use of virgin raw materials; recovery of production waste for recycling; projects aimed at ensuring an extension of the useful life of the product and improvement of maintenance.	Bonfiglioli Group
	Opportunities	Opportunities related to the transition to the circular economy, connected to regulatory, technological, market or reputational changes.	Bonfiglioli Group
	Risk	Incorrect waste disposal and release of substances harmful to the environment and employees.	Bonfiglioli Group Value chain

[ESRS 2 SBM-3, IRO-1 11]

Please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"* for more information about the process for identifying impacts, risks and opportunities related to the use of resources and the circular economy.

Policies related to resource use and the circular economy

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d, 65.e, 65.f; E5-1 12, 13, 14, 15.b, 16]

In order to manage the Group's impacts, risks and opportunities in relation to the use of resources and the circular economy, we have made our **Sustainability Policy** available, as previously presented in chapter E1 "*Climate Change*", along with the **Supplier Code of Conduct**, outlined in more detail in G1 "*Business Conduct*". **[MDR-P 63, 64, 65.c, 65.f; E5-1 12]**

Supplier Code of Conduct

Specifically, the **Supplier Code of Conduct** is an official document on our website in the "Sustainability" section under the "Governance" category, which contains all the indications and rules that Group suppliers are required to follow to ensure the creation of a profitable and lasting relationship. Among the rules in the document, it is worth mentioning those relating to **waste management**; our suppliers are required to scrupulously comply with all laws and regulations in force on waste management, whether **hazardous or non-hazardous**, ensuring that every phase of their storage, transport and disposal takes place in compliance with **regulatory** provisions and in full **respect of the environment**.

Recipients of the Supplier Code of Conduct are required to comply with international, national and local provisions relating to the use of dangerous substances, refraining from marketing products that may harm health and safety along the entire value chain. In particular, it is their responsibility to acquire and store all the necessary information regarding the management of waste generated during the entire production process, ensuring that the process is correctly carried out from start to finish.

We are conscious of the importance of a sustainable approach, and therefore actively encourage our suppliers to take measures to promote **the differentiation, recycling and reuse of materials**, thus contributing to the transition towards an increasingly circular and responsible economy model. **[MDR-P 65.a, 65.b; E5-1 14, 15.b]**

The Code also aims to raise awareness within the "upstream" value chain on environmental protection issues, fostering sustainable values and ethical principles, including within commercial relations. **[E5-1 16]**

Actions and resources related to the use of resources and the circular economy

[MDR-A 66, 67, 68.a, 68.b, 68.c; E5-2 17, 18, 19, 20.a, 20.d, 20.e, 20.f, RA 13; E5-3 21, 24.e]

Product lifecycle extension initiatives

To ensure a longer life of our products and efficient management of their end of life, we adopt several strategies aimed at optimizing maintenance, repair and responsible disposal.

Replacement of components under warranty: If a product requires the replacement of parts covered by the warranty, the customer has the opportunity to carry out the intervention directly on site. Alternatively, the product can be sent to one of our sites, where we carry out the replacement of the damaged parts.

Maintenance and repair services: We offer our customers the possibility to take advantage of technical assistance services beyond the warranty period, through maintenance contracts. Regular maintenance is essential to maintain the efficiency and service life of our products, reducing the risk of failure and optimizing performance over time.

Repair and regeneration in our plants: Products that require more complex interventions can be sent to our sites, where they undergo repair or regeneration processes to restore them to optimal condition and extend their useful life.

Responsible disposal: When a product is no longer repairable or has reached the end of its life cycle, we provide for its correct disposal, working with partners specialized in the recovery and recycling of materials, in compliance with environmental regulations.

Through these initiatives, we are committed to increasing the useful life of our products, making improvements in terms of mechanical and energy performance and offering efficient solutions to our customers. **[MDR-A 68.a, 68.b, 68.d, E2 20.d]**

Further initiatives

During the course of 2025, we have implemented several initiatives designed to optimize the use of our resources and improve waste disposal processes. The actions that we have implemented, and which are subject to constant monitoring, have been designed at the level of the individual production sites, which have different critical issues to address.

The table below shows the actions we took in 2025 at individual plant level to achieve the Group's objectives and to manage IROs in the areas related to the **circular economy and waste management**. **[MDR-A 68.a, 68.b; E5-2 17, 19, 20.e]**

Key actions [MDR-A 68.a]	Scope of actions (value chain, stakeholders) [MDR-A 68.b; E5-3, RA 13]	Timeframe [MDR-A 68.c]
Waste management improvement	Own operations	Constant
Waste flows analysis	Own operations	Constant
Landfill waste reduction mapping and plan	Own operations	2030
CLOSER	Own operations	End 2027

Waste management improvement

Projects aimed at **improving waste management** and reducing environmental impact continue at our plant in **Slovakia**. The initiative stems from the need to manage a number of issues that emerged during the audits and focuses on four main areas: **labeling of containers** for separate collection within the plant, improvement of **waste separation**, identification of the **main sources of waste** and **reduction of the amount of waste per hour of production**. The project, which started in November 2024, involves the design of a new collection point labeling system optimized according to real production needs, and the monitoring of the volume of waste generated in the different company areas. **[MDR-A 68.a, 68.b, 68.c, E5-2, 20.f]** In addition, a further project dedicated to reducing the production of packaging waste was launched in 2025. **[E5-2, 20.f]**

At the plant in **China**, a specific waste reduction project has been launched targeting packaging contaminated by dangerous substances, through the replacement of primary packaging with a new type that can be reused several times and recycled by the supplier. **[E5-2, 20.d, 20.f]**

Furthermore, in accordance with the sustainability objectives defined at Bonfiglioli Group level, at the plant in the **USA**, we have launched a specific project to reduce the amount of waste delivered to landfills, focusing on wooden and cardboard boxes in particular. **[E5-2, 20.f]**

Waste flow analysis and landfill waste plan

At the **Forlì** plant, we started an analysis of waste flows starting in 2024, designed to understand the flows in order to carry out an analysis of the costs and associated costs. After mapping the waste flows and their values, we will introduce a project aimed at **improving and optimizing the flows**. **[MDR-A 68.a, 68.b, 68.c, E5-2, 20.f]** This project will be extended to all Group plants and branches from 2026. **[E5-3, 21, 24.e]**

CLOSER

The **CLOSER** project, which was launched in October 2024 and lasts 36 months, aims to create a **European supply chain** for the **recovery and reuse of secondary semiconductor raw materials from electronic and industrial waste**, reducing Europe's dependence on imports of critical materials such as silicon, gallium, indium and germanium. Through a pan-European network of stakeholders, the initiative promotes recycling, "urban mining" and circular manufacturing, supporting strategic sectors such as automotive, aerospace and renewable energy. The project we have rolled out sees us at the forefront when it comes to identifying possible circular solutions for the process of electronic waste disposal and the sustainable recovery of materials. **[MDR-A 68.a, 68.b, 68.c, E5-2 20.d]**

Data Driven Insights

In addition to the measures presented so far, the **Data Driven Insights project has been promoted as part of the innovation** project designed to reduce waste in production, minimizing environmental impact and improving the work of operators through the use of artificial intelligence as the basis for the analysis of data collected from the machine tools used. In particular, the project exploits the data collected on the machine to design and implement.

Criteria for choosing partners and suppliers

The former refer to purchasing processes who primarily deal with suppliers of goods and services that are not directly involved in product development (for example, suppliers of offices or outsourced facilities and services). "Direct" purchases, meanwhile, are those that involve goods and services necessary for the creation of final products, such as materials and goods for production. Most **indirect purchases are centralized**; conversely, given their importance, **direct purchases are managed by BUs** (Business Units) and centrally supervised by the Administration, Finance & Controlling and Strategic Purchasing team, which collaborates synergistically in the supplier selection phase.

Accordingly, our goal has always been **to place our trust in responsible partners and suppliers**, encouraging them to adopt the most modern process solutions which comply with the highest and most rigorous standards. Partnerships with companies that comply with the sustainability certifications relating to the industrial area in question are also given precedence. For example, we have introduced the purchase of 100% recycled FSC (Forest Stewardship Council®) paper and cardboard packaging material and PEFC wood packaging (which guarantees the use of certified paper made with cellulose or wood from forests managed in a correct, environmentally-sustainable way, from an ecological, economic and social perspective).

Finally, in order to prevent the use of minerals from conflict or high-risk areas, we require suppliers to certify whether their products contain these materials or not and to declare compliance with Conflict Minerals regulations.

As reiterated by the Supplier Code of Conduct, ensuring full traceability of raw materials and semi-finished products along the supply chain is essential in order to enable the collection of information relating to the places of production and processing of these materials. The Group works with approximately **1500 suppliers** globally, with approximately 60% located in the EMEA area, in line with 2024.

The following graph shows the percentage of products purchased locally (the data only consider direct expenditures, generated by production plants).

Targets related to resource use and the circular economy

[MDR-T 78, 79.a, 79.b, 79.c, 79.d, 80.b, 80.c, 80.d, 80.e; E5-3 21, 22, 23, 24.a, 24.b, 24.e, E5-5 33, 34.a, 34.b]

As a Group, we are committed to implementing objectives in favor **of the circular economy** and to **managing waste responsibly**, reducing its production and limiting disposal in landfills. To achieve these goals, the active **collaboration** of our **workers** and the conscious choices of our **business partners** are key elements in effective waste management.

To this end, we are determined to **minimize waste throughout the entire production process**, promoting **recycling** and **reuse** as sustainable alternatives to disposal. Within this context, several local projects launched in 2022 and 2023 continued into 2024, with a particular focus on the reuse of wood, paper and cardboard packaging. Some of these initiatives have also seen the active involvement of our suppliers, further strengthening our commitment to a circular economy model.
[MDR-T 78, 79.e, 80.c. 80.e]

To give substance to this strategy, we have introduced specific objectives at **production** site level, establishing measurable parameters that correlate the amount of waste generated to the hours of production. This structured approach allows us **to monitor progress effectively**, promoting the **continuous improvement** of our environmental management practices.

Finally, the projects we have developed include those related to **improving management at the end of the useful life** of our products, **extending their useful life**, and prioritizing the repair of products and components. **[MDR-T 78, 79.b, 80.b, 80.c, 80.e; E5-3 21, 22, 23, 24.a, 24.e]**

The table below shows the main objectives identified by the Group in 2024.

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Circular Economy							
Reduction of the rate of waste generated during production (Ton waste/Hours worked by machinery) by 3%	Systematic approach that will result in a significant reduction of waste generated, while improving operational efficiency	ESRS E5-5 (**Outbound Resource Flows**)	Own operations	2024	4.19	2025	5.04
Zero waste to landfill by 2030	*"ZERO LANDFILL WASTE"* - objective linked to the zeroing of waste disposed of in landfills produced at plants/branches" by 2030, aimed at promoting an increasingly circular economy	ESRS E5-5 (**Outbound Resource Flows**)	Own operations	2024	3.6%	2030	2.2%
Formalization of guidelines on the end of life of the product (recycling, reuse and disposal) and implementation of a pilot project	Formalization of guidelines on the end of life of the product by 2027 Implementation of a pilot project on a range of products by 2028	ESRS E5-5 (**Outbound Resource Flows**)	Own operations	2024	Undefined	a) 2027 b) 2028	To be launched

Improvement of Condition Monitoring Systems, IoT technologies, which enable the phase of use in the life cycle of the product to be extended	Refinement of Condition Monitoring models already in use, guaranteeing an extension of the use phase and ensuring product performance (in terms of efficiency, durability, etc.), in line with the standards declared by the manufacturer	ESRS E5-5 (**Outbound Resource Flows**)	Own operations	2024	Not launched	2027	Ongoing
Increasing the number of repaired products	Promoting the service for the repair of products on the market for longer than the warranty period. a) Increasing the number of products repaired in 2025 compared to the previous year; b) Increasing the number of products repaired in 2026 by 10% compared to the previous year.	ESRS E5-5 (**Outbound Resource Flows**)	Own operations	a) 2024 b) 2025	a) 25 b) 43	a) 2025 b) 2026	a) Achieved (43 products repaired) b) Ongoing

In 2024, we introduced our **first measurable waste management goal**, focusing on reducing the rate of waste generated during production. Although the total waste produced in 2025 has decreased by 3% compared to 2024, the rate of waste generated during production activities has increased. This trend is mainly attributable to the reduction in hours worked, which was not accompanied by a proportional decrease in waste not directly related to the production process. This has led to an increase in the index compared to the starting point of 2024. With a view to updating the Sustainability Plan, this objective may be revised in order to align it with the company strategy and the business context.

In 2024 we started out on a strategic path aimed at **redefining the management of our products at the end of their useful life**, with the goal of maximizing **recycling, reuse and responsible disposal**. By **2027**, we are committed to formalizing **clear and structured guidelines** to ensure sustainable end-of-life management of our products. This initiative will be followed in **2028** by the implementation of a **pilot project** on a selection of products, with the aim of testing innovative and scalable solutions. This path represents a fundamental step toward our vision of a **circular economy**, helping to reduce environmental impact and promote a more efficient use of resources. **[MDR-T 80.c, 80.d, 80.e; E5-3, 21, 22, 23, 24.a, 24.b, 24.e; E5-5 34.a, 34.b]**

In **2024**, we launched an ambitious program to **perfect our Condition Monitoring Systems**, advanced IoT technologies that allow us to **optimize the life cycle of our products**. The objective, to be achieved by **2027**, is to **refine and enhance the models already in use**, guaranteeing a significant **extension of the use phase** and ensuring that **performance** - in terms of efficiency, durability and reliability - remains perfectly in line with the specifications declared by the manufacturer. This commitment represents a decisive step towards greater sustainability and a smarter and more responsible industry.
[MDR-T 80.c, 80.d, 80.e; E5-3 21, 22, 23, 24.a, E5-5 35]

Finally, the last objective we have developed is to design a more sustainable and responsible strategic path. Our goal is to **increase the number of repaired products**, increasing by up to **10%**, extending their life cycle and reducing the need for new production resources. This initiative is part of a broader vision of **circular economy**, focusing on innovation, quality and maximum efficiency in the use of materials, for a more sustainable and conscious future. Currently, the activity is mainly carried out at the Calderara site in Reno, where the Service Sales department is located. **[MDR-T 80.c, 80.d, 80.e; E5-3 21, 22, 23, 24.a, E5-5 35]** When updating the Sustainability Plan, this objective may be revised in order to align it with the company strategy and the business context.

Inbound Resource Flows

[E5-4 28, 29, 30, E5-3 AR 18]

Selection of materials and raw materials

We attach great importance to **the choice of the materials** we use in our production process. To ensure **responsible supply chain management**, we identify potential risks and the environmental and social impacts associated with it. In addition, through careful **analysis and evaluation of suppliers**, we monitor their activities and translate our commitment into concrete actions, promoting ethical and sustainable practices based on the principles of economic, environmental and social responsibility. **[E5-4 28]**

In recent years, we have adopted a clear and targeted strategy, defining medium and long-term objectives and focusing on key aspects to improve the sustainability of our work. In particular, we are committed to:

- **Increasing the standardization of products**, where possible, encouraging the large-scale utilization of standardized solutions to reduce consumption and environmental impact, while improving efficiency in the use of economic resources.
- **Integrating materials with an increasing percentage of recycled raw materials,** fostering the use of materials certified by third parties to strengthen our commitment to a circular economy and greater corporate sustainability.
- **Localizing supplies**, reducing the distance between our suppliers and production sites to minimize environmental impact and reduce CO2 emissions related to transport.
- **Implementing process solutions with low environmental impact**, adopting a gradual approach that allows us to identify the best alternatives, balancing economic requirements and sustainability objectives.

Furthermore, by designing our products internally, we achieve a certain degree of strategic and operational autonomy; which allows us to combine the advantages deriving from a greater awareness of the dynamics of the sector with the **internal management of Research & Development activities** (for more information, please refer to chapter S4 *"Consumers and end users"*). Today, thanks to an international network of production plants and commercial subsidiaries, we offer highly innovative solutions, leading the market with high quality products and personalized customer service.

In general, purchases can be placed in two main groups, distinguishing between "indirect" and "direct".

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Accordingly, our goal has always been **to place our trust in responsible partners and suppliers**, encouraging them to adopt the most modern process solutions which comply with the highest and most rigorous standards. Partnerships with companies that comply with the sustainability certifications relating to the industrial area in question are also given precedence. For example, we have introduced the purchase of 100% recycled FSC (Forest Stewardship Council®) paper and cardboard packaging material and PEFC wood packaging (which guarantees the use of certified paper made with cellulose or wood from forests managed in a correct, environmentally-sustainable way, from an ecological, economic and social perspective).

Finally, in order to prevent the use of minerals from conflict or high-risk areas, we require suppliers to certify whether their products contain these materials or not and to declare compliance with Conflict Minerals regulations.

As reiterated by the Supplier Code of Conduct, ensuring full traceability of raw materials and semi-finished products along the supply chain is essential in order to enable the collection of information relating to the places of production and processing of these materials. The Group works with approximately **1500 suppliers** globally, with approximately 60% located in the EMEA area, in line with 2024.

The following graph shows the percentage of products purchased locally (the data only consider direct expenditures, generated by production plants).

Percentage of Spend Amount for Local Suppliers [15]

Country	Value 2024 (%)	Value 2025 (%)
Italy	74%	71%
China	92%	94%
Brazil	63%	42%
India	80%	81%
Vietnam	56%	54%
Germany	51%	47%
USA	33%	28%
Slovakia	5%	5%

Production process

Our production ranges from the assembly of standard and customized solutions to the construction of gearmotors, inverters and advanced motors, with a common thread running through all processes: **excellence and innovation**.

During the production process, we pay special attention to optimizing the use of materials. We leverage engineering skills and optimization tools to maximize the efficiency of materials such as iron, aluminum, copper, and others. This means that we only use the necessary amount of materials to make our products, reducing waste and minimizing environmental impact.

Below is a brief description of the raw materials we buy, divided by type: **[E5-4 29, 30]**

- **Metals** (steel, aluminum, bronze), essential for the construction of gears, motors and device structures;
- **Plastic materials**, used for components such as casings, bearings and seals;
- **Electric and hydraulic motors**;
- **Electrical materials**, for the manufacture of electronic boards;
- **Oils and lubricants**;
- **Wooden pallets**;
- **Paper and cardboard**.

15 Purchases made from suppliers in the same country as the plant were considered local; the data include only expenditure for direct suppliers. The world average of 98 was determined from the value of purchases made by the individual country, including the countries within the scope of the analysis.

Outbound Resource Flows

[E5-5 33, 34.a, 34.b, 35, 36.a, 36.b, 37.a, 37.b, 37.c, 37.d, 40]

Products and materials

We design and develop our products following the principles of the circular economy, focusing on durability, reusability, repairability, disassembly, reconditioning and recycling. In line with industry standards, gearmotors (hydraulic and electric) have an average life span that depends on the application sector, which means they are not easy to standardize[16]. **[E5-5 35]** In addition, their design facilitates disassembly, allowing the replacement or repair of specific parts, thus prolonging their life cycle. This feature also favors the recycling of specific components and, where possible, the reconditioning of the entire product, contributing to a more efficient use of resources. In fact, when disposing of these resources we recover and reintroduce precious materials such as iron, aluminum, copper, plastic and other components into the production cycle, thus contributing to a more circular and sustainable economy. For more information on the products made by the Group, please refer to paragraph *SBM-1 "Strategy, business model and value chain"*. **[E5-5 36.a, 36.b]**

Waste

As a Group, we are committed to the careful management of waste disposal, strictly complying with national and local regulations, with regard to both municipal and special waste.

We produce two main categories of waste:

- **Special waste**, deriving from production processes and from the scrapping of products or spare parts. We adopt practices aimed at maximizing separate waste collection in both categories. As for special waste, most of it consists of plastic, wood and cardboard packaging. Some special waste is classified as hazardous, including synthetic mineral oils (used for lubricating and cooling machines), empty packaging with chemical residues, contaminated rags, batteries, sludge and hazardous electronic waste.
- **Municipal waste**, generated by office activities. Municipal waste is separated into paper, plastic, organic, municipal solid waste (MSW) and glass. **[E5-5 38.a, 38.b]**

16 For example, with reference to the M&W BU, the average lifespan of a finished product varies between 5 and 20 years depending on the field of application.

Table 1, 2, 3, 4

E5-5 37.a, 39

E5-5	u.m.	2024	2025[17]
Waste produced	t	**11589.38**	**11213.04**

E5-5	u.m.	2024	2025
Recovered waste	t	10732.17	9504.07
Waste disposed of[18]		857.21	1708.97
Waste produced		**11589.38**	**11213.04**

E5-5	u.m.	2024	2025
Hazardous waste	t	2100.35	2438.36
Non-hazardous waste		9489.03	8774.68
Total		**11589.38**	**11213.04**

E5-5 Type of waste	u.m.	2024	2025
Total hazardous waste produced	t	2100.35	2438.36
Total radioactive waste		**0**	**0**

Most of the waste produced by Bonfiglioli[19] Group is managed through recovery operations (about 85%), while the remaining percentage is destined for disposal. **[E5-5 37.d]**

The composition of waste is also mainly non-hazardous, constituting the largest share of both waste sent for recovery (81%) and waste destined for disposal (62%)[20]. **[E5-5 37.b, 37.c]**

To calculate the quantities related to resource outflows and waste, we constantly monitor the relevant data, through the use of internal databases for the collection of data at Group level. **[E5-5 40]**

We continue to improve our waste management processes to reduce environmental impact and optimize resource recovery.

17 The data as at 2025 have been estimated for the following companies: Bonfiglioli Transmissions (Aust.) PVT LTD. (located in New Zealand).

18 Non-recycled waste (disposed of) represents 3.26% of the total in 2024 (E5-5 37.d). Data as at 2024 relating to the disposal method for the sites of Carpiano, Selcom Group S.p.A. Sole proprietorship, Selcom Electronics (Shanghai) Co. Ltd., Bonfiglioli Redutores Do Brasil e Comercio LTDA, Bonfiglioli Deutschland GmbH, Bonfiglioli Transimissions (Aust.) PVT Ldt., Bonfiglioli Transmissions SAS, Bonfiglioli Transmissions Ltd. (India), Bonfiglioli Power Transmission & Automation Technologies JSC, Bonfiglioli Vectron Gmbh, O&K Antriebstechnik GmbH were estimated based on the 2023 disposal methods.

19 The data relating to waste generated in 2024 and 2025 does not include the figures for the following companies: Bonfiglioli Canada Inc., Bonfiglioli Swiss SA, Bonfiglioli South East Asia PTE Ltd., Bonfiglioli Trading (Shanghai) CO. Ltd., Bonfiglioli Drive Solutions PVT Ltd, Bonfiglioli Transmissions (Aust.) PVT LTD. (located in Australia).

20 The data as at 2025, relating to the division of non-hazardous and hazardous waste between that recovered and that not recovered, were estimated for the following companies: Bonfiglioli Drives (Shanghai) CO. Ltd., Bonfiglioli Riduttori SpA Unipersonale (EVO and Forlì plant).

2

Social

ESRS S1: Own workforce

"Through strategic governance and close connection to our people, our countries, and the field, we drive transformation for the business success.

We nurture a culture rooted in Bonfiglioli values, where integrity, competence, innovation and merit are recognized and celebrated"

Human Resources Function

Stakeholder Interests and Opinions

For an exploration of the ways in which the interests, opinions and rights of the Group's own workforce guide the strategy and business model, please refer to paragraph SBM-2 "*Stakeholder interests and opinions*", within ESRS 2 "*General Disclosures*".

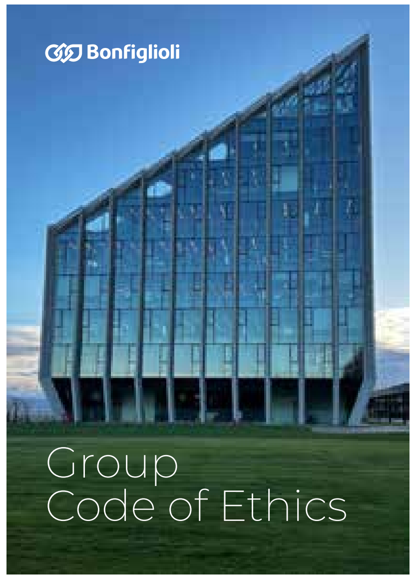
Impacts, Risks and Opportunities

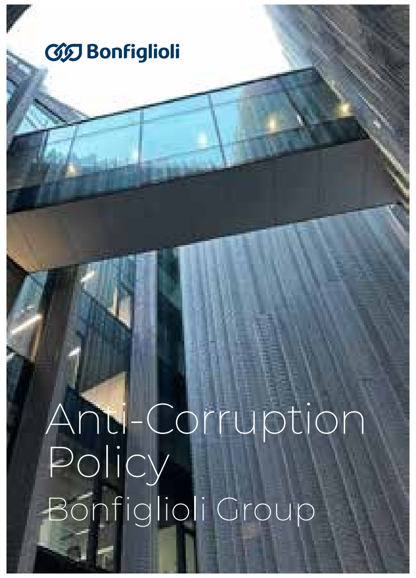
[S1 ESRS 2 SBM-3]

For more information on the interaction between material impacts, risks and opportunities and the Group strategy and business model, please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"*.

Material topic	IRO	Description of relevant IROs	Perimeter
S1 Own workforce	Potential Negative Impact	Accidents, injuries and illnesses at work, with possible negative impacts in terms of the health and safety of the workforce	Bonfiglioli Group
	Current Positive Impact	Gender equality and equal pay for work of equal value, employment and inclusion of people with disabilities, equal access to training, enhancement of diversity and local cultures and adoption of measures against violence and harassment in the workplace, with positive impacts on motivation, well-being and employee satisfaction	Bonfiglioli Group
	Current Positive Impact	Workforce satisfaction through the development of professional skills through training activities (including SSL training) provided to employees and collaborators	Bonfiglioli Group
	Current Positive Impact	Satisfaction, motivation and increased well-being of the workforce through secure employment, adequate wages, active dialog, freedom of association, right to information, consultation and participation of workers, work-life balance and respect for working hours and any overtime	Bonfiglioli Group

Material topic	IRO	Description of relevant IROs	Perimeter
S1 Own workforce	Potential Negative Impact	Violation of the human rights of employees and collaborators (forced and child labor)	Bonfiglioli Group
	Potential Negative Impact	Management of employee data, with possible negative impacts in terms of loss of personal data	Bonfiglioli Group
	Risk	Exposure to sanctions and litigation related to accidents, injuries and illnesses at work	Bonfiglioli Group
	Risk	Exposure to sanctions and litigation related to incidents of discrimination	Bonfiglioli Group
	Opportunities	Improvement of company performance and development of innovative ideas thanks to a workforce that is satisfied through the development of professional skills	Bonfiglioli Group
	Opportunities	Improvement of company performance guaranteed by workforce satisfaction and the creation of a fair and inclusive working environment	Bonfiglioli Group
	Risk	Exposure to sanctions and litigation related to human rights violations (child labor)	Bonfiglioli Group
	Risk	Exposure to sanctions and litigation related to human rights violations (forced labor)	Bonfiglioli Group
	Risk	Exposure to sanctions and litigation related to breach of personal data of employees and collaborators	Bonfiglioli Group





Own workforce policies

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d, 65.e, 65.f; S1-1, 17, 19, 20.a, 20.b, 20.c, 21, 22, 23, 24.a, 24.b, 24.c, 24.d, RA 12, RA 15]

In order to manage material impacts, risks and opportunities, our Group adopts a Code of Ethics and a set of company policies and procedures. The **Code of Ethics**, alongside the **Sustainability Policy**, serve to affirm the key values of conduct and the principles underlying our corporate culture. Moreover, diversity and inclusion have long been part of our daily commitment, and these principles were consolidated through the signing of the "Protocol for the protection of women and against all forms of discrimination", perfectly expressed in two distinct policies: the **Diversity & Inclusion Policy** and the **Anti-Bullying Policy**. Finally, our commitment to occupational health and safety and the achievement of the "zero accidents" objective is reiterated in the Sustainability Policy and reconfirmed by the existence of specific **company management systems**. The policies described below apply to all employees of the Group, unless otherwise specified. **[MDR-P 65.a, S1-1, 17, 19, 23, 24.a]**

Code of Ethics

The Group's Code of Ethics is a key pillar, encapsulating the core values that have been guiding our activities for almost seventy years. This document not only serves as a point of reference for all employees and collaborators, but also promotes correct and transparent relationships with partners, customers, suppliers and institutions. It is akin to an act of self-discipline that summarizes a set of social, moral and environmental values and rules, thus guaranteeing the safeguarding of corporate integrity and testifying to the commitment made by our Group to its stakeholders, both internal and external. It reaffirms Bonfiglioli's **four key values**: **Challenge, Respect, Accountability and Winning Together**. Of these, the value of respect is of particular note - namely "Respecting diversity, local cultures, religions and the environment with an uncompromising approach to ethics". To this end, the Code of Ethics condemns any form of unequal treatment based on sex, religious belief, culture of belonging or any other form of discrimination referred to by international law or national regulations. **[MDR-P 65.a, 65.b; S1-1, 17, 19, 24.a, 24.b, RA 15]**

As well as establishing general principles of fairness, transparency and compliance with the law in the conduct of business, it also contributes to the responsible management of corporate assets and the protection of industrial and intellectual property. It addresses crucial corporate governance issues, including privacy and data protection, ensuring that information is handled with the utmost confidentiality and security. [MDR-P 65.e]

Finally, the Code of Ethics prohibits the use of child labor in all the countries in which we operate, expressly prohibiting the employment in productive activities of persons under the minimum working age as required by law, and refraining from any form of compulsory work. **[S1-1, 22]**

We manage our actions in accordance with the key principles expressed in the **Sustainability Policy**, developing a long-term sustainable business model, establishing clear objectives and implementing concrete interventions.

Sustainability Policy

With reference to the social context, social responsibility has always been a fundamental commitment for our Group, and we support projects and initiatives that actively engage both internal and external stakeholders. We focus on three main pillars: young people, territorial development and STEM disciplines (Science, Technology, Engineering and Mathematics), investing in information, training and education activities. This allows us to provide our workers with the necessary skills and promote their personal and professional growth, whilst fully protecting their interests. **[MDR-P 65.a, 65.b, 65.d, 65.e]**
For more information on the Sustainability Policy, please refer to chapter E1 "*Climate change*"

Diversity & Inclusion Policy

With a view to reiterating the importance of the values of non-discrimination and equal opportunities in the professional development of all staff, our Committee for Gender Equality and Anti-Discrimination and the Senior Management team updated the **D&I Policy and Strategic Plan** [21] in 2025, which, in line with international standards and principles on the subject, reaffirms the values of equal pay and gender equality. This approach not only values diversity, but also aims to build a culture of respect and dignity, where every employee feels valued as an integral part of collective success. In this regard, employees of our Group are encouraged to resort, where necessary, to internal mechanisms and tools which enable them to report actual or suspected violations of the principles of diversity and inclusion. The Strategic Plan falls within the objectives of the United Nations 2030 Agenda (Goal 5 Gender Equality) and UNI/PdR 125:2022 certification. **[MDR-P 65.a, 65.b, 65.d]**

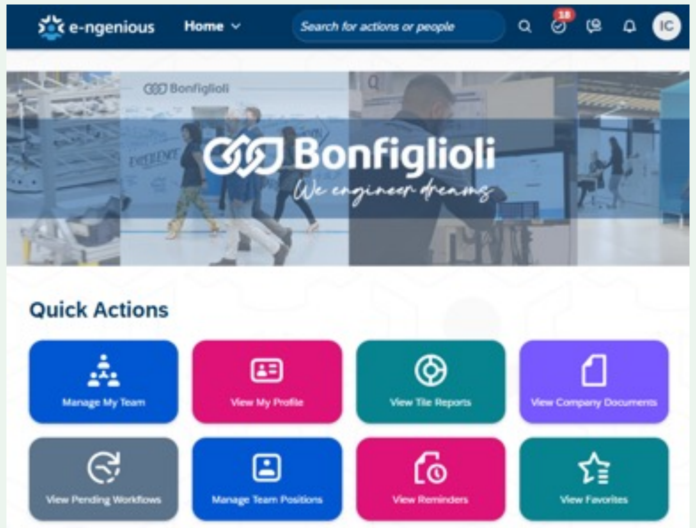
The Group's commitment in this regard is also reiterated by the signing of the Protocol for the protection of women and against all forms of discrimination with the main trade union representatives. The document highlights the existence of the Gender Equality and Anti-Discrimination Committee, which meets at least three times a year and is involved in the annual update of the Diversity & Inclusion (D&I) Plan. **[MDR-P 65.e, S1-1, 24.a, 24.c, 24.d]**

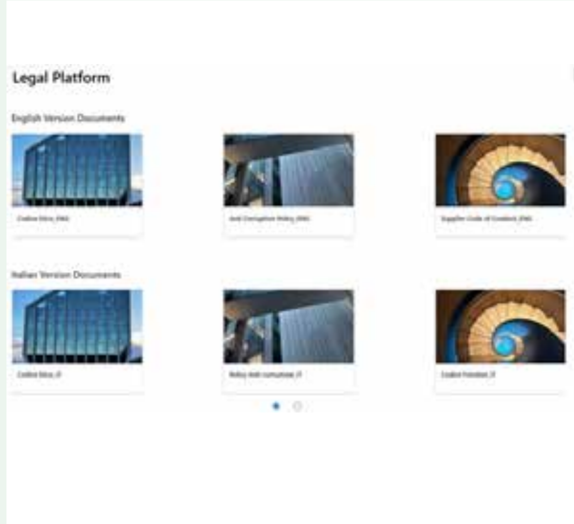
Anti-Bullying Policy

Finally, the commitment of our Group to foster a culture based on respect and the enhancement of skills is also evident through the introduction of the **Anti-Harassment Policy**, revised and updated during 2024 and 2025 and applicable to all those who have working and collaborative relationships with the Group, including any third parties, such as partners, suppliers and customers. In synergy with the main internationally recognized standards, such as the United Nations Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, we consider respect for people's fundamental rights as an essential prerequisite for all our activities. We do not tolerate any form of gender discrimination, violence or harassment in the workplace, either by our employees or by suppliers, subcontractors or partners. Indeed, our Policy is designed to prevent and combat all forms of abuse, in line with Law no. 4 of January 15, 2021, which ratifies the International Labor Organization Convention no. 190 of 2019, offering adequate support to those who report harmful events, protecting them from retaliation. **[MDR-P 65.a, 65.b, 65.d, S1-1, 20.a, 20.b, 20.c, 21, 24.a, RA 12]**
Knowledge of the Policy is facilitated through specific training sessions and communications with workers, which foster a sense of shared responsibility in promoting a fair and inclusive working environment. **[MDR-P 65.e]**

The Anti-Harassment Policy, as well as the Code of Ethics, the Sustainability Policy and the D&I Policy are available on the company website and on *Bclose*. **[MDR-P 65.f]** The Supervisory Body, together with the Equal Opportunities Committee [22], are responsible for ensuring the implementation of the Anti-Harassment Policy and the D&I Policy [23]. **[MDR-P 65.c]**

21 Applies to Italian companies of the Bonfiglioli S.p.A. Group
22 The Equal Opportunities Committee consists of four union representatives, two employees chosen by the company, the HR Director, the Industrial Relations Representative (as Diversity Manager), the General Managers and the Head of the Legal & Corporate Affairs Department.
23 Applies to Italian companies of the Bonfiglioli S.p.A. Group





Business Management Systems

With reference to occupational health and safety, many of our production sites operate in accordance with the **Health and Safety Management System** certified in accordance with **ISO 45001 Standard**, and, year upon year, we are extending the number and scope of certified Group sites. Below is a list of sites that are currently certified, separated by country of origin: **[MDR-P 65.a, 65.d, 65.e, S1-1, 23]**

Region	Country	Company/Branch
EMEA	Italy	**Bonfiglioli Riduttori SpA Unipersonale** (5 plants), **Selcom Group SpA Unipersonale** (4 plants)
APAC	India	**Bonfiglioli Transmissions Ltd.** (3 plants)
APAC	China	**Bonfiglioli Drives (Shanghai) CO. Ltd.**, **Selcom Electronics (Shanghai) Co. Ltd.**

Golden Rules HSE

The "**Golden Rules HSE**" were created as guidelines designed to strengthen the environmental and safety measures already introduced and implemented in the Group's plants, in compliance with national and international rules and regulations on health and safety. They provide various suggestions with regard to the behaviors that all employees should adopt in specific situations, with the aim of reducing risky conduct and, by extension, preventing accidents and safeguarding the environment.

These 10 rules are applied in all our plants located around the world, and must be used as a "guide" during the planning, performance and monitoring of Group activities, in line with an approach focused on continuous improvement. **[S1-1, 17, 19, 23]**

The Bonfiglioli Golden Rules are:

1ST RULE — **LIFTING OPERATIONS**
to provide accurate information and instructions regarding manual handling, lifting and carrying activities using mechanical equipment and lifting with slings and chains

2ND RULE — **PERSONAL PROTECTIVE EQUIPMENT**
to communicate to employees, external workers and visitors how to choose and manage the proper personal protecting equipment for their activities

3RD RULE — **SAFE DRIVING**
to provide indications on how to drive safely, identifying potential hazards, checking the overall car's conditions and respecting the highway code and local traffic laws

4TH RULE — **ISOLATION AND LOCKOUT-TAGOUT**
to explain how to properly conduct isolation and lockout-tagout (loto) operations and apply the required procedures after the completion of the "last minute risk assessment checklist"

5TH RULE — **WASTE MANAGEMENT**
to spread preventive behaviors and minimize accidents and injuries related to waste management operations

6TH RULE — **PREVENTION OF LEAKS**
to provide information on how to contain and control incidents related to chemical leaks and spills so as to minimize the effects and to limit danger to persons, the environment and property

7TH RULE — **WORK PERMITS**
to establish the necessary precautions to carry out the work safely, authorizing specific individuals to carry out a specific task within a specified period of time

8TH RULE — **MOBILE AND ELECTRIFIED EQUIPMENT**
to explain the potential electrical hazards in the work environment that are linked to electrical currents, including electrical burns, shocks, fire and electrocution

9TH RULE — **CONFINED SPACES**
to provide indications on the necessary steps to ensure worker safety around confined spaces, avoiding fires, explosions, unconsciousness, asphyxiation, or drowning

10TH RULE — **WORK AT HEIGHT**
to inform workers about the potential hazards associated with working at height, which are commonly linked to falls from a height and falling objects

Finally, with the aim of protecting ourselves from negative impacts and risks related to the potential loss of employee and collaborator data, we have adopted a regulation for the use of IT tools, applicable to the Group's Italian offices. **[MDR -P 65.a, 65.b; S1-1 18]** This document was created with the aim of avoiding criminal and financial penalties deriving from incorrect use of IT tools, with possible repercussions for the people in the company. For more information, please refer to chapter S4 "*Consumers and end users*", Cybersecurity and Privacy section.
MDR-P 65.b]

Processes for the engagement of own workers and workers' representatives with regard to impacts

"We base the relationship we share with our people on two channels of listening: individual and collective.
The goal of this listening strategy is to lead our company toward a future of shared success."

[S1-2, 21, 24.a, 24.b, 24.c, 25, 26, 27.a, 27.b, 27.c, 27.d, 27.e, 28, RA 18; S1-3, 30, 31, 32.a, 32.b, 32.c, 32.d, 32.e, 33]

Bilateral Technical Commissions

Our main activity in terms of employee engagement falls under the "participatory system" adopted by the Group's Italian companies, which stems from the signing of a **Supplementary Company Agreement** (CIA) with the representatives of the main trade unions. This contract is currently in effect on a carryover basis, and only after the National Collective Bargaining Agreement for the metalworking industry is signed will the CIA be discussed again by the parties. During 2025, with regard to the Italian perimeter, around 80 meetings between companies and social partners took place, activating all the committees provided for in the supplementary contract with 10 bilateral meetings.

Regulations for the use of IT tools

These regulations establish specific Bilateral Technical Committees **Bilateral Technical Committees**, which serve as spaces for dialog and discussion between the parties on issues of interest. The committees are designed to promote employee engagement, giving them the opportunity to express their opinions and actively contribute to the improvement of the working environment. **[S1-2, 25, 26, 27.a, RA 18]**

These serve **advisory, propositional and investigative functions**, without powers of negotiation, but with the aim of promoting dialog between the parties, according to a calendar of meetings that is defined by the members of the committees themselves. Before these are established, a specific training course has also been developed for those involved.

The committees established under the Supplementary Agreement, of equal composition, are as follows:

- **Training and skills development committee.** In recognition of the fundamental importance of training as a key tool for the professional growth of employees, we have made provisions for the establishment of this committee, whose objective is to further strengthen the **Bonfiglioli Academy** e-learning platform, proposing significant improvements in the quality of content, with the aim of transforming it into a bona fide center of competence for the Bonfiglioli Group.
- **Equal opportunities and inclusion committee.** This committee, formed by representatives of the workers and the Group, explores fundamental issues for the promotion of an inclusive working environment, with a specific focus on the analysis of the relationship between male and female employment, with the aim of implementing positive actions that facilitate **the inclusion of women in the company** and contribute to eliminating gender inequalities. Another crucial aspect also concerns the targeted inclusion of **disabled workers**; the company is increasingly committed to removing architectural and physical barriers and ensuring fair access to company structures.
- **Work organization and improvement systems committe**e. The main tasks undertaken by the committee concern the implementation of measures designed to improve the quality of products, the efficiency of processes and, in general, the organization of work. This requires an in-depth analysis in the event of the **development of new products and new industrial projects**, as well as the **impacts these could have on production activities**. In addition, the committee is also responsible for **the monitoring of key indicators**for the allocation of performance-related bonuses.
- **Welfare and sustainability committee.** The objective of the committee is to monitor the results obtained by the **Bonfiglioli Welfare System**, a set of services offered with a view to improving the well-being and psychophysical health of employees.

Of the listed committees, only the **Work Organization and Improvement Systems Committee** operates at individual site level: the others are unified and chaired by representatives of the Italian offices. In addition, they meet in accordance with a schedule that is defined between the parties in accordance with the priorities identified, or at the request of one of the parties within a two week period. **[ESRS 2 SBM-2, 12; S1-2, 25, 26, 27.a, 27.d, 28, RA 24.c]** During 2025, 10 meetings were held, in line with the previous[24] years: The Head of Industrial Relations, as Diversity Manager, and the site HR managers, ensure that this involvement is consistently maintained. **[S1 27.c, RA 24.a]**

Meetings take place during working hours, in accordance with the availability of employees coming from other locations. The topics addressed range from gathering information from union representatives to managing specific initiatives and improvement efforts at Group level, and include the systematic analysis of requests from specific departments through so-called "ambassadors": individuals tasked with identifying the company's requirements. **[S1-2 27.b, RA 24.b]**

Employee listening

Listening, participation, and dialog are at the heart of a working environment that promotes the active involvement of people. Our **Employee Listening** policy promotes a culture of listening and facilitates the gathering of information on employee requirements through individual listening channels. Below is a summary of the main channels:

- the **Bonfiglioli Academy platform** enables employees to create their own training plans and suggest areas for further development. In addition, at the end of each training course (e-learning, in-person or mixed), the employees are invited to provide feedback, suggestions and ideas for improvement;
- through the **e-ngenious** channel, employees can share their professional aspirations with the company, as well as their desire for geographical and cross-function mobility;
- Finally, **Bclose** is the portal through which we promote connections between our people across our offices worldwide. Through this channel, employees are actively involved through surveys and questionnaires on a range of content. For example, in 2025, we launched a survey of all Group employees to gather feedback on the new Performance Appraisal process. Of all respondents, more than 93% said that they felt a positive impact on their engagement. **[S1-2, 25, 26, 27.a, 27.e, RA 21]**

Finally, in addition to the foregoing, it is important to note that the main trade unions to which the employees of the Italian companies of the Group belong (CIGL, CISL, UIL) adhere to the EWC (European Framework Agreement) .[25]. **[S1-2, 27.d, RA 20]**

Whistleblowing channel and reports

Pursuant to European Directive (EU) 2019/1937 and with a view to promoting the values of ethics and integrity, a specific internal reporting channel for regulatory violations and illegal conduct (whistleblowing) remains active for the Group's European companies. The "**Report Management – Integrity Line**" system can be reached from the "Whistleblowing" section on the Group's website, as specified in more detail in the Whistleblowing Policy, which is also available on the institutional website.

24 In 2024, 12 meetings of the Committee on work organization and improvement systems were organized, and 13 in 2023.
25 This is a type of agreement negotiated between multinationals and international trade union federations to establish minimum standards in terms of workers' rights, working conditions, health and safety and industrial relations at global level.

The reports received are managed by an external "manager" expressly appointed by the Group, guaranteeing the whistleblower full confidentiality and anonymity. In order to ensure the effectiveness of this channel, however, all reports must detail facts, events and be made with a degree of precision sufficient to allow the reported facts or circumstances to be verified. In this way, we can ensure accurate and timely management, in order to resolve the problem and provide a response to the whistleblower. **[S1-3, 32.a, 32.b, 32.e]** For more information on the Whistleblowing Policy, please refer to chapter G1 *"Business Conduct"*. **[S1-3, 33]**
In addition, we have chosen to strengthen safeguarding through the introduction of an additional reporting channel for incidents of gender discrimination, violence or harassment at work. These reports are collected by a member of the **Gender Equality and Anti-Discrimination** Committee (Steering Committee), who undertakes to ensure total confidentiality, directly at the email address pari.opportunita@bonfiglioli.com. **[S1-3, 30, 31, 32.a, 32.c, 32.d, 38.a, 40.a]**

We also take care to inform our employees about the existence of suitable internal complaint tools, through specific training activities.

Interventions on material impacts on personnel and measures designed to mitigate material risks and seize opportunities in relation to personnel, as well as the effectiveness of such actions

[MDR-A 66, 67, 68.a, 68.b, 68.c, 68.d; S1-4, 35, 36.a, 36.b, 38.a, 38.b, 38.c, 39, 40.a, 40.b, 41, 42, 43, RA 38, 47]

In order to manage the material impacts, risks and opportunities for the Groups own workforce, we have defined the actions carried out, in progress or planned for the achievement of the Group's objectives and the management of IROs. These actions, listed below, refer to the following areas: **Employment and enhancement of people, Equity & Inclusion, Remuneration and equal pay, Welfare & Well-being, Training, Health and safety of employees**. **[S1-4, 36.a, 36.b]** The analysis of risks related to the Group's own workforce is further explored within the context of the Enterprise Risk Management activity carried out by the Group in 2024 (for more details please refer to G1 "*Business Conduct*"). **[S1-4, RA 47]**

2025 was also characterized by the continued integration of Selcom's corporate functions with the aim of exploiting synergies and standardizing processes. In addition, during 2025, the Human Resources function decided to set the following objective: **"Through strategic governance and close connection to our people, our countries, and the field, we drive transformation for the business success. We nurture a culture rooted in Bonfiglioli values, where integrity, competence, innovation and merit are recognized and celebrated."**

The initiatives described are being carried out, or were implemented during 2025, including in cases where they are designed to achieve the objectives defined by the Group Sustainability Plan. They are periodically reviewed by the Human Resources Function in order to achieve the objectives of the Plan. **[S1-4, 39]** For each of them, we have indicated the monetary amount, in cases where this was considered significant.

Main actions [MDR-A 68.a]	Scope of actions (value chain, stakeholders) [MDR-A 68.b]	Timeframe [MDR-A 68.c]
Top Employer Certification	Own operations	2026
Talent Workbook	Own operations	Constant
Review of the Talent Acquisition Procedure	Own operations	2027
Updating the D&I Plan	Own operations	Constant
Role mapping	Own operations	2028
Compensation Policy	Own operations	2025
Smart Working	Own operations	Constant
Bonfiglioli Welfare System	Own operations	Constant
Mandatory training activities	Own operations	Constant
Additional training activities (D&I, management training, hiring diversity)	Own operations	Constant
SAS App	Own operations	Constant
Bonfiglioli Health Care Project	Own operations	Constant

Employment and enhancement of people

Top Employer

As testament to our commitment to promoting and guaranteeing our people an inclusive and collaborative working environment, we have obtained the **Top Employer Country Italy** certification for the third consecutive year. The path of continuous improvement that we have undertaken has led the Groups Italian offices to register an increase of 10% in the overall rating compared to the previous year, placing the company in the first quartile of the best certified companies.

In 2025, the certification was obtained for the first time by the Group companies based in Slovakia, India and the United States, achieving remarkable scores that demonstrate the Bonfiglioli's commitment to its employees globally. **[MDR-A 68.b, 68.e; S1-4 RA 38]**

With this certification, we join the other 138 Top Employers nationwide (and more than 2,400 worldwide), standing out for our cutting-edge company policy focused on human resource management. For us, this recognition represented a moment for introspection, as well as setting a benchmark - a survey phase that bore witness to the Group's high level management standards and allowed us to review, enhance and update our processes. Indeed, at the end of the certification process, the processes that can be improved and the gaps to be filled to achieve the maximum score are identified with the support of the Top Employer Institute. **[MDR-A 67, 68.c; S1-4, 35, 36.b, 38.d, 40.b, 42]**

Talent Management Plans – Talent Workbook

In addition, in order to improve the integrated management of the Group's human resources worldwide, we have equipped ourselves with the **Talent Workbook**, Bonfiglioli's Talent Management manual, updated in 2025. This is based on eight key principles: Transparency, Equity, Self-determination, Sustainability, Development and Talent Management, Responsibility, Internationality, and Freedom within the context of the Group.

The objective of the manual is to outline a **talent management process within the Group**, which facilitates the identification of the **company's key people** through the following steps:

- Definition of **individual objectives**
- **Evaluation** of these objectives
- **Performance Appraisal** (assessment of soft skills, potential and overall assessment of the resource), available to the employee on the e-ngenious platform
- Implementation of **professional development programs** for all staff. **[MDR-A 68.a, 68.b, 68.c; S1-4, 35, 36.a, 36.b, 38.b, 40.b]**

Individual development plans are established by the employee together with their Manager, and later shared with the Human Resources Department. These are designed to ensure growth of internal human resources, both vertically (same task, at a higher level) and horizontally (different task but same level). Usually a development plan has an average duration of about 3-6 months, up to a maximum of 12 months, incorporating on-the-job learning and specific training activities.

Internal career opportunities, for example, are aimed at the entire corporate population and available on e-ngenious and Bclose. Through International Job Posting, we advertise open positions in the company, in a similar way to external job posting. Employees, who are informed through the Bclose platform, can then apply through e-ngenious. Similar to an external selection process, the selection involves several steps of interviews, feedback and finally onboarding.

Finally, once the performance appraisal process is complete, the succession planning process begins: on an annual basis, key roles that are potentially at risk of becoming vacant are identified, and possible "successors" from other functions, business areas, and countries may be nominated for those roles.

These actions help enhance positive impacts and mitigate negative impacts that emerged from the Materiality Analysis carried out *(Satisfaction, motivation and an increase in the well-being of the workforce through safe employment, adequate wages, active dialog, freedom of association, rights of information, consultation and participation of workers, work-life balance and respect for working hours and any overtime).* **[S1-4, 39]**

Diversity & Inclusion

We are present all over the world, and as such, creating an inclusive culture is a key value for our Group. To reiterate our commitment to D&I, in 2025, all Italian companies were awarded UNI PDR 125:2022 certification for the second year, each achieving an improvement in the final score.
This is a team achievement that demonstrates the strength of our policies and processes, as well as our active engagement and sensitivity to the issue at hand. **[S1-4, 38.b, 40.b]**

In this sense, respect for the diversity and uniqueness of people is reflected in the choice to promote and protect the beliefs, ideas and experiences of our employees and collaborators, viewing them as an added value, rather than a constraint.

Review of the Talent Acquisition Procedure

In line with the provisions of the Code of Ethics, we have introduced a well-established practice: namely, the obligation not to ask candidates disrespectful, discriminatory or intrusive questions, nor to make references to race, age, religious beliefs or other discriminatory factors, during interviews. This commitment is reaffirmed in the **Talent Acquisition Procedure**, reviewed during the course of the year, and designed to establish minimum standards to ensure a fair and inclusive selection and recruitment process, valid for the entire Group both in relation to internal and external selection processes. **[MDR – A 68.a, 68.c; S1-4, 38.a, 38.b, 40.a]**

Since 2024, the Group has also had a **Committee for Gender Equality and Anti-Discrimination**, coordinated by the Chief Human Resources Officer and made up of ten members with particular skill and sensitivity in this area. The Committee's mission is to analyze analytical data (qualitative and non-qualitative) in the light of regulatory updates, and identify specific objectives to be achieved in terms of diversity and inclusion. In addition, it is required to promote opportunities for dialog and training, including through the involvement of external stakeholders (e.g. universities, public bodies).
[S1-4, 38.c, 40.b]

D&I Plan

During 2025, the Committee updated the **Diversity & Inclusion Plan**, taking into account the specificities of our company in order to establish objectives related to the **Thematic Areas indicated by the UNI 125:2022 Reference Practice (PdR)**. The Plan is updated annually to assess its effectiveness with regard to internal resources.

For each thematic area, we have set achievable, realistic, time-bound targets and assigned specific responsibilities to ensure their implementation. We have identified six thematic areas, namely:

- Selection and recruitment
- Career management
- Equal pay
- Parenting and care
- Work-life balance
- Activities to prevent all forms of physical, verbal and digital abuse (harassment) in the workplace

The D&I Plan reaffirms the provisions of the Framework Agreement on Harassment and Violence in the Workplace signed by our Group in November 2023, namely: "All Bonfiglioli Group companies consider any act or behavior that constitutes harassment or violence in the workplace unacceptable and undertake to take appropriate measures against the person or persons who have demonstrated such behaviors." **[MDR-A 68.a, 68.b, 68.c]**

Training projects for the inclusion of protected categories were also rolled out, as well as projects with social cooperatives [26] and collaborations with other bodies and subjects as part of the project "Together for Work in the Metropolitan City of Bologna", established in order to promote inclusion in the world of work of vulnerable people with low levels of autonomy in the search for employment. **[S1-4, 38.c]**

26 Pursuant to Article 22 of Law 68 of 1999

As confirmation of our female leadership model, we have achieved the **WEConnect International Certification**, as a female-owned company.[27] WEConnect supports and enhances the skills of companies led by women, guaranteeing access to the exclusive WECommunity platform, where their profiles can be viewed by over 200 WEConnect International member buyers and more than 20,000 female-owned companies.

The certification also offers preferential access to networking events and conferences run by WEConnect International and its partners, as well as matchmaking opportunities reserved exclusively for certified companies.

These actions help enhance positive impacts and mitigate negative impacts that emerged from the Materiality Analysis carried out *(Improvement of company performance and development of innovative ideas thanks to the satisfaction of the workforce through the development of professional skills, and exposure to sanctions and litigation related to episodes of discrimination)*. **[S1-4, 39]**

Remuneration and equal pay

Roles and Skills Mapping and Salary Review

In order to contribute to the reduction of the gender pay gap, we have implemented with a position **grading system** for each Group Company, which will allow us to map roles and degrees of responsibility worldwide and compare them with internal and external market benchmarks based on the remuneration surveys in which our Group participates. The mapping activity described will cover the entire company population and will be carried out by 2028. In 2025, we completed the first phase of the project, focusing on the top figures of the Group. Subsequently, this will be periodically updated in order to ensure that the annual salary review process complies with internal and external benchmarks; it will also be made available to employees, in order to give them the opportunity to report any pay gaps **[MDR-A 68.a, 68.b, 68.c, 68.d, 69.a, 69.b; S1-4, 38.a, 38.d, 40.b, 43]**

Compensation Policy

In addition, a Group **Compensation Policy** was prepared and shared following the preparatory work carried out during 2024, with a view to establishing a globally-valid remuneration model and setting out guidelines for uniform and consistent management across all the countries in which we operate. The adoption of a common and integrated approach also contributes to promoting the mobility of people within the Group, fostering the exchange of skills and the international growth of the organization.

The model in question is based on five principles: merit, skills, competitiveness, equity and sustainability. In addition to these, the Compensation Policy aims to ensure a **correct balance of monetary and non-monetary elements** in order to recognize and adequately remunerate the contribution of the individual and ensure a high level of motivation and engagement of our people. **[MDR-A 68.a, 68.b, 68.c, 68.d; S1-4 40.b]**

With regard to the inclusion of ESG indicators in remuneration, the **Severity Index**[28] has been included since 2024 among the performance indicators within the **Long Term Incentive Plans (LTIP)** aimed at Top Management. **[S1-4, 38.c]**

These actions help enhance positive impacts and mitigate negative impacts that emerged from the Materiality Analysis carried out ***(Gender equality and pay for work of equal value, employment and inclusion of people with disabilities, equal access to training, fostering diversity and local cultures and adoption of measures against violence and harassment in the workplace, with positive impacts on the motivation, well-being and satisfaction of employees).*** **[S1-4, 39]**

27 *WEConnect International is a global network that connects female-owned businesses with qualified buyers and partners around the world, supporting female entrepreneurs in the global competitive environment.*

28 *The Severity Index is calculated as the number of days lost per accident/total hours worked by employees* 1,000,000*

Welfare&Well-being

The economic, social and psycho-physical well-being of our people is fundamental for our Group.

For this reason, we are committed to the definition of a "holistic" strategy in the field of welfare and well-being, which is based on the individual and divided across three fundamental pillars:

- Skills development
- Work-life balance initiatives
- Creating comfortable and smart working environments for employees

In particular, our well-being program **focuses on the overall well-being of our employees**, with an emphasis on work-life balance initiatives with a view to balancing professional and personal life, and gives absolute priority **to the care and comfort of workplace environments**, a factor that is extremely relevant to the well-being of our employees. As part of the Group's Welfare and Wellbeing policies, we continue to carry out regular surveys on our employees through Bclose, with a view to gathering ideas for improvement for the future. **[S1-4, 38.d]**

Smart Working

In particular, the area relating to "Work-life balance" is monitored through the introduction of a specific policy, aimed at managing **target-oriented work**, to be understood as an approach to "remote" working. The **Remote Working Policy**, which is applicable to the Group's Italian offices and some foreign offices (in the form of home working)[29], introduces standards and guidelines for working in smart mode, for employees who are entitled to this. In addition, we offer the possibility of greater flexibility in working hours and shifts (both employees and workers), as established in the Company Supplementary Contract. **[MDR-A 68.a, 68.b; S1-4 40.b]**

Finally, we promote the conclusion of specific agreements to allow part-time work for those who request it, both among employees and among workers, in line with company needs. **[S1-4, 38.c]**

Bonfiglioli Welfare System and benefits for Italian offices

In the same area, as testament to our commitment, we make a "package" of specific measures available to our employees, designed to provide physical and psychological support, as well as offering access to sports, cultural and leisure services and initiatives. These benefits flow into the **Bonfiglioli Welfare System**, which is in place in the Group's Italian offices and available to the Group's permanent employees. **[MDR-A 68.a, 68.b, 69.b; S1-4, 40.a]**

The benefits described - both those related to the target-oriented work and to the Welfare System - constitute an integral part of company policy, and are subject to constant monitoring in order to evaluate their effectiveness and possible future improvements. **[S1-4, 38.d]**

With reference to the Italian context, we have chosen to expand the services we offer for the well-being and care of people's psycho-physical health, through **WellHub**, the Bonfiglioli partner for well-being. This platform includes a wide range of services related to the themes of sport, home fitness and nutritional plans, both for the employee and for their family. We have also signed an agreement dedicated to psychological-emotional well-being, through the Fitprime Therapy platform.

Within the context of the Group's welfare policies, we have chosen to rely on **Habacus**, an Italian social impact company that supports students in accessing sustainable financial resources, a post-graduate study orientation initiative dedicated to the children of employees of Italian offices. The project, which involves students aged between 18 and 25 who want to complete a postgraduate course of study (e.g. Bachelor's Degree, ITS vocational program, Master's Degree), aims to support the new generations (including financially) as they take the next step on their path of academic and professional growth; it also helps to raise the technical-professional skills of our territory. In addition to this support program, the "Habacus Certification" offers the opportunity to verify eligibility for a sustainable student loan provided by a financial institution partnering with Habacus.

For the 2024–2025 period, our Group has made 100 places available per year, which are eligible for the initiative[30]. **[MDR-A 68.a, 68.b; S1-4 40.b]**

29 *Smart Working is also guaranteed at offices in Germany, Spain, India, USA, Slovakia and France.*

30 *The granting of the amounts and the duration of the loan may be differentiated on the basis of the course of study and its duration*

Parental equality

In addition, in order to support parents, specific maternity and paternity programs have been set up (for example, training programs during the reintegration of employees into work). This new addition was accompanied by an extensive communication campaign focused on Italy. The Group has always supported the reintegration of new parents at the end of leave, welcoming them back to the same role, level, job and salary. To this end, we have also introduced ways of communicating organizational and management changes that take place in the workplace to workers during paternity or maternity leave.

The Bonfiglioli Welfare System includes specific measures to support parental equality **to support parental equality**, increasing the benefit paid by INPS by 10%, bringing this to 40%[31] for employees in Italian offices. In addition to this, we are committed to offering an extension of leave to parents in Italian offices for attending specialist visits with their children (up to 12 paid hours per year for workers with children up to 8 years old) or for the placement of children in nursery or kindergarten (up to 24 paid hours per year). **[MDR-A 68.a, 68.b; S1-4, 40.b]**

These actions help enhance positive impacts and mitigate negative impacts that emerged from the Materiality Analysis carried out *(Satisfaction, motivation and increase in the well-being of the workforce through secure employment, adequate wages, active dialog, freedom of association, the right to information, consultation and participation of workers, work-life balance and respect for working hours and any overtime)*. **[S1-4, 39]**

Training

Bonfiglioli Academy

Innovation and training are transverse objectives for the growth of the Bonfiglioli Group, and every bit of skill, knowledge and competence we develop represents an added value for all those with whom we collaborate. In order to contribute to the professional development of our employees, we have increased the hours of non-compulsory training delivered through **Bonfiglioli Academy**, a digital learning platform accessible to all staff, regardless of geographical location or professional role. Thanks to the Bonfiglioli Academy, we can facilitate the insertion of new colleagues, managing and monitoring the entire onboarding process and initial training. Over the past year, we have delivered over 90,000 hours of training globally, focusing on four main areas:

- **Bonfiglioli Culture**: courses designed to spread our corporate culture and key messages around the world;
- **Leadership Gym**: in this section we support our employees in developing new skills and improving existing ones, promoting continuous learning on various topics;
- **Professional Schools**: through these courses, we share the know-how related to the different professional families within Bonfiglioli, creating specific training courses to meet Group requirements;
- **Technical Toolbox**: these training courses help us to increase the skills of our employees in the use of new tools and technologies. **[MDR-A 68.a, 68.b; S1-4, 40.b]**

At the end of each course (both online and in-person), we always provide our employees with a satisfaction questionnaire; the results of these are aggregated and shared with the HR Department with a view to supporting continuous improvement. Every year all managers are involved in collecting the training needs of their people who contribute to the creation of the company training plan. **[S1-4, 38.d]**

31 Provided that the optional leave is taken for a minimum period of one continuous month and that the other parent has enjoyed at least one continuous month of optional leave

Other training activities

In line with the previous two years, the **two management training projects** have continued, having been part of the group's training package since 2023: the **People Manager Program** and the **Manufacturing People Manager Program**.

The first, aimed at new **Bonfiglioli People Managers**, is designed to provide common managerial skills and support professional growth, within the context of a sustainable leadership model.

The **Manufacturing People Manager Program**, meanwhile, is aimed at all the leading teams in the production area in Italy. The course, lasting one year, seeks to develop a "common" language among the team leaders of the different production plants, generating a two-way exchange between Bonfiglioli values and the transverse and managerial skills of the stakeholders (strategic thinking, responsible leadership and active listening). **[MDR-A 68.a, 68.b, 68.c]**

In line with the value we place on diversity and inclusion, we have planned training opportunities focused on developing and improving professional leadership skills for the underrepresented gender. For example, we have involved the People Managers of Italian offices in the training course "**Empowered Together: transformative alliances and leadership**". With the support of the **Libellula Foundation**, we explored the meaning of truly inclusive and conscious leadership: a path that led us to identify concrete daily actions to transform our leadership style into a collective force for change.

In relation to this, a **course was launched on our Academy aimed at managers** involved in the selection processes, with a view to improving their recruiting skills and exploring issues related **diversity hiring**. In 2026, the training will head into the classroom: the course will be managed by the Human Resources Department and will involve managers who have a role in active employee selection. The training, which is of a theoretical and practical nature, aims to ensure the involvement of all the Group's branches, sharing the guidelines on hiring diversity. **[MDR-A 68.a, 68.b, 68.c; S1-4, 38.b, 40.b]**

In Italy in 2025, the new **Training Room** was inaugurated within the Evo plant in Calderara di Reno (Bologna), a space designed to support the continuous growth of skills and strengthen an increasingly collaborative, concrete and innovation-oriented work model.

Finally, further training initiatives dedicated to the topics of Cybersecurity and data security are detailed in chapter S4 "*Consumers and end users*".

These actions help enhance positive impacts and mitigate negative impacts arising from the Materiality Analysis carried out *(Satisfaction of the workforce through the development of professional skills through training activities (including SSL training) provided to employees and collaborators)*. **[S1-4, 39]**

Workplace health and safety

Occupational health and safety is one of the Group's key principles. Over the years, we have increased our safeguards aimed at reducing the potential risk of accidents or occupational diseases in the workplace. The choice to standardize the procedures and regulations of the different sites is an important element in the establishment of a real safety culture within the Group, and this is achieved through a centralized **HSE Team** for health and safety, which is responsible for defining the policies and guidelines to be applied to all Group companies. The team's activities are not limited to the potential harmonization of safety measures; they also include on-site audits and inspections, with the aim of verifying that recommendations have been properly adopted and that effective HSE measures have been implemented. For this reason, each manufacturing site has a **specific group of people who are responsible for managing and supervising health and safety concerns and carrying out risk analysis;** in addition, the workers' representatives regularly take part in formal management-worker committees, while guidelines and policies are managed at Group level. **[S1-2 27.a; S1-4, 38.d, RA 47]**

With the goal of having a positive impact on the achievement of the safety and environmental targets set at the beginning of the year for each Group site, a mechanism for sharing indicators, projects and events within the Group has been designed with the goal of disseminating the effective solutions put into practice. This activity is based on a portal specially set up to share and store any type of *lessons learned* within the Group.
[S1-4, 38.d, 40.a]

In 2025, we involved all the people from the group's Italian offices in ten "**Safety Break**" meetings focused on the theme of neuroscience with the course "**NeuroSafety: Let's train our minds to act safely**". The informative training session helped us to understand how our brain perceives risk, teaching us useful strategies to maintain high concentration in work and everyday life. **[S1-4, 36.b]**

SAS app: how to prevent accidents at work

In order to facilitate the participation of all employees in the reporting of safety issues and in the recording of any unsafe behavior, we have also developed the **SAS app** internally: this technology, currently implemented in the main Italian sites (Forlì, Calderara di Reno and Rovereto), is enabling a significant increase in the number of safety and environmental reports, to be analyzed from a preventive perspective. These reports are used as a tool for analyzing and monitoring future trends in the HSE sector. **[MDR-A 68.d; S1-4, 38.d, 40.a, 41]**

Since the first tests, carried out in 2022, the app has been fully operational over the last two years. Currently, the project to extend the scope of applicability of the technology to some foreign plants is underway, with a view to increasing centralization on control aspects in the Health, Safety and Environment field. **[MDR-A 68.a, 68.b, 68.c]**

The main objectives that this application has allowed us to achieve are as follows:

- Increase in the number of **Unsafe Condition and Unsafe Act** reports. In particular, compared to previous years, there has been an increase in reports: +64% of reports of dangerous conditions and +83% of reports of unsafe behavior in 2025 compared to 2022 at the Forlì plant; +57% of reports of dangerous conditions in Calderara di Reno in 2025 compared to 2023; **[S1-4, 38.d]**
- Greater **awareness of the importance of Health and Safety aspects** by company staff, at all levels;
- Reduction in problem **resolution times** and reports from sites.

Based on these results, and in line with the Group's commitment to ensuring even greater protection for people and the environment, the new version of the SAS app developed with the contribution of a cross-functional team including IT, Group HSE, Continuous Improvement and Local HSE was launched in 2025. The new app represents a significant step forward, and while the acronym remains the same, it takes on a new meaning: "**Safe And Sound**". **[S1-4, 38.e]**

Major improvements include:
- A completely new and more intuitive user interface;
- Complete management of reports within the app;
- Automatic assignment of tasks to the competent departments;
- Complete traceability and history for analysis and follow-up audits;
- Dashboards and statistics to monitor performance in real time;
- Improved feedback for whistleblowers.

As of November 2025, the new version has been adopted in Italian plants and will be progressively extended to the Group's other foreign sites. **[S1-5, 44.b]**

Bonfiglioli Health Care Project (BHCP)

Since 2022 we have been offering our people **Bonfiglioli Health Care Project (BHCP)**, a project aimed at developing a prevention plan integrated with the projects of the National Health System (guidelines of the National Prevention Plan 2022-2025) of the Italian Ministry of Health, and with the prevention packages of the sector's health care fund. In particular, with the support of the company's health staff, the HSE and the Human Resources departments, we have designed an **annual health prevention program** involving staff from all Italian offices (EVO, Forlì, Rovereto, Carpiano and Selcom). This program includes a cardiovascular risk screening and, alternatively, special prevention projects selected by the competent doctors, tailored to patient needs: in 2025, 500 workers joined the initiative dedicated to the prevention of cardiovascular risk. Thanks to this alternation of health promotion activities, participants can monitor their health status over time with respect to these risks. **[MDR-A 68.a, 68.b]**

For 2026, we are carrying out a joint analysis of possible projects suitable for the Group and not covered by other forms of health insurance; employees will then be invited to take part in a survey to choose which project to proceed with.

Further projects, aimed at increasing the monitoring levels of the main Health and Safety KPIs, which have contributed to the improvement of the Group's H&S performance, have been implemented at individual plant level. Of these, the following are particularly notable:

- **Medical restriction management**: as part of the various activities for better management of employees with medical restrictions within the production departments, an app has been developed that allows managers to immediately identify in which positions the member of staff can work in, based on the risks and in line with the health status determined by the company doctor during the visit;
- **Risk awareness and perception**: these themes were the subject of various corporate initiatives during 2025, starting with training for HSE and HR teams on the subject of neuroscience. In addition, they were also the theme that inspired the photographic competition launched on World Safety Day, discussed during the company Safety Breaks and addressed during the refresher training courses for workers at the Forlì plant.
- **ISO 45001 certification**: in May 2025, all 3 Italian Selcom Group sites obtained the first ISO 45001:2023 certification, the international standard for occupational health and safety management. **[MDR-A 68.a, 68.b, 68.c; S1-4 38.a, 38.b, 38.c, 40a]**

SuperHuman

As part of the **innovation project**, the **SuperHuman** project was rolled out, designed to improve the health of workers by supporting them in carrying out warehouse activities that require the manual movement of material. The goal of the project is to create a new assistive exoskeleton to support the back and lower limbs of employees.

These actions help enhance positive impacts and mitigate negative impacts that emerged from the Materiality Analysis carried out *(accidents, injuries and illnesses at work, with possible negative impacts in terms of the health and safety of the workforce*). **[S1-4, 39]**

Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

[MDR-T 78, 79.a, 79.b, 79.c, 79.e, 80.a, 80.b, 80.c, 80.d, 80.e, 80.f, 80.g, 80.j; S1-5, 44.a, 44.b, 44.c, 45, 46, 47.a, 47.b, 47.c]

The sustainability objectives relating to the Group's own workforce are defined annually on the basis of consolidated planning and control processes at Group level, and, once approved, they flow into the Sustainability Plan. These apply to workers throughout the organization.

Below are the main objectives related to the Group's own workforce accompanied by a description of the actions implemented during the year. The purpose of these objectives is to manage the Group's workers and address the material impacts, risks and opportunities. Periodically, the objectives are reviewed internally by the Human Resources function, in order to evaluate the company's performance with respect to achieving the target, as well as to contribute possible ideas for improvement. **[MDR-T 78, 79.a, 79.b, 79.c, 79.e, 80.a, 80.b, 80.c; S1-5, 47.a, 47.b, 47.c]**

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
	Empowering people						
Reduce the voluntary resignation rate of new hires (with seniority <2 years) compared to 2023 (23%[32]) up to 15% in 2029	Reduction of the outbound turnover rate by about 2/3% points per year, up to a rate of 15%, compared to the baseline (23%)	ESRS S1-5 Metrics and Objectives, S1-6 **(Characteristics of Company Employees)**	Own operations	2023	23%	2029	34%
Top Employer Certification Extension	Expand the number of employees covered by the Top Employer certification to at least 60% of the company's population by 2026.	ESRS Metrics and Objectives S1-5	Own operations	2024	36%	2026	70%
Launch of the performance appraisal process on at least 1500 employees by 2025	Launch the performance appraisal process on at least 1500 Group employees by the end of 2025	ESRS Metrics and Objectives S1-5	Own operations	2024	Not launched	2025	Reached (1600 Group employees)
Implement a Group Global Mobility Policy	Design and implement a Group policy to encourage internal mobility, job rotation and international experiences	ESRS Metrics and Objectives S1-5, S1-1 **(Own workforce policies)**	Own operations	2024	Undefined	2026	Ongoing
	Equity & Inclusion						
Guarantee the minimum 30% of women among candidates in the first selection step ("Short list") for Blue Collar positions by 2028	Increase the % of women in operational positions starting from a list of candidates, which includes a minimum % of women, to be increased by a % value every year	ESRS Metrics and Objectives S1-5, **S1-9 (Diversity Metrics)**	Own operations	2024	-19%	2028	20%
Ensure a minimum of 35% of women among candidates in the first selection step ("Short list") for White Collar positions by 2028	Increase the % of women in office positions starting from a list of candidates, which includes a minimum % of women, to be increased by a % value every year	ESRS Metrics and Objectives S1-5, **S1-9 (Diversity Metrics)**	Own operations	2024	-27%	2028	41%

32 The figure refers to White Collar workers only

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Ensure a minimum of 35% of women among candidates in the first selection step ("Short list") for Manager positions by 2028	Increase the % of women in managerial positions starting from a list of candidates, which includes a minimum % of women, to be increased by a % value every year	ESRS Metrics and Objectives S1-5, **S1-9 (Diversity Metrics)**	Own operations	2024	-20%	2028	24%
Increase female representation in management by 20% by 2030	Increase the % of women in managerial positions through hiring and promotions	ESRS Metrics and Objectives S1-5, **S1-9 (Diversity Metrics)**	Own operations	2024	-16.5%	2030	17%
Equal pay							
Map the wage gap of the global female population and keep it below 10% by 2028	Mapping, assessing and acting globally on the gender gap with equal roles and competences	ESRS Metrics and Objectives S1-5, S1-10 **(Adequate Wages)**	Own operations	2024	Not launched-	2028	Ongoing
Training and skills development							
Increase the average non-mandatory per capita training hours at Group level, up to a total of 20 hours in 2028.	Increase in non-mandatory per capita training hours by Group companies up to an average of 2.5 training working days per year for all employees by 2028	ESRS Metrics and Objectives S1-5, S1-10 **(Training and Skills Development Metrics)**	Own operations	2023	15 h average per capita-	2028	19.5 h averages
Implementation of an International Trainee Program project	Involve at least 10 people internally and externally in the international trainee program project over the next 6 years (2 three-year cycles involving an average of 5 people)	ESRS Metrics and Objectives S1-5, S1-10 **(Training and Skills Development Metrics)**	Own operations	2024	6 people-	2030	Ongoing (6 people)

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Occupational Health and Safety							
Accident Frequency Rate Reduction (No. of Accidents/Total Hours Worked by Employees x 1,000,000)	Reduction of the accident frequency rate by 10% compared to the average of the previous three years (3.72) - Group perimeter	ESRS Metrics and Objectives S1-5, S1-14 **(Health and Safety Metrics)**	Own operations	Average three-year period 2022-2024	3.72	2025	Reached (3.26)
Severity rate reduction (No. of days lost per single injury/Total hours worked by employees x 1,000,000)	Reduction in the accident severity rate by 10% compared to the average of the previous three years (0.14) – Group perimeter	ESRS Metrics and Objectives S1-5, S1-14 **(Health and Safety Metrics)**	Own operations	Average three-year period 2022-2024	0.14	2025	Reached (0.12)

[MDR-T 80.a, 80.b, 80.c, 80.d, 80.e; S1-5, 44.a, 44.b, 44.c, 45, 46]

Below are the sources and calculation methodologies of the main targets identified with reference to the workforce:

Empowering people

- **Reduce the turnover of new hires: the target is defined on the basis of data on hires and terminations contained on e-ngenious and collected in a BI**. We calculate the turnover as the sum of the voluntary resignations that occurred within 24 months of hiring divided by the total number of hires in the same period; for both values we consider the last 12 months. The data is monitored monthly by Management and the HR Business Partners. When updating the Sustainability Plan, this objective may be revised in order to align it with the company strategy and the business reference context.
  - In 2025, the Group invested heavily in young talent in terms of attracting staff globally. However, the percentage of turnover in new hires in 2025 stands at 34%, an increase compared to 2023 (23%).
- **Extension of Top Employer Certification: Following an audit process carried out in October 2024, we** succeeded in improving our total rating by 10% in a year after all the initiatives were introduced. Based on this result, we have set a target of 60% of workforce by 2026.
  - The goal was largely achieved in 2025, thanks to the extension of certification to Group companies based in India, the USA and Slovakia.
- **Global Mobility Policy** : the introduction of the new Global Mobility Policy at Italian level has been postponed to 2026, to extend it to the entire Group. In this way, we will involve our employees in the commitment to creating a culture of international mobility, which embraces the different locations, encouraging the development of new skills and the sharing of know-how, and creating structured career paths. **[MDR-T 80.f, 80.g, 80.j]**

Equity & Inclusion

- **Guarantee a minimum percentage of women (30% for Blue Collar positions and 35% for White Collar and Managerial positions) among candidates in the first selection step ("Short list") by 2028**: the definition of a "Short list" of candidates that includes a minimum percentage of women presupposes the implementation of a personnel selection process starting from **the e-ngenious IT platform**, used for the extraction of a set of qualitative data, including on gender. The Talent Acquisition function is responsible for monitoring the percentage of women (number of women/number of total candidates) through the use of a dedicated BI. Subsequently, it provides the Hiring Manager, directly responsible for hiring, with a shortlist of at least three people. Every six months, Talent Acquisition shares the results achieved with Management and defines corrective actions where necessary.

- With reference to the classification of candidates, in 2025 the the female representation was as follows:
  a) Managers: 24%;
  b) White Collars: 41%;
  c) Blue Collars: 20%.
- **Increase female representation in management by 20% by 2030**: the target was defined on the basis of the information contained in the e-ngenious database, regarding the role occupied by employees (Manager, White Collar and Blue Collar) and their contractual situation. The data is monitored monthly with the support of the company management. **[MDR-T 80.f, 80.g]**
  - In 2025, the percentage of women in management was 17%, an improvement compared to 2024 (16%, or 38 women out of 242 employees at Group level).

Equal pay:

- **Mapping the wage gap of the female population worldwide**: the objective is defined by the Compensation function and reviewed annually, starting with an analysis of the pay levels within the organization, verifying that among the employees of the same company with similar roles and responsibilities there is no wage gap attributable to gender. **In fact, the wage gap is calculated as the ratio between the average salaries of the female population and the reference population for each of the roles held**, taking into account factors such as the organizational level, company seniority and age. When calculating the salary, the sum of the ABS (Annual Base Salary, fixed portion of the salary) and the MBO (Management by Objectives, variable portion) is considered. **Payroll data is downloaded directly from e-ngenious,** which is monitored and populated monthly by the Human Resources functions of each Group company. On an annual basis, Compensation shares the results achieved with Management and establishes corrective actions where necessary. **[MDR-T 80.f, 80.g]**
  - During 2025, the mapping of the wage gap of the female population worldwide was initiated.

Training and skills development

- **Increase in training hours**: the Learning & Development function is responsible for downloading and monitoring training data from the **Bonfiglioli Academy portal** on a monthly basis, so that it can intervene where necessary.
  - During 2025, non-mandatory training at Group level reached a total of 19.5 average hours per capita.
- **International Trainee Program**: established as an international training course dedicated to talented young graduates in STEM disciplines, it aims to develop highly specialized young professionals. The program, which lasts about 36 months, includes four semester experiences in different roles and countries (short-term assignments), followed by a 12-month experience to consolidate the skills acquired before accessing the destination role. Back in 2024, we selected six young people, both employees and external candidates, building a tailor-made professional and training path for each. During the entire program, participants will be supported by Mentors selected from among the Senior Business Leaders, who will guide them in their professional and managerial development. The results obtained are reviewed annually to assess the Group's performance. **[MDR-T 80.f, 80.g]**
  -During 2025, the first *Short Term Assignments* of six young talents distributed across five countries began. These first experiences were fundamental for the improvement of the program; a new edition will start in 2026.

Occupational Health and Safety

- **Reduction in the frequency and severity of accidents**: the target is established based on the data collected by the Real Estate, Facility & HSE Management function at Group level, in a specific internal database. In particular, the information provided by individual companies is monitored at the level of each plant and in aggregate form, and is available with different levels of detail (e.g. annual or monthly data, by individual plant, by type of branch, etc.). The availability of constantly updated quantitative information makes it possible to intervene promptly in the event of "near-miss" incidents or accidents in the workplace. **MDR-T 80.f, 80.g]**
- In 2025 we recorded a 13% reduction in the accident frequency rate compared to the average of the previous three-year period (3.72); as well as a 14% reduction in the accident severity rate compared to the average of the previous three-year period (0.14).

Metrics

[S1-6] Characteristics of company employees

Table 1

S1-6 50.a, RA 55_1

Gender	2024	2025
Female	881	879
Male	3704	3643
Other	-	-
Not communicated	-	-
Total	**4585**	**4522**

Table 2

S1-6 51, RA 55_2

Area	2024	2025
EMEA	2814	2735
AME	234	231
APAC	1537	1556
Total	**4585**	**4522**

Table 3

S1-6 50.b, 51, RA 55_3

	Female		Male		Other		Not communicated		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Number of employees	**881**	**879**	**3704**	**3643**	**-**	**-**	**-**	**-**	**4585**	**4522**
Number of permanent employees	646	641	3352	3302	-	-	-	-	**3998**	**3943**
Number of fixed-term employees	235	238	352	341	-	-	-	-	**587**	**579**
Number of employees with variable hours	-	-	-	-	-	-	-	-	**-**	**-**
Number of full-time employees	837	838	3684	3615	-	-	-	-	**4521**	**4453**
Number of part-time employees	44	41	20	28	-	-	-	-	**64**	**69**

Table 4

S1-6 52.a, 52.b, RA 55_4

	EMEA		AME		APAC		Total	
	2024	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**
Number of employees	**2814**	**2735**	**234**	**231**	**1537**	**1556**	**4585**	**4522**
Number of permanent employees	2783	2701	234	231	981	1011	**3998**	**3943**
Number of fixed-term employees	31	34	-	-	556	545	**587**	**579**
Number of employees with variable hours	-	-	-	-	-	-	**-**	**-**
Number of full-time employees	2752	2674	232	225	1537	1554	**4521**	**4453**
Number of part-time employees	62	61	2	6	-	2	**64**	**69**

Table 5

S1-6 50.c, RA 59

Turnover rate	2024	2025
Number of employees	4585	4522
Number of employees terminated	626	550
Employee Turnover Rate	**14%**	**12%**

Methodology and Assumptions

The number of employees figure refers to the total number of people with an active contract as of 12.31.2025 (headcount). The data is timely and reflects the situation at the end of the year. **(S1-6 50.di, 50.dii)** The number of company staff recorded a decrease during the course of 2025, in line with the decrease in total turnover, a phenomenon that affected the composition of the staff. **(S1-6 50.e)**

The data used for this calculation were extracted from our "e-ngenious" management system, a software program that enables the accurate monitoring of all the personal information of employees, in full compliance with GDPR regulations and the trade union agreements in force. It should be noted that the company O&K is an exception, as the data relating to its employees are managed locally and then communicated in aggregate form, as required by the agreements entered into with local unions.

[S1-7] Characteristics of non-employees in the company workforce

Table 6

S1-7 56, RA 62

	2024	2025
Total number of non-employee workers in the company workforce	**517**	**582**
Total number of non-employee workers in the company workforce - self-employed	1	1
Number of workers provided by companies carrying out research, selection and supply of personnel (administered)	511	577
Other types relevant to the company (interns and other types of contracts)	5	4

Methodology and Assumptions

The figure for the number of non-employees refers to the total number of people with an active contract as of 12.31.2025 (headcount). The data is timely and reflects the situation at the end of the year. **(S1-7 55.bi, 55.bii)** With regard to administration, which indicates workers hired through temporary or interim employment contracts, the number of company staff members recorded an increase compared to 2024 (+11%) and 2023 (+23%).
(S1-7 55.c)

The data used for this analysis were extracted from our "e-ngenious" management system, which allows accurate monitoring of all the personal information of non-employees, in compliance with GDPR regulations and trade union agreements. It should be noted that the company O&K is an exception: the data relating to its non-employee collaborators are managed locally and subsequently communicated in aggregate form, as required by the agreements with local unions.

[S1-8] Coverage of collective bargaining and social dialog

Table 7

S1-8 60.a, 60.b, 60.c, 63.a, RA 70

		Collective bargaining coverage		Social dialog
Coverage Rate		**Employees – EEA (for countries with > 50 employees representing > 10% of total employees)**	**Employees – Non EEA (estimate for regions with > 50 employees representing > 10% of total employees)**	**Workplace representation (EEA only) (for countries with > 50 employees representing > 10% of total employees)**
0-19%	2025			
	2024			
20-39%	2025		India	
	2024		India	
40-59%	2025			
	2024			
60-79%	2025			
	2024			
80-100%	2025	Italy	China	Italy
	2024	Italy	China	Italy

Methodology and Assumptions

The data were provided in aggregate form by the trade union relations managers of each company.

In addition, the main Italian trade unions (CGIL, CISL, UIL) with which our employees are registered are members of the European Works Council (EWC). **(S1-8 63.b)**
The countries with a number of employees considered significant are Italy, China and India.

The percentage of coverage of collective bargaining in China has been recalculated compared to what was previously reported in the 2024 Sustainability Report. The revision made it possible to correct the error and ensure a more accurate representation of the data.

[S1-9] Diversity Metrics

Table 8

S1-9 64, 65, 66.a, RA 71

Diversity Metrics	Female		Male		Other		Not communicated		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Senior Management Employees	202	199	40	41	-	-	-	-	**242**	**240**
Total number of employees	3704	3643	881	879	-	-	-	-	**4585**	**4522**
Percentage	5%	5%	5%	5%	-	-	-	-	**5%**	**5%**

Table 9

S1-9 66.b

Job Categories	Under 30		Between 30 and 50 years old		Over 50		Total	
	2024	2025	2024	2025	2024	2025	2024	2025
Executives & Managers	0	1	128	129	114	110	**242**	**240**
Middle managers and office workers	328	302	1372	1354	523	555	**2223**	**2211**
Workers	264	234	1253	1189	603	648	**2120**	**2071**
Total	**592**	**537**	**2753**	**2672**	**1240**	**1313**	**4585**	**4522**

Methodology and Assumptions

Employees in roles with strategic and managerial responsibilities are considered part of senior management. **(S1-9 RA 71)**
The data has been extracted from our "e-ngenious" management system, which enables accurate monitoring all the personal information of employees, in compliance with GDPR regulations and trade union agreements. Information related to the organizational structure, such as the distinction between Blue Collar, White Collar and Management employees, is also monitored. The O&K company is an exception: here, data are managed locally and communicated in aggregate form, in accordance with agreements with local trade unions.

[S1-10] Adequate wages

S1-10 69

We recognize the importance of employee satisfaction, valuing their time, efforts and commitment. For this reason, we ensure an adequate and decent salary, in line with the principles of equity and respect.

The remuneration structures regarding the Group's personnel, in accordance with the supervisory provisions, may consist of a fixed and a variable component. The fixed salary, which is the main component of the economic value distributed to employees, is aligned with the provisions of the sectoral CCNL and the company bargaining in force from time to time.

With regard to the analysis relating to the living wage and in general to the verification of employee remuneration with respect to the living wage, the salaries reflect all the contractual minimums provided for by law or by collective bargaining and in any case are higher than the minimum wage, where this exists.

[S1-11] Social protection

S1-11 74, 76, RA 75

We comply with the local legislation of each country regarding the social protection of employees. Sickness, maternity and retirement protections are in place in all countries. In many cases, we supplement the provisions of the law with medical insurance, company visits, vaccinations and social security funds.

	2024	2025		2024	2025
Employees with social protection	4585	4522	Non-employees with social protection	517	582
Total employee headcount	4585	4522	Total headcount of non-employees	517	582
Percentage	**100%**	**100%**	**Percentage**	**100%**	**100%**

[S1-12] People with disabilities

Table 10

S1-12 77.78.79

	2024	2025
People with disabilities	138	136
Total employees	4585	4522
Percentage	**3%**	**3%**

Methodology and Assumptions

Individual companies have been given the discretion to adapt the global definition to their national contexts, while striving to apply objective criteria recognized by local legislation. People with disabilities have independently communicated their situation to the Group companies, in accordance with the provisions of national labor legislation. For example, in the case of Italian companies, individuals belonging to protected categories due to disability were taken into account.
The data were communicated in anonymous and aggregated form by the HR managers of the individual companies. **(S1-12 RA 76)**

[S1-13] Training and Skills Development Metrics

Table 11

S1-13 82, 83.b, RA 78

Average number of training hours by employee category and gender	Female		Male		Other		Not communicated		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Executives and Senior Managers	13	15	28	32	-	-	-	-	**16**	**18**
Middle managers and office workers	18	18	22	16	-	-	-	-	**19**	**17**
Workers	18	16	20	7	-	-	-	-	**18**	**15**
Total	**17**	**17**	**21**	**14**	**-**	**-**	**-**	**-**	**18**	**16**

Table 12

S1-13 81

Training hours by training areas	2024	2025
Employees and Managers	5670	2800
Leadership Gym	6910	10042
Bonfiglioli Culture	16962	9951
Professional School	17626	17334
Technical Toolbox	37758	48355
Health and safety	6177	17496
Total	**91103**	**105977**

Methodology and Assumptions

Data on company training were collected through the Bonfiglioli Academy platform for training in Italy and for asynchronous training in the rest of the Group's locations, while for synchronous training abroad we consulted the local Human Resources functions.

The data refer to the training carried out throughout the year 2025, from 01/01/2025 to 12/31/2025, even if completed by people no longer employed by the company as of 12/31.

[S1-14] Health and Safety Metrics [33]

Table 13

S1-14 88, RA 80, 83

	Employees		Non-employee	
	2024	2025	2024	2025
Percentage of workers who are covered by a health and safety management system based on legal requirements and recognized guidelines	**69%**	**72%**	**0%**	**8%**
Number of deaths related to accidents at work	0	0	0	0
Number of deaths related to occupational diseases	0	0	0	0
Total number of hours worked	9114579	7993837	1717891	1614302
Number of recordable accidents at work	21	26	0	1
Rate of recordable accidents at work	**2.30**	**3.25**	**0**	**0.62**
Number of recordable accidents at work with serious consequences	6	1	0	1
Rate of recordable accidents at work with serious consequences	**0.66**	**0.10**	**0**	0.62
Number of cases of recordable occupational diseases	0	0	0	0
Number of days lost due to accidents at work	1093	884	0	30
Number of days lost due to occupational diseases	0	0	0	0

33 The health and safety metrics relating to 2024 and 2025 do not include the figures for the following companies: Bonfiglioli Canada Inc., Bonfiglioli Swiss SA, Bonfiglioli South East Asia PTE Ltd., Bonfiglioli Trading (Shanghai) CO. Ltd., Bonfiglioli Drive Solutions PVT Ltd.

Methodology and Assumptions

The number of recordable accidents at work with serious consequences only takes into account accidents that have resulted in more than 60 days lost.
With regard to occupational diseases, only complaints that were actually accepted by INAIL were considered.
The data were communicated by the Group's Italian and foreign plants and subsequently aggregated.

[S1-15] Work-Life Balance Metrics

Table 14

S1-15 93.a, 93.b, RA 96

	Female		Male		Other		Not communicated		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Percentage of employees entitled to parental leave (%)	82%	79%	100%	100%	-	-	-	-	85%	83%
Percentage of eligible employees who took family leave (%)	17%	20%	18%	23%	-	-	-	-	17%	21%

Methodology and Assumptions

The data was provided by the HR functions of each branch with more than 20 employees.
With regard to the regulations on leave for family reasons, Bonfiglioli Group follows local legislation, seeking, where possible, to extend the days or supplementary compensation in agreement with the workers' representatives. A significant example is represented by the Italian branches where additional leave is provided with respect to the national collective agreement for situations such as settling in at nursery, hospitalization of a spouse or cohabitant and specialist medical visits for children. The only case where there is no leave for men concerns companies based in India.
The total percentage of employees entitled to parental leave has been recalculated compared to what was previously reported in the 2024 Sustainability Report. The revision made it possible to correct the error and ensure a more accurate representation of the data.

[S1-16] Pay Indicators

Table 15

S1-16 95, RA 98

	Pay Gap	
Job Categories	2024	2025
Executives & Managers	2.82%	0.20%
Managers & employees	2.39%	2.36%
Workers	4.26%	4.05%

Table 16

S1-16 95, RA 98

Total Annual Remuneration Rate	2024	2025
Ratio of the total annual salary of the highest paid person to the median total salary of all employees (excluding the highest paid employee)	23.90	10

Methodology and Assumptions

The gender pay gap is calculated as *(Average Gross Hourly Compensation of Male Employees – Average Gross Hourly Compensation of Female Employees) /Average Gross Hourly Compensation of Male Employees* **(ESRS S1-16 RA 98.b)**.

The annual remuneration rate is calculated as the *total annual remuneration for the person with the highest company salary/Median total annual remuneration of employees (excluding the person with the highest salary)* **(ESRS S1-16 RA 101.c)**.

In 2025, junior figures of the Group were promoted to "Manager", which is why there is a reduction in the pay gap in the "Executives & Managers" job category.

The total annual remuneration rate 2025 shows a decrease compared to 2024 as a result of an internal reorganization that has modified the loss of the position with the maximum remuneration in the company.

[S1-17] Incidents, complaints and serious human rights impacts

Table 17

S1-17 103 a, 103 b, 103 c, 104 a, 104 b, RA 103, 105

During 2025, the Group encountered three incidents of discrimination in terms of gender, disability, racial or ethnic origin, resulting in human rights impacts. The three events took place at the locations in Calderara di Reno (Evo) and Castel Maggiore (Selcom).

The Group took the opportunity to reiterate the absolute seriousness of these attitudes, imposing sanctions on the parties involved. Indeed, in each of the cases, we implemented a sanctioning measure that provides for suspension from work and remuneration for the lost day of work.

The consistent treatment in all cases enables us to ensure that there is no differentiation between employees, even with reference to incidents of this kind.

ESRS S2: Workers in the value chain

Within the value chain, we act as a "leader", guiding specific projects, providing support and working in collaboration with all the actors involved, from upstream suppliers to downstream customers.
Sustainability Policy

Stakeholder Interests and Opinions

For a more in-depth examination of the ways in which the interests, opinions and rights of workers in the value chain guide the strategy and business model, please refer to paragraph *SBM-2 "Interests and opinions of stakeholders"*, within ESRS 2 *"General Disclosures"*.

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Value Chain
S2 Workers in the value chain	Current Positive Impact	Satisfaction of the value chain workforce through gender equality and equal pay for work of equal value, employment and inclusion of people with disabilities, enhancement of diversity and adoption of measures against violence and harassment in the workplace	Value chain
	Potential Negative Impact	Accidents, injuries and illnesses at work, with possible negative impacts in terms of health and safety of the supply chain workforce	Value chain
	Current Positive Impact	Gender equality and equal pay for work of equal value, employment and inclusion of people with disabilities, equal access to training, enhancement of diversity and local cultures and adoption of measures against violence and harassment in the workplace, with positive impacts on motivation, well-being and satisfaction of the value chain	Value chain
	Current Positive Impact	Satisfaction of the workforce through the development of professional skills, by means of training activities (including SSL training) provided to suppliers and business partners	Value chain
	Potential Negative Impact	Violation of the human rights of suppliers and business partners (forced and child labor)	Value chain
	Potential Negative Impact	Management of employee data, with possible negative impacts in terms of loss of personal data. Management of the data of suppliers and business partners, with potential negative impacts in terms of loss of personal data, as well as loss of trust in the Group	Value chain
	Risk	Reputational and operational risk related to the incorrect management of human resources along the value chain	Value chain
	Risk	Occupational accidents and diseases for workers in the value chain	
	Risk	Reputational and operational risk due to sanctions linked to incidents of discrimination	Value chain
	Risk	Incorrect training of workers along the value chain (suppliers, business partners and others)	Value chain
	Risk	Potential human rights violations within the value chain (e.g. child labor, human trafficking practices, slavery and similar practices, forced labor) resulting in reputational impacts and operational impacts that may be linked to the closure of strategic suppliers' factories	Value chain
	Risk	Exposure to sanctions and litigation related to incidents of personal data breach of suppliers and competitors along the value chain	Value chain

[S2 ESRS 2 SBM-3]

For more information on the interaction between material impacts, risks and opportunities and the company's strategy and business model, please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"*.

Policies related to workers in the value chain

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d; S2-1, 14, 15, 16, 17.a, 17.b, 17.c, 18, 19, RA 14]

Supplier Code of Conduct

We take a structured approach to identifying and managing worker-related impacts, risks and opportunities within our value chain. This commitment is reflected in several company documents and practices, the most relevant of which is the **Supplier Code of Conduct**.

In fact, the Group Code of Ethics is aimed at all those who work on behalf of our Group, who collaborate with us or who in any case have professional relationships with the organization. On the basis of this document, we have prepared the **Supplier Code of Conduct**: the objective of tis Code is to integrate the principles of environmental sustainability and social responsibility into corporate strategies, both at Group level and in the value chain, increasing the value and competitive advantage of all parties involved. The Code, whose adoption is the responsibility of the Purchasing Director, is addressed directly to suppliers, but also indirectly involves their employees, suppliers, external collaborators and other subjects. **[MDR-P 63, 64, 65.a, 65.b, 65.c; S2-1, 16]**

Among the main issues addressed in the Code are those related to business ethics and integrity and human rights. In fact, our Group promotes compliance with the principles of transparency and fairness along the entire value chain. In accordance with the internationally accepted guiding principles (ILO Declaration on Fundamental Principles and Rights at Work), we reject any form of discrimination and potential violation of human rights along the entire value chain, encouraging the recipients of the Code to adopt and promote internal mechanisms and tools that enable their employees to report actual or suspected violations of human rights, including labor and workers' rights. We reiterate our absolute condemnation of any form of exploitation of forced or child labor. **[MDR-P 65.d; S2-1, 17.a, 18, 19]** The principles enshrined in the Code aim to prevent any violation of the fundamental rights of the individual throughout the supply chain.

We also invite suppliers to adopt specific measures to ensure respect for human rights, including in the workplace; these may include training on gender equality and anti-discrimination issues, the adoption of ordinary and overtime working hours in line with the provisions of International Conventions and the offer of an adequate salary to ensure decent living standards. **[S2-1, 17.b, 17.c]**

No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises, which involve workers in the value chain, upstream and downstream of the value chain, were reported during 2025. **[S2-1, 19]**

For more details on the Supplier Code of Conduct, please refer to chapter G1 *"Business Conduct"*.

Processes for the engagement of workers in the value chain with regard to impacts

[S2-2 24; S2-3, 25, 26, 27.b, 27.c, 27.d, 28, 36]

Our Group recognizes the importance of the active involvement of workers and their representatives in the value chain, to address and manage the actual and potential impacts that may affect them. Although to date no specific processes have been implemented in this regard, we underline our commitment to the implementation of initiatives and opportunities that promote dialog along the corporate value chain. **[S2-2, 24]**

Whistleblowing

We also have a Whistleblowing channel managed by an external provider, with an autonomous and independent approach. **[S2-3, 27.b, 27.c]** This channel, as specified in more depth in the Whistleblowing Guidelines, can be used by anyone who has a collaborative or working relationship with our Group, including, but not limited to, the staff of contractors or subcontractors, or in any case anyone who becomes aware of possible violations within an employment relationship, even if terminated or not yet started. **[S2-3, 27.b]**

Through the Whistleblowing channel, we also give workers in the value chain the opportunity to express concerns and receive assistance, protecting their confidentiality: the privacy protection measures also extend to any third party collaborators of the reporting party, where relevant (e.g. facilitators, colleagues etc.). In order to ensure the effectiveness of the Whistleblowing channel, disciplinary sanctions are also adopted to counter possible retaliation against whistleblowers. **[S2-3, 25, 26]** For more information on this, refer to chapters S1 "Own workforce" and G1 "Business conduct".

No serious human rights violations or incidents were reported in relation to workers in the value chain during 2025. **[S2-4, 36]**

Interventions on material impacts for workers in the value chain and measures designed to mitigate material risks and seize opportunities for workers in the value chain, as well as the effectiveness of such actions

[MDR-A 66, 67, 68.a, 68.b, 68.c; S2-4, 31.a, 31.b, 32.a, 32.b, 33.a, 34.a, 35, RA 34]

In order to manage the material impacts, risks and opportunities regarding workers in the value chain, a list of the main actions carried out is provided below; these actions have been carried out or planned in order to achieve the Group's objectives and to manage the IROs, with reference to the following areas: **System of procedures to protect the value chain and Health and Safety Prevention within the supply chain.** **[S2-4, 31.a, 31.b]**

The initiatives described are being carried out, or were implemented during 2025, including in cases where they are designed to achieve the objectives defined by the Group Sustainability Plan.

Main actions [MDR-A 68.a]	Scope of actions (value chain, stakeholders) [MDR-A 68.b]	Timeframe [MDR-A 68.c]
Procedural system	Value Chain (Upstream)	Constant
Supply Chain SSL Audit	Value Chain (Upstream)	Constant

System of procedures to protect the value chain

In order to ensure proper management of impacts and risks affecting workers in the "upstream" value chain, we have introduced a structured system of operating procedures, which also allows us to monitor the Group's approach to negative and positive impacts over time. **[MDR-A 67, 68.a, 68.b, 68.c; S2-4, 32.a, 34.a]**

The procedures, briefly listed below, accompany the Supplier Code of Conduct, and are aimed at ensuring proper management of supply relationships, with particular reference to the promotion of fair working conditions and respect for human rights, including workers' rights:

- **Supplier assessment procedure**, which governs the assessment activity carried out, both during the new approval and continuous monitoring processes. The audit checklist is an annex to the procedure;
- **Validation procedure of supplier production processes**, which regulates the process, at a later stage than the initial approval;
- **Guidelines for evaluating the performance of suppliers**, through the Vendor Rating system.

Health and safety prevention in the supply chain

Starting from 2020, our Group began to carry out **on-site audits** on the supply chain, through the Audit Quality Team. These audits, aimed at monitoring the performance of direct suppliers with whom we have been collaborating for at least two years, provide for the introduction of several assessment criteria, including **occupational health and safety**. They are carried out at the suppliers' production sites, with the audit agenda communicated prior to the visit by email. Each audit is followed by a report that is sent to the supplier, with the request for an improvement plan.

Following receipt of the plan, it is reviewed, and further action may be requested where necessary. Once this phase is complete, the audit is considered closed and the supplier receives an assessment accompanied by a rating.

The implementation of an audit plan, which will be gradually integrated with environmental and social aspects, allows us to minimize the negative impacts and risks associated with unethical work practices on personnel employed in the supply chain. **[MDR-A 67, 68.a, 68.b, 68.c; S2-4, 32.a, 32.b, 34.a, 35, RA 34]**

These actions help enhance positive impacts and mitigate negative impacts, which emerged from the Materiality Analysis carried out *(Violation of the human rights of suppliers and business partners, forced and child labor and accidents, injuries and diseases at work, with possible negative impacts in terms of health and safety of the supply chain workforce)*. **[S2-4, 33.a]**

Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

[MDR-T 78, 79.a, 79.b, 79.c, 80.a, 80.b, 80.c, 80.d, 80.e, 80.i, 81.a; S2-5 39.a, 39.b, 39.c, 40, 41, 42.a]

Every year, the Group establishes the sustainability objectives relating to workers in the value chain, on the basis of consolidated planning at Group level. Although there are no quantitative objectives at this stage, these will be defined in the near future by the Administration, Finance & Controlling and Strategic Purchasing function, with reference to the impacts, risks and opportunities related to workers employed in the supply chain.

Below is a table showing the main objective defined during 2024, alongside a brief description, the base year and the target year, i.e. the year in which the objective is to be achieved. The latter is aimed at increasing the quality of the supply chain audit, implementing ESG criteria, in line with the provisions of the Supplier Code of Conduct. Periodically, the objective will be reviewed internally by the department concerned, in order to evaluate the performance of the company with respect to reaching the target, as well as any potential improvement actions.

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Protection for workers in the value chain							
Update of the checklist used in the supply chain audit activity (T1), including ESG criteria	Provide for the inclusion of ESG assessment criteria in the supply chain audit activity checklists	ESRS S2-5 **Objectives**	Value chain	2024	Not launched-	2026	Ongoing and extended target year

In the last quarter of 2025, we updated the supply chain audit checklist, introducing structured ESG criteria to assess the environmental, social and governance performance of suppliers. The new version is currently being validated. **[MDR-T 80.i]**

ESRS S3: Affected communities

We believe that our commitment to people goes beyond the company, extending to the local communities in which we operate.

Bonfiglioli sees the community as a network of relationships with stakeholders, which includes not only customers, but also local communities, whose development and growth we support.

Stakeholder Interests and Opinions

For a more in-depth examination of the ways in which the interests, opinions and rights of the affected communities chain guide the strategy and business model, please refer to paragraph *SBM-2 "Interests and opinions of stakeholders"*, within ESRS 2 *"General Disclosures"*.

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
S3 Affected communities	Potential Positive Impact	Creation of added value - generated directly and through suppliers - for the local communities, providing employment and community involvement, for example.	Bonfiglioli Group Value chain
	Risk	Reputational risk linked to over-exploitation of natural resources and impoverishment of local communities	Bonfiglioli Group
	Opportunities	Improving the Group's reputation through stronger relationships with local communities and wealth generation	Bonfiglioli Group

[S3 ESRS 2 SBM-3]

For more information on the interaction between material impacts, risks and opportunities and the company's strategy and business model, please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"*.

Policies regarding affected communities concerned

[MDR-P 63, 64, 65.a, 65.b,65.c, 65.d,65.e, 65.f, S3-1, 12,13,14]

Sustainability Policy

In light of the global scope of our activity, we are constantly committed to promoting the development of the local communities in which we are located, improving people's living conditions and paying great attention to the quality of the environment. In this, our commitment is inspired by the work of our founder Clementino; our Chairwoman Sonia Bonfiglioli, leads the way on the path of corporate social *responsibility*, supporting initiatives and projects around the world, on the basis of **three main pillars**: **youth, territorial development and STEM disciplines**. These pillars are indicated and described in more detail in the Sustainability Policy. [S3-1 12,13,14] This document reaffirms our commitment to ensuring care for our communities, both in Italy and abroad, through projects and contributions to local economies, as well as partnerships with institutions, universities and local authorities, rolling out initiatives designed to promote cultural heritage, provide health care and support other relevant causes. **[MDR-P 65.e]**

The Sustainability Policy is published in the "Sustainability" section of the Group's website and is freely accessible to interested communities **[MDR-P 65.f]**

For further information on the Sustainability Policy and the Code of Ethics, regarding the protection of human rights, please refer to Chapter E1 *"Climate change"* and S1 *"Own workforce"*. **[MDR-P 63, 64, 65.a**]

Charity & Donations Policy

During the course of 2025, we started work on our**Charity & Donations Policy** in order to outline the guidelines and criteria at Group level for the selection and coordination of charity and volunteer activities.

Processes for the involvement of the affected communities regarding the impacts

[S3-2 24, 19; S3-3, 25, 26, 27.b, 27.c, 27.d, 28, 36]

Whistleblowing channel and reports	The **whistleblowing** reporting channel also offers interested communities the opportunity to report concerns or issues in a confidential and protected manner. **[S3-3, 25]** The Whistleblowing system and its regulations are easily accessible through the company's website, in the "Sustainability" section within the "Governance" subcategory. **[S3-3,28]** For further information on the Whistleblowing channel, please see Chapter S1 *"Own workforce"* and G1 *"Business conduct"*. **[S3-3,26, 27.b, 27.c, 27.d, 28]** During 2025, there were no significant incidents or human rights issues in relation to the affected communities. **[S3-4.36]**

Interventions on material impacts on affected communities and measures designed to manage material risks and seize opportunities for affected communities, as well as the effectiveness of such actions

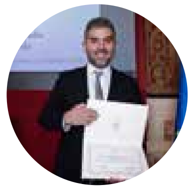
[MDR-A 66, 67, 68.a, 68.b, 68.c, 68.d; S3-4, 30, 31.a, 31.b, 32.a, 32.b, 32.c, 34.b, 37, 38]

Social responsibility is something that is especially close to our hearts, and every year we invest significant resources into improving the environment and well-being of the people around us. In 2025, we supported numerous initiatives, with a total contribution of 250,000 euros, aimed at key sectors such as culture, education, charitable causes and environmental protection. On an annual basis, our CSR Team evaluates the effectiveness of the initiatives carried out during the year in relation to the activities planned for the Italian offices, and establishes the priorities for the following year, seeking to focus human and financial resources on the issues with the greatest impact for our Group and the global communities.

Below are the main actions completed during 2025.

[MDR-A 68.a, 68.c; S3-4, 30, 31.a, 31.b, 32.a, 32.b, 32.c]

Initiatives at national level

Key actions	Brief description
MALPIGHI LA.B	Dedicated to Clementino Bonfiglioli, Malpighi La.B was founded in 2016 as a multi-purpose area open to all students in Bologna that also houses a mechatronics laboratory, in partnership with Bonfiglioli. In 2025, we participated in the organization of the "Mechatronic Contest" within the lab. This is a competition involving around 70 students who, for two days, must work together to create physical models, configure a control system and organize the competition; the contest is designed to stimulate their interest in the topics of robotics, IT and 3D design.
BUSINESSGAME @SCHOOL	We support students as part of an event that involves different companies in the area, offering them the opportunity to participate in a stimulating team challenge to develop the best business idea. This initiative offers young people the opportunity to work in a real context and to apply their theoretical knowledge to solving business problems.
Clementino Bonfiglioli Scholarships 	We want to ensure that the fundamental principle of education is respected and that we do not discriminate against students on the basis of income. For this reason, we continue to support the education of the youngest, throughout the entire school cycle, by providing multiple five-year scholarships to cover the tuition fee in its entirety. The five scholarships, each worth €5,750, are intended for students enrolling in the first year of the Scientific High School and the Applied Sciences High School of the Malpighi Institute in Bologna, and are awarded on the basis of academic merit.
AIE ASSOCIAZIONE ITALIANA EPILESSIA	Since 2018 we have been supporting the Emilia-Romagna Epilepsy Association (AEER), through an initiative dedicated to patients aged between 6 and 16 years which promotes activities aimed at promoting greater awareness of the neurological disease, as well as a more in-depth knowledge of the cognitive and emotional functions in patients who suffer from it. The project, which lasts two years, allowed us to contribute €15,000 in the two-year period 2024-2025.
Mus-E Musique Europe CREO CAMBIO CRESCO	Also in 2025, we continued to contribute to MUS-E projects in primary school classes in the Bologna hinterland, with donations reaching €15,000. MUS-E Musique Europe is a multicultural European project dedicated to helping children discover themselves and others through artistic disciplines.
PLASTIC FREE	In collaboration with the Plastic Free volunteer organization, we participated in 2 clean-up events organized in Bologna and Forlì, where we were joined by employees and family members of Bonfiglioli sites in Italy. The initiative, to which we have contributed €5,000, aims to raise awareness of issues relating to environmental protection and land conservation.

International initiatives

Key actions	Brief description
Boys Home **Girls Home** India	We have made donations to two important projects: Prema Vasam and the Clementino Bonfiglioli Trust, for the support, respectively, of the initiatives, 'Boys Home', with a contribution of about €48,000 and 'Girls Home', with a contribution of €38,000. Currently, the 'Boys Home' program supports between 40 and 45 boys. The 'Girls Home' program currently supports 15 girls, but this number will increase to 40 in the coming months. Both initiatives provide boys and girls with accommodation, daily meals, education until graduation, as well as medicines and health care with a contribution of €10,000.
Medicines **for Prema Vasam** India	We help cover the costs of medicines for people assisted by Prema Vasam, an organization dedicated to supporting vulnerable people. Currently, about 200 people benefit from this program.
Special Employment Center Europe – Spain	We work with two companies that operate as special work centers, offering opportunities to people struggling with inclusion in the world of work. The initiative, which has been in place since 2023, continued this year, providing support to Opteam, an expert partner in the organization and management of employee travel, and Trabajos Solidarios, an organization engaged in the supply of office equipment and personal protective equipment.
Vereda Night Run Slovakia 	A charity race to support local communities and promising young athletes, with the aim of fostering their development and improving the quality of sports training. The company and its employees contribute to the initiative, both with a donation of €1,500 and by actively participating in the race through the streets of the city. The project, now active for several years, has allowed us to raise significant funds in the past, to be allocated to people in need.
Kockaci Slovakia 	We have made a donation of €2,000 to a local association for a project run by young volunteers, who offer free tutoring to children and students from disadvantaged backgrounds and excluded communities. The project is designed to promote the development of financial literacy, digital skills and, more generally, supports children's interest in education, development and the creation of good study habits.
Ho Chi Minh School Vietnam 	We support the Ho Chi Minh school with an annual contribution of €8,500, offering educational tools to young students who come from situations of great economic difficulty. The school has also started working with some universities, whose volunteer students dedicate some of their free time to tutoring activities.
Schmetterling Neuss Germany	We support this charity with a donation, which in 2025 was €3,000. This association offers economic and social support to families with children suffering from serious illnesses.
Neussner Tafel e.V. – Krefelder Tafel e.V. Germany	We have also contributed, donating €3,000 to local associations for the collection of food for people in need.
North West Youth Alliance Curzon Ashton UK	During 2025, we had the privilege of being the main sponsor of the jerseys for the North West Youth Alliance Curzon Ashton football team (U17 and U18) for the 2025/2026 season. The club, committed to promoting diversity and inclusivity, supports teams made up of girls and boys with disabilities, promoting social integration through sport. As part of this sponsorship, a "Player of the match" is nominated every week. We have contributed €1,500, consolidating our commitment to supporting the community and social values.

Among the projects designed to mitigate negative environmental impacts, **Plastic Free** is of particular note: this project, carried out at our Italian offices, engaged employees and communities on issues linked to respect for the environment. Participants were asked to spare a few hours of their time to improve the places where they live and work on a daily basis. **[S3-4 32.a, 32.b]** Through initiatives such as **Boys Home Girls Home**, meanwhile, we actively support the communities that live near our international headquarters, ensuring resources for the improvement of their prospects for the future. **[MDR-A 66, 67, 68.a, 68.b, 68.c, S3-4 32.c, 34.b]**

Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

[[MDR-T 78, 79.a, 79.b, 79.c, 79.e, 80.a, 80.b, 80.c, 80.d, 80.e, 80.i, 80.j; S3-5, 39.a, 39.b, 39.c, 40, 41]

Below are the main objectives defined at Group level.

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Affected communities							
Definition and implementation of the "Charity & Donations" Policy	Developing and formalizing a comprehensive policy for charitable initiatives and donations at Group level, outlining guidelines for employee engagement and selection criteria for beneficiary organizations	ESRS S3-5 Objectives	Own operations	2024	Undefined	2027	Partially reached and extended the target year
1,000 hours of volunteering work carried out per year	Identifying a voluntary activity for each branch, designed to foster commitment in the community, promoting corporate social responsibility and improving the Group's positive impact on local communities. The goal assumes the achievement of 1,000 annual volunteer hours at Group level	ESRS S3-5 Objectives	Own operations	2024	240 h	2026	Achieved (1,185 hours of volunteering)

[MDR-T 78, 79.a, 79.b, 79.e, 80.a, 80.b, 80.c, 80.d, 80.e, 80.f, 80.g, 80.j; S3-5, 39.a, 39.b, 39.c, 40, 41]

The definition of a policy dedicated to charitable initiatives and donations at Group level makes it possible to develop a **shared and harmonized line of action between the various companies**, improving coordination and dialog between the Parent Company and the various branches.

We are committed to promoting a culture of **corporate social responsibility** that extends beyond our perimeter, with the aim of improving the Group's positive impact on local communities through voluntary activities aimed at responding to the needs of the territory.

Below is a brief list of the volunteer activities that have contributed to the achievement of our goal for the year 2025:

- **Plastic Free OdV Onlus**, an Italian voluntary association which aims to raise awareness and inform as many people as possible about the risks and impact of plastic pollution. Our employees have actively participated in the collection of waste in dedicated areas of the city, taking care of the territory and contributing to the protection of the environment in a concrete, collective manner. The initiative took place in the cities of Bologna and Forlì.
- **Race for the Cure**, a sporting event dedicated to the fight against breast cancer. The event combines sport and health through a charitable run or walk. Through participation in the event, we supported the projects of the Komen Italia Foundation, engaged in scientific research and raising awareness of the importance of prevention and early diagnosis. Thanks to the participation of around 230 of our employees, we were recognized as the largest company team that took part in the Bologna event. A result that bears testament to the strong spirit of participation and social responsibility that characterizes our business community.

ESRS S4: Consumers and end users

Customer management: customer satisfaction and innovative and sustainable solutions

*Our two business units, **Industry & Automation Solutions** and **Mobility & Wind Industries**, have all the skills and experience necessary to support the growth of our customers. Thanks to our worldwide network, we can assist customers anywhere and at any time.*

We design, produce and distribute effective tailor-made solutions for all types of applications: from industrial automation to mobile machinery and wind energy.

Customer satisfaction

Stakeholder Interests and Opinions

For a more in-depth examination of the ways in which the interests, opinions and rights of consumers and end users guide the strategy and business model, please refer to paragraph *SBM-2 "Interests and opinions of stakeholders"*, within ESRS 2 *"General Disclosures"*.

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
S4 Consumers and end users	Current Positive Impact	Improved customer experience through access to information and ensuring proper complaint handling	Bonfiglioli Group Value chain
	Current Positive Impact	Commercial practices in compliance with regulations with consequent customer satisfaction	Bonfiglioli Group Value chain
	Current Positive Impact	Increased customer trust through the safeguarding of customer health and safety	Bonfiglioli Group Value chain
	Opportunities	Improved corporate reputation through secure access to information and effective complaint handling	Bonfiglioli Group
	Risk	Creation of expectations in the customer that are not fully met and/or failing to meet quality standards	Bonfiglioli Group
	Opportunities	Improving corporate reputation through responsible business practices	Bonfiglioli Group
	Risk	Reputational risks and exposure to sanctions or litigation related to non-compliance with regulations on product safety	Bonfiglioli Group
Product and process innovation and sustainability	Current Positive Impact	Development of innovative products and solutions through R&D activities, positively impacting customer requests	Bonfiglioli Group
	Opportunities	Improved corporate reputation through the development of innovative and more efficient products	Bonfiglioli Group

[S4 ESRS 2 SBM-3]

For more information on the interaction between material impacts, risks and opportunities and the company's strategy and business model, please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"*.

Policies related to consumers and end users

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d, 65.e, 65.f; S4-1, 13, 14, 15]

In order to better manage the impacts, risks and opportunities related to customers, consumers and end users of our product, we have made two policies available: the Code of Ethics and the Sustainability Policy. Operating in the B2B sector, our main partners are companies in the industrial sector. **[S4-1 14]**

Code of Ethics

The **Group Code of Ethics** devotes a specific section to dealing with the relationship with customers, underlining the following: "*For Bonfiglioli Group, customer satisfaction is the key to success, and this is why a great deal of attention is paid to the demands and requirements of customers*". **[MDR-P 65.a]**

This awareness requires the Group to continuously strive for excellence in relations with customers, and this can only be achieved through respect for ethical values and the corporate procedures inspired by them. This translates into a continuous effort to achieve excellence and quality of the final product: our controls allow us to market safe, reliable, high-performance products. In this regard, we require our employees and collaborators to ensure compliance with current legislation and internal procedures with regard to customer relations.

Our commitment is also reaffirmed by the **Supplier Code of Conduct**, in which innovation, excellence and sustainability are identified as fundamental drivers in the relationship with our customers.

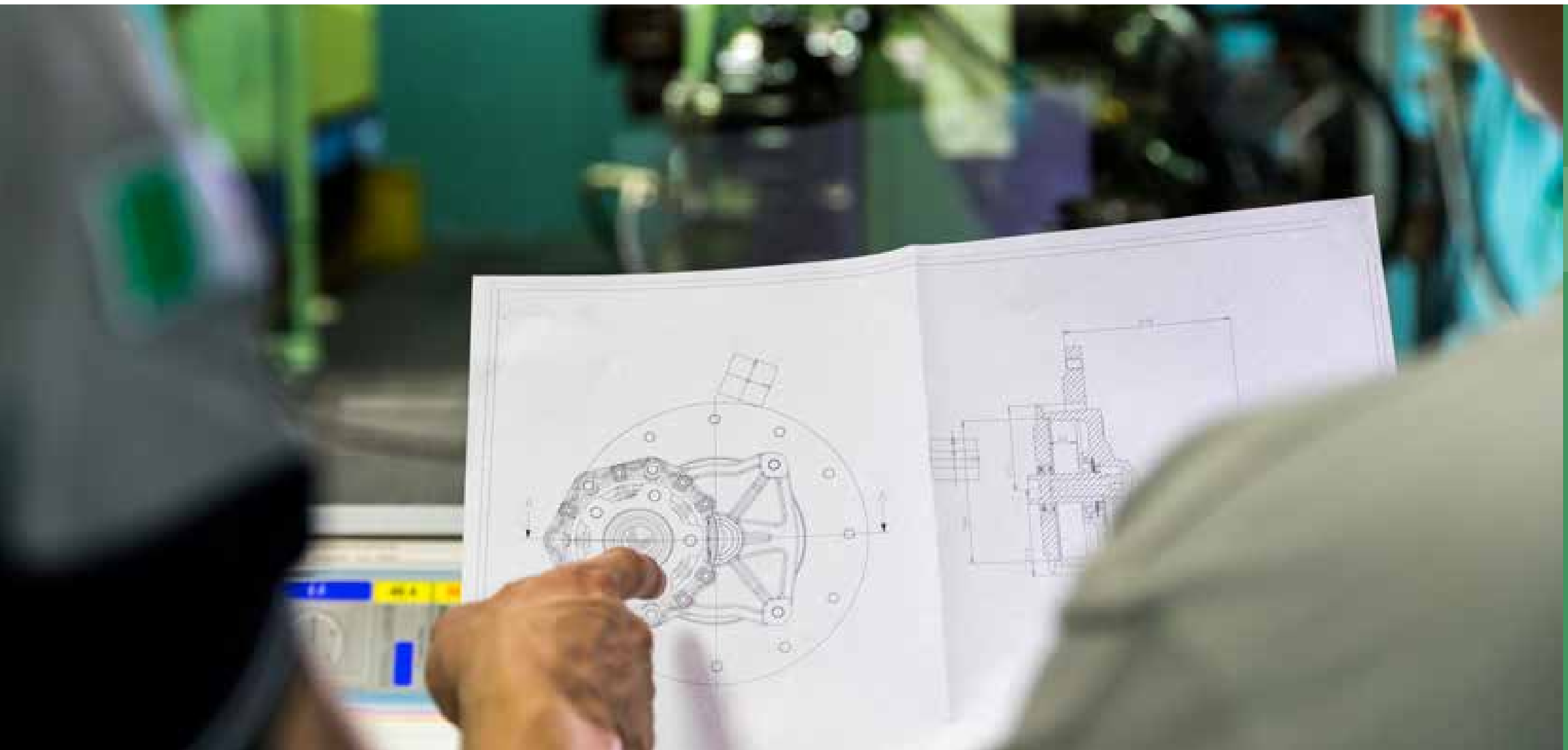
Sustainability Policy

Finally, we reiterate our commitment to the safeguarding of customers in our **Sustainability Policy**, as a "leader" guiding projects with a focus on sustainability, for the benefit of the entire value chain, including customers.

For more information on the Code of Ethics and the Sustainability Policy, please refer to chapter S1 *"Own Workforce"* and E1 *"Climate Change"*.

Business Management Systems

In addition to the above, the **Bonfiglioli Quality Management System** ensures compliance with the relevant ethical principles and quality standards, supporting the continuous improvement of our products. As confirmation of our commitment to providing solutions that meet our customers' needs and comply with regulatory requirements, we have undertaken several initiatives which have enabled Bonfiglioli Management Systems to obtain **ISO 9001 certification** at Group level. **[S4-1 14]**



Processes to engage consumers and end users with regard to impacts

[ESRS 2 SBM-2, 8; S4-1 17; S4-2 18, 19, 20.a, 20.b, 20.c, 20.d; S4-3 23, 24, 25.a, 25.b, 25.c, 25.d, 26, S4-4 32.b]

Involving customers and collecting their feedback is of fundamental importance, as they allow our Group to continuously improve the quality of the products and services offered, ensuring full satisfaction of user requirements. In order to continuously improve the service offered, we listen to our customers, through specific surveys that monitor the performance of our products, their strengths and weaknesses and possible areas for improvement. Given the intrinsic characteristics of the business, we interact both with **the customers of the I&A BU** (that is, manufacturers of fixed industrial machinery belonging to the packaging, food & beverage and recycling sectors etc.) and with those of the **M&W BU** (manufacturers of self-propelled machines – machines for earthmoving and construction, agricultural machinery, vehicles for intralogistics and wind turbines).

Engagement is achieved through the provision of **Customer Satisfaction Surveys**, carried out **every two years and with alternate BUs**, designed to analyze the degree of satisfaction of the customer with the performance offered, in order to implement improvement actions based on the evaluations expressed by the customer. These analyses are aimed at all customers above a minimum turnover threshold, in all main sectors, and mainly concern the following aspects:

- Performance in the Pre-Sales phase;
- Product quality;
- Delivery;
- After Sales;
- Value for Money.

[ESRS 2 SBM-2, 8; S4-2 18, 19, 20.a].

Customer engagement through surveys is divided into four main phases: **[S4-2 20.b]**

01. CLUSTERING

In the initial phase, customers are divided into several survey clusters, which usually correspond to their respective product categories

02. COMMITMENT

At a later stage, customers are actively engaged: they are sent a survey to complete (via marketing automation or cloud-based systems, such as Salesforce)

03. REPORTING

Survey results are collected and translated into reports, which summarize the Net Promoter Score (NPS) and other performance indicators

04. ANALYSIS OF RESULTS

Once the reports are available, they are submitted to the heads of the main BU functions, branches and to the Quality Department, which is responsible for implementing the necessary corrective actions.

The results of the analysis are measured through multiple indicators:

- **Net Promoter Score (NPS)**: describes the general sentiment of our customers, measuring how far they would recommend Bonfiglioli to their colleagues;
- **Performance evaluation**: the performance is evaluated both at an absolute and relative level, comparing the performance of Bonfiglioli Group with its main competitors. The main aspects of evaluation are: Pre-Sales, Quality, Delivery, After-Sales and VFM.

The data collected is then analyzed and used to implement the suggestions provided by customers. We plan to send out a Customer Satisfaction survey to customers for the two-year period 2025-2026: the feedback received will be analyzed in a structured manner. Usually, the results are aggregated into ratings and formalized in specific reports, which are analyzed by the Marketing Department. These surveys generally have a **redemption percentage of**[34] 10% to 15%, thus ensuring the reliability of the result obtained at a consolidated level.
[S4-2 20.d, 31.c] Responsibility for conducting these surveys lies with the Group's Marketing Function. **[S4-2 20.c]**

Open Innovation surveys are also organized periodically, with specific customer clusters, who take part in "preview" product presentation meetings, before the actual launch on the market. The objective of these meetings, which mainly take place on site, is to test product prototypes as well as to collect customer feedback before commencing large-scale production; as such, these surveys are carried out as needed, and do not follow a regular timeframe.

Finally, the **M&W Business Unit** frequently organizes workshops with customers, with a view to co-designing the product. The results of these stakeholder engagement initiatives are received by the Group's senior management team, and depending on the topic under review, are then assigned to the departments directly responsible for achieving them. Depending on the complexity and inter-functionality of the theme, specific projects may be created.
[S4-2 20.c]

Reporting and Complaint Channels

We also make our **whistleblowing reporting** channel **[S4-3 25.b]** available to external stakeholders, including our customers. They can therefore submit reports via the "Integrity Line" online portal, which guarantees the security and protection of the whistleblower's personal data through an encryption system, in line with the provisions of the Whistleblowing Directive and European Whistleblowing Regulations. **[S4-3 23, 25.a]**

The Whistleblowing Guidelines, published on the company website in the "Governance" subcategory of the "Sustainability" section, specify that the Manager will respond to any reports within defined deadlines, adopting privacy protection measures and protection from any form of retaliation or penalty towards the whistleblower.
[S4-3 24, 25.d] In any case, no serious human rights issues or incidents related to consumers and/or end users were reported in 2025. **[S4-4 35]**

Although there are, to date, no specific safeguards with which to ensure full knowledge of the existence of such complaint tools by customers, all information relating to the use of reporting channels and their management is published on the site. **[S4-3 26]** For more information about the Whistleblowing reporting channel, please refer to the chapter "G1 – Business Conduct".

34 Calculated on the basis of the following ratio: (replies received/ messages sent) *100.

During 2025, no violations of the principles of the United Nations Global Compact and the OECD guidelines aimed at multinational companies that affect consumers and/or end users were reported. **[S4-1 17]**

In addition to the Whistleblowing channel, we also have **a complaints management system, through CRM** (Customer Relationship Management). The availability and efficiency of this channel is structured through dedicated meetings, involving the Business Units, the Central Marketing Department and IT&Digital. **[S4-3 24.c]**

Finally, the improved functionality of the "**My Bonfiglioli**" area, which is easily accessible from our website, allows us to stay in touch with customers, facilitating the management and monitoring of their requests. In fact, by registering on the platform, they can:

- access **direct communication channels**, where they can obtain answers on technical and/or commercial issues;
- monitor the progress of their order thanks to the **order tracking** features;
- enjoy **convenient access to all digital services** (from shopping to order management and any requests).

Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions

[MDR-A 66, 67, 68.a, 68.b, 68.c, 68.d; S4-4, 28, 29.a, 29.b, 31.a, 31.b, 31.c, 33.a, 33.b, 34, 35, RA 35, 40]

In order to manage the impacts, risks and opportunities on consumers and end users regarding the management of the customer experience, we have implemented several actions, which actively contribute to the achievement of the objectives of the Code of Ethics and the Sustainability Policy, as described above. **[MDR-A 68.a, 68.c; S4-4 29.a, 29.b]**

In particular, two working groups were developed during the year to respond promptly to the needs of consumers and end users: the first oriented toward the **M&W BU**; the second to the **I&A BU**, with a particular focus on end customers. Specifically for the latter working group, the focus is on monitoring the success rate of the cases[35] managed in the year of reference.

Consumer and end-user engagement initiatives are mainly carried out at Italian level. However, just as during 2024 we had activated and engaged a number of Group subsidiaries (Spain, Brazil, Turkey), in 2025 we started a process of establishing a Development Plan for the remaining Group divisions.

We work to create a relationship of trust with the customer, and this necessarily relies on being able to offer competitive services, as well as quality products. As such, we seek to constantly anticipate market trends through the mapping of plants and applications, and by analyzing our customers' strategies and future investments. Following this, we devote considerable resources to the development of new products and innovative solutions that can respond to market preferences. **[S4-4 33.b]** The drafting of framework service contracts with customers and the product and service warranty conditions are the factors that underpin any relationship with the customer. **[S4-4 33.a]**

35 In this case, the success rate excludes any cases that have generated negative impacts in terms of service provided or consequences on the end customer's site.

Innovative and sustainable solutions

*Our solutions are based on a wide range of products, including **gearboxes, electric motors and inverters**.*

They impact all aspects of daily life, from the food we eat, to the streets we walk, to the clothes we wear, to the light that illuminates our homes.

Our solutions keep the world moving.

[MDR-A 66, 67, 68.a, 68.c, 68.d; S4-4, 28, 29.a, 29.b, 31.a, 31.b, 31.c, 33.a, 33.b, 34, 35, RA 40]

Our products are designed with a focus on customer needs, development time and both production and environmental impact. In fact, we consider innovation **to be a fundamental element in our production process** and are constantly seeking new solutions and technologies that allow us to improve both the sustainability of the process and that of the final product.

In addition, if negative impacts are found throughout the product life cycle, we are committed to identifying and providing solutions that allow them to be mitigated or corrected, through continuous investments in research and development, to the benefit of the customer and the end user. **[S4-4 29.a]** In doing so, we ensure a holistic approach to innovation and sustainability in all our products.

These joint efforts reflect our commitment to providing excellent solutions and a valuable experience, based on responsibility, trust and attention to quality. **[S4-4 29.b]**

In 2025, as testament to our commitment to guaranteeing high quality and traceability standards throughout the design, production and supply phases, Selcom Group obtained the **AS/EN 9100:2018 certification**, the international standard for quality management in the aerospace, space and defense sectors.

Quality in operational processes is an essential guiding principle, which is why the Group formally adheres to the international **APQP4Wind (Advanced Product Quality Planning) standard**, to guarantee high levels of quality in the wind industry, applying strict protocols in several plants worldwide. This approach ensures consistent and uniform production processes, supported by a continuous investment in the training and certification of specialists, in order to maintain up-to-date technical skills aligned with market developments.

Research & Development

Our **R&D team** is dedicated to the development of innovative solutions which are able to meet the application needs of customers, supporting them as they grow.

Our R&D centers are located across the world, in countries including Italy, Germany, China and India, and employ around 350 people.

In 2025, Research & Development activities focused on the development of more reliable, durable products, aimed at reducing energy and maintenance costs as well as reducing the environmental impact of the product and improving its life cycle. These solutions aim to find alternatives that meet the specific requirements of customers in different sectors and fields of application, including:

- Earthmoving, construction and mining;
- Agriculture;
- Electromobility;
- Marine;
- Renewable energies;
- Heavy Duty and Recycling;
- Industrial automation;
- Electronic drives
- Products, digitization and IoT systems.

Simulations and Test Labs

We seek to reduce development times and improve the **end-user experience** through the adoption of virtual simulation techniques that allow us to design optimized products, in order to guarantee the highest standards of reliability. **[MDR-A 68.a, S4-4 31.b]**

In addition, through the continuous updating and improvement of the techniques used, we work to solve the typical problems of industrial applications, such as early wear, overheating and vibrations that may occur during operation, with the aim of maximizing productivity and mitigating the negative impact on users. **[S4-4 31.a]**

The solutions we design are produced in our factories around the world, where we regularly carry out validation activities aimed at product approval and certification in our **Test Labs**. The high level of quality we pursue requires rigorous checks and extensive testing, ranging from the individual component to the product as a whole. To do this, we use state-of-the-art equipment, which allows our specialists to carry out performance tests and fatigue tests on electrical, mechanical and hydraulic solutions. These tests are carried out using test benches of various sizes and power, depending on requirements. **[S4-4 31.c]** Currently, we have six Test Labs: EVO, Forlì and Rovereto. For specific activities in the electronic field, we have two additional Test Labs: Castel Maggiore (Selcom Group S.p.A.) and Krefeld (Bonfiglioli Vectron GmbH).

Co-engineering

To respond to customer needs in a targeted manner, we offer the possibility to develop highly customized solutions. We accompany their projects throughout the entire process, from the design phase to mass production, ensuring constant alignment with the specifications required. Through a continuous technical dialog and the use of advanced calculation tools, we are able to create tailor-made solutions that optimize productivity, efficiency and reliability, while helping to reduce development times. **[S4-4 32.a]** Integration enables joint benefits to be achieved for the end user, the product installer and for ourselves. **[MDR-A 68.a, S4-4 32.b]** At the end of 2024, for example, a Co-engineering activity was started with a historical customer operating in the material handling sector. The main objective was to create a product with high efficiency and load capacity characteristics suitable for heavy-duty applications, going beyond the standard performance offered by the current solution. Through the introduction of innovative engine solutions and the adoption of advanced strategies for the management of vehicle dynamics, we were able to achieve impressive results, including a significant **increase** in efficiency, with directly measurable advantages in terms of reduced TCO.

The progress achieved through this collaboration, which continued throughout 2025 and will continue in 2026, represents a fundamental step towards achieving our objectives and consolidates our position in the sector, offering an improved overall customer experience along with innovative and high-performance solutions.

Green solutions

Our commitment to sustainability translates into concrete actions, starting with the activity of the Research and Development department, which designs solutions with high energy efficiency and a compact design. These products require fewer resources during production and use, while ensuring high performance in terms of reliability and efficiency. **[MDR-A 68.a]**

Electric mobility

Thanks to the experience gained over the years and our competence center for electromobility, we are able to **support our customers in the transition to electrification**. In fact, we have long been aware of the advantages of hybrid and electric technologies in terms of efficiency, emissions and noise, and in 2018, we opened an environmentally-friendly production line for electromobility in Forlì, which occupies an area of 10,000 square meters. **[S4-4 33.b]**

In particular, over the course of the year, research and development activities were focused on the development of electric motors for the electrification of large mobile machines (with both air and oil cooling). This has been done to cover a wider variety of core applications featuring different machine layouts and requirements, while still taking advantage of the compactness and high power density characteristics of the core design. In addition, newly developed electrification and automation solutions for driving agricultural and gardening machinery (e.g., agri-robots for precision agriculture) have also been developed.

During 2025, we started a project for the construction of **inverters for electromobility**, which led to the creation of prototypes for two different sizes in low voltage (single and dual drive version). This activity will also continue in the coming years with the **goal** of finalizing the product for sale and proceeding with the completion of the range of products offered.

Wind power solutions

With a market share of approximately 35% for the supply of **wind turbine gearboxes** to major global players, we are the leading company in the wind energy sector, providing complete solutions: inverters, motors and gearboxes. We are also starting to develop IoT technology, adding sensors to motors and gearboxes. Wind turbine products are assembled in seven of our plants (Italy, Germany, India, China, Vietnam, Brazil, and Turkey), to better serve local markets and major global players.

For example, our Yaw and Pitch drives are subject to a process of continuous optimization, aimed at improving turbine performance both in traditional onshore applications and in the latest offshore configurations - all without increasing weight and footprint, thus offering more competitive solutions for the market.

Over the last two years, we have dedicated ourselves to the renewal of the entire range of planetary gearboxes for wind turbines, developing compact solutions with a higher thermal power density and a lower use of lubricant. The goal is twofold: to reduce the environmental impact of products and prolong their life cycle. **[S4-4 33.a]**

During 2025, after careful validation on the test bench, the new size of gearbox dedicated to the on-shore and off-shore market was put into mass production, with the aim of offering more complete products to meet the demands of the wind power market.

Bench tests also continued on gears with a new material and a new heat treatment, in order to reduce the costs of the raw material and of the processes of the main components of gearboxes for the wind sector. This experimental activity also involved a spin-off of the University of Bologna and external European suppliers in 2024. In 2025, a further activity was launched in collaboration with the University of Engineering in Forlì, to carry out a theoretical and empirical analysis on the fuse components to be used inside the gearboxes.

The development and testing of asynchronous motors of different sizes and with higher efficiency (such as IE2) also continues. In light of the new demand for permanent magnet motors destined for the new wind generators, mass production and supply of different sizes of this product have now begun. These new solutions allow OEMs (**Original Equipment Manufacturers**) to use more advanced and efficient control systems, increasing the energy produced thanks to more precise blade and shuttle positioning.

During the development of the IoT technology, further dedicated tests were carried out in the laboratory, with the aim of improving reliability in anticipation of future operational use.

Production and field supply of the Bonfiglioli electric motor with inverter for the control of the turret rotation in an offshore turbine continues. The solution with integrated inverter enables a reduction in the number of cables inside the shuttle, and an inverter dedicated to each motor instead of just one improves the control and reading of the signal for a perfect distribution of the load between the various reducers present.

Other sectors

Finally, we develop advanced solutions for some **crucial sectors of the green economy**:

- **recycling**, with particular reference to the phases of collection, resizing and sorting of waste materials;
- **water** treatment, from desalination to purification;
- **biogas**: working in close synergy with our customers, we design optimized solutions for biogas plants. **[S4-4 33.b]**

In the "Heavy Duty" field, we continued developing projects related to the real-time monitoring of gear reducers throughout 2025, expanding the sectors of use to biogas and heavy industry. The objective was to provide customers with guidelines for the implementation of preventive maintenance plans and condition monitoring, in order to preserve full efficiency of technical resources and prevent failures and breakages. With a view to extending the product proposal to other industrial sectors too, we have started work on the development of various pilot applications in further areas, in particular in the steel and mining sector.

Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

[MDR-T 78, 79.a, 79.b, 79.c, 79.e, 80.a, 80.b, 80.c, 80.d, 80.e, 80.j; S4-5, 38.a, 38.b, 38.c, 39]

The sustainability objectives relating to consumer and end user issues are defined annually by the **After Sales** Function, with regard to aspects relating to the quality of the sales and after-sales service provided, and by the **Research & Development** Function, with regard to technological and process innovation. The establishment of business objectives is based on structured processes at Group level, which are applied across all Group Business Units. **[MDR-T, 80.c]** In the process of developing the objectives, with regard to the Research & Development Function, interaction with some customers is sometimes envisaged with a view to receiving feedback on initiatives and new market proposals.

Below are the main targets identified by the Group during 2024. These objectives are designed to manage material impacts, risks and opportunities for customers and users. The established objectives are reviewed periodically in light of the performance achieved, in order to identify corrective actions and areas for improvement.
[MDR-T 78, 79.a, 79.b, 80.a, 80.b, 80.c; S4-5 38, 39]

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Product and process innovation and sustainability							
Efficiency of product design through: **a) formalization of guidelines relating to the materials used** **b)** **"pilot project" on a specific product category**	Improve the efficiency of product design, with the implementation of some consecutive actions: a) formalize specific guidelines for gearboxes and electric motors, in order to promote energy savings and greater consumption efficiency b) implement a "pilot project" aimed at increasing the efficiency of the materials used (product design), according to specific KPIs (reduction of weight and production cost, optimization of energy consumption, reduction of production times, etc.)	ESRS E5-3 Objectives, **E5-4 (Incoming Resource Flows)** E5-5 **(Outbound Resource Flows)**	Customers and consumers	2024	Not launched	a) 2027 b) 2028	To be launched
Innovation project	Promoting Innovation projects that contribute to sustainability aspects	ESRS E5-3 Metrics and Objectives E5-5 **(Outbound Resource Flows)**	Customers	2024	Not monitored	2025	2 projects

During 2025, **two projects** *(SuperHuman, Data Driven Insights)* were promoted as part of the **innovation project**; please refer to the following chapters for further information: *ESRS E5: Resource use and circular economy; ESRS S1: Own workforce, paragraph Occupational health and safety.*

Data protection and cybersecurity

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
S4 Consumers and end users	Potential Negative Impact	Inadequate management of consumer and end-user data, with possible negative impacts in terms of loss of stakeholder personal data, as well as loss of stakeholder confidence in the Group	Bonfiglioli Group Value chain
	Risk	Loss of personal data of the Group's customers and end consumers and consequent exposure to sanctions and litigation	Bonfiglioli Group Value chain
Cybersecurity	Potential Negative Impact	Loss of company information due to cyber-attacks and/or fraud external to the Organization's ICT systems	Bonfiglioli Group Value chain
	Risk	Potential risk of hacker attacks on computer systems and dissemination of personal, employee and customer data and possible temporary unavailability of computer systems.	Bonfiglioli Group
	Opportunities	Improvement of the efficiency and integration of data within the Group, through the implementation of new IT solutions	Bonfiglioli Group

[S4 ESRS 2 SBM-3]

For more information on the interaction between material impacts, risks and opportunities and the company's strategy and business model, please refer to ESRS 2 *"Managing Impacts, Risks and Opportunities"*.

Policies related to data protection and cybersecurity issues

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d, 65.e, 65.f; S4-1, 13, 14, 15, 17]

Code of Ethics

In order to manage the impacts and risks associated with the loss of information and personal data, our Code of Ethics adopts measures for the processing of confidential information and the protection of privacy, with particular reference to information relating to the organizational structure and human resources, as well as those relating to products and their development, production processes, strategies and commercial conditions, customers and everything else that is part of the business's knowledge base.

Sustainability Policy

These countermeasures are aimed at limiting the risks of a possible leak of the confidential information contained in the databases of the Group companies, by employees or persons who have or have had working relationships with Bonfiglioli. To this end, the rules on the correct management of information are the subject of periodic training programs for our staff. The general principles contained in the **Code of Ethics** are applied in a tangible manner through the **Sustainability Policy**, valid for the entire Group **[MDR-P 65.a, 65.b]**, through which we reiterate our commitment to combating any form of violation of privacy and loss of sensitive data due to inadequate IT safeguards, through continuous investment in the strengthening of cybersecurity systems.

Regulations for the use of IT tools

We have updated the **Regulations for the use of IT tools**, applicable to the Italian offices of the Group (including Selcom Group) **[MDR-P 65.b]**, and containing indications on the correct methods of use of the assigned IT devices. This regulation also includes a set of rules of conduct to be respected in order to avoid problems, disruptions and increased costs (maintenance or otherwise) or risks and/or threats to the security of the systems and/or the data contained therein. The purpose of this document is also to transpose and implement the regulatory provisions and principles provided for by Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 (hereinafter also referred to as the "GDPR"), as well as the measures issued by the Guarantor for the protection of personal data (hereinafter "Guarantor"), in addition to the provisions of the Code of Ethics, fully protecting the confidentiality of customer and third party data. The regulation has been approved by the Head of Legal & Corporate Affairs, who is responsible for its proper implementation. **[MDR-P 65.a, 65.c, 65.d]** The regulation, which finds an equivalent in specific guidelines applicable to the Group's foreign companies, is shared with the workforce through the Bclose platform and through specific initiatives to raise awareness of company policies, as described below. **[MDR-P 65.f]**

For more information on the Code of Ethics and the Sustainability Policy, please refer to chapter E1 *"Climate change"* and S1 *"Own workforce"*.

Processes to engage consumers and end users with regard to impacts

[ESRS 2 SBM-2, 12; S4-2 18, 19, 20.a, 20.b, 20.c; S4-3 23, 24, 25.a, 25.b, 25.c, 25.d, 26; S4-4 32.b, 35]

Within the Group, we have begun our journey toward digital transformation at global level. As such, we feel that it is imperative to continue strengthening data protection and cybersecurity measures, in order to ensure the robustness of the organization and its processes. In recent years, we have introduced the position of IT Security Manager, who is tasked with managing and implementing our cyber security strategy. Occasionally, we interact with customers **in the B2B sector on system and data protection issues**, via questionnaires and/or interviews, which we fill out and send back through the Sales department, which is responsible for supervising and ensuring that this involvement takes place. During 2025, we received a number of surveys: the existence of this point of contact with customers allows us to receive feedback on the effectiveness of the IT systems in place, implementing, improvement actions measures if necessary **[S4-3 19, 20.a, 20.b, 20.c]**. Indeed, the experience accumulated over the years serves to reconfirm the need to invest in IT security at Group level. **[ESRS-2 SBM-2]** As such, we also offer support to the remaining Group companies in the implementation of training activities on cybersecurity risks.

Reporting channels and reference contacts

In order to report problems or express concerns, we make various communication channels available to interested parties, including customer services, contact data published on the Italian company website and the DPO's contact details, as highlighted in the privacy policy, which must be signed by all potential users of the site's services, in the following cases: request for after-sales assistance, request for information about products or technical data sheets and in case of response to marketing campaigns. In any case, consent can be revoked at any time by filling in a specific form. **[S4-3 25.c]**

Starting from 2024, in the dedicated section of the website, anyone who deems it necessary is given the opportunity to send reports on cases of non-compliance with Law 4/2004 (Provisions to facilitate and simplify access by users, and in particular, people with disabilities, to IT tools), by writing to the Bonfiglioli S.p.A certified email address. In the event of an unsatisfactory response to the notification or request, the data subject may send a report to AgID within 30 days, via certified email, to the following address: protocollo@pec.agid.gov.it. **[S4-3 25.d]**

Finally, although not directly linked to data protection, the Whistleblowing platform available online is also fully included in the channels available to internal and external stakeholders, and is also made available to customers and partners who wish to report cases of violation of the legislation and the Code of Ethics. In particular, no human rights issues or incidents concerning customers, consumers or end users were reported in 2025. [S4-4 35] For more details on the Whistleblowing Guidelines, please refer to chapter G1 *"Business Conduct"*. **[S4-3 25.a, 25.b]**
The reports and issues raised through these channels are constantly monitored and kept under control by the Marketing Team, in order to remedy any negative impacts experienced by customers. **[S4-3 25.d]**
In the event that there is a data breach of data relating to consumers and end users, this violation is immediately reported to the Privacy Guarantor. **[S4-3 23; S4-4 32.b]**
Although we have not adopted specific tools and measures to ensure full awareness of the existence of these channels by customers and consumers, the contacts of the customer service team, the Data Protection Officer (DPO), as well as the Whistleblowing mechanism are accessible on the Group's website. In addition, the Whistleblowing Guidelines are also published and easily accessible by anyone. **[S4-3 26]**

Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions

[MDR-A 66, 68.a, 68.b, 68.c, S4-4, 28, 29.a, 29.b, 31.a, 31.b, 31.c, 31.d, 33.a, 33.b, 34, 36, 37]

In order to manage impacts and risks on consumers and end users regarding data protection, we have implemented a series of actions. **[S4-3 29.a, 29.b]**

Main actions [MDR-A 68.a]	Scope of actions (value chain, stakeholders) [MDR-A 68.b]	Timeframe [MDR-A 68.c]
Training on Data Protection and Cybersecurity	Own operations	Constant
Cyber-attacks and protection tools	Own operations	Constant
Test Automation	Own operations	Constant
Advanced Product & System Selector	Own operations	Constant

With regard to the protection of personal data, customer data, and third-party data, we have implemented training for our employees as a first line of defense, to raise awareness of IT policies and address the topics of data protection and cyber-attacks. The training project was repeated during 2025, as in 2024, and involved the entire Group. Specifically, the training was aimed at staff for whom it was deemed appropriate to raise awareness of cybersecurity issues. The training activities, which involve carrying out tests at the end of each training module, have also allowed us to receive feedback on the degree of awareness and understanding of the company's guidelines and procedures on the protection of customer data. **[MDR-A 68.a, 68.b, 68.c; S4-3 31.a, 31.d, 33.a]**

Also in 2025, we further consolidated our **XDR systems**, for the control of endpoints and servers. In addition to these, we have **network traffic control systems**, a **log collection system** based on the analysis of most critical systems (SIEM) and **email analysis and filtering systems**, with the aim of preventing phishing incidents.

We rely on an external company (SOC) to carry out constant monitoring of the systems dedicated to computer security and the related authentication procedures. With reference to the latter, in particular, we have activated a series of specific **"enforcement" mechanisms**, such as multifactor authentication[36], expanding this to external connections via VPN and three-layer admin authentication[37].

In addition, we have implemented **systems that monitor anomalous activity on company data** (e.g. scans or large-scale copying of files, encryption activities, blocking of USB ports), **in order to prevent possible significant data transfers to the outside world**. Based on the type of alert detected by the control systems (alerts are classified according to criticality and impact), intervention activities are identified, such as the possible blocking of user accounts. All the projects described were carried out at Group level. **[MDR-A 68.a, 68.b, 68.c; S4-3 31.a, 31.b, 33.a, 34]**

To reiterate our commitment to raising awareness of the risks of loss of confidential data, we also have a **Cybersecurity Procedure**, applicable at Group level, which defines the rules of conduct in the event of external attacks and is updated every six months. **[S1-4 31.c]** The financial resources related to the mitigation of cyber-attack risks and enhancement of data protection tools amount to approximately €450,000. **[MDR-T 69.b]**

We have further developed Test Automation solutions: a process that uses software tools to automatically perform tests on applications and systems, with the aim of verifying that they work correctly and meet the requirements. Instead of having an operator perform tests manually, automated tests are programmed to check software functionality, performance, safety, and reliability. **[MDR- A 68.a, 68.b, 68.c; S4-4 33.b]**

Among the main benefits deriving from the introduction of Test Automation for customers and end users, the following are of particular note:

- a significant reduction in human error;
- rapid feedback, as test results are generated in a short time, allowing any problems to be corrected;
- an increase in the overall level of efficiency of the service offered to customers.

We have continued the **Product & System Selector** activity, an advanced web tool that allows users to calculate and select the correct components (motor, gearbox, inverter) for a transmission system, taking into account specific applications and variations in workloads. The system also considers **dynamic changes in load conditions** to optimize sizing based on specific needs, making it easier for companies to design transmission systems that are efficient and tailored to their needs. **[MDR-A 68.a, 68.b; S4-3 31.c, 33.b]**

In order to improve, automate and reduce the timescales of some internal processes, including passive invoicing, solutions based on **Artificial Intelligence** have been developed for the exchange of data between Bonfiglioli Group and suppliers.

Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

[MDR-T 78, 79.b, 79.c, 80.b, 80.c; S4-5, 38.c, 38.a, 38.b]

The sustainability objectives related to cybersecurity and data protection issues are defined annually by the Digital & IT Function, based on consolidated planning and control processes at Group level. The established function objectives are also periodically reviewed, in light of the performance achieved, in order to identify corrective actions and ideas for improvement.
These apply to workers throughout the organization. **[MDR-T 78, 79.a, 79.b, 79.e, 80.a, 80.b, 80.c; S1-5, 41.a, 41.b, 41.c]**
The first objective concerns the migration from the current SAP version to the S/4HANA version, which was completed in January 2025 for the Group. This allows new features, new processes and new capabilities to be enabled, achieving a higher level of integration of data within the Group, and also generating positive effects on the protection of customer and partner data. This migration allows all Group companies to move to a single ERP. **[MDR-T 78, 80.b, 80.c; S4-5 38.b, 38.c]**
This objective is designed to help manage data and confidential information, addressing material impacts, risks and opportunities for customers and users.

36 Multifactor authentication (MFA) is a security process that requires more than one test (or "factor") to authenticate access to a system, application, or device.
37 Three-layer admin authentication is an advanced form of authentication that uses three different levels of verification to ensure secure access to a system or application, particularly for administrators, who often have access to sensitive functions and data.

3

Governance

ESRS G1: Business conduct

We strongly believes that sustainability issues can only be managed effectively when supported by appropriate governance tools.

Sustainability Policy

Impacts, Risks and Opportunities

Material topic	IRO	Description of relevant IROs	Perimeter
G1 Business conduct	Current Positive Impact	The effectiveness of governance in the dissemination of corporate values, culture and ethical principles, with positive impacts in terms of increasing the trust of internal and external stakeholders	Bonfiglioli Group
	Current Positive Impact	Promotion of a culture based on communication, ethics, transparency and protection of any whistleblowers, with positive impacts in terms of increasing stakeholder confidence, as well as greater freedom in communicating cases of non-compliance with company laws and regulations	Bonfiglioli Group
	Current Positive Impact	Training activities and implementation of safeguards aimed at the prevention and immediate detection of corruption, bribery and anti-competitive behavior	Bonfiglioli Group
	Current Negative Impact	Episodes of corruption, bribery, anti-competitive behavior, monopolistic practices and conflicts of interest with possible negative impacts (reputational and economic) on the stakeholders involved (e.g. suppliers, customers, partners, etc.)	Bonfiglioli Group
	Potential Positive Impact	Increased involvement of suppliers through ethical conduct in relations with suppliers, facilitating purchases for them from the different supply channels	Bonfiglioli Group Value chain
	Opportunities	Increase in productivity and improvement of the internal corporate climate, contributing to a vision of sharing of rules and correct behavior	Bonfiglioli Group
	Opportunities	Channel available to internal and external stakeholders to report any non-compliance or unethical behavior, which allows the organization to tackle any non-compliance with regulations in plenty of time	Bonfiglioli Group
	Risk	Employee misconduct, for example not respecting or complying with the principles of the Code of Ethics, procedures and prevention protocols, with potential sanctions for active or passive corruption offenses	Bonfiglioli Group
	Risk	Infringement of human rights and applicable environmental regulations by suppliers with consequent impact on the supply of products	Bonfiglioli Group Value chain
	Risk	Failure to comply with contractual requirements with suppliers with consequent impact on the supply of products (e.g. failure to comply with payment terms, etc.)	Bonfiglioli Group Value chain

[G1 ESRS 2 IRO-1, 6]

For more information about the process for identifying the material impacts, risks and opportunities regarding the conduct of companies, please refer to ESRS 2 *"Management of Impacts, Risks and Opportunities"*.

Corporate Culture and Business Conduct Policies

[MDR-P 63, 64, 65.a, 65.b, 65.c, 65.d, 65.e, 65.f; G1-1, 7, 9, 10.a, 10.c, 10.e, G1-3 20]

We recognize and promote the principles of respect and protection of people, laws and the environment in all reference markets, as a fundamental element of our corporate culture. To this end, key documents, such as the Code of Ethics, the Organizational Management and Control Model and the Anti-Corruption Policy are easily accessible and shared with all employees, who receive specific training and constant updates to ensure compliance with company values. **[G1-1, 7, 9, G1-3 20]**

Code of Ethics and Supplier Code of Conduct

The **Group Code of Ethics** imposes the obligation to maintain the utmost fairness and transparency in the management of business activities, reiterating the key ethical principles: **anti-discrimination, fighting corruption and respect for stakeholders**. **[MDR-P 64, 65.a, 65.b, 65.e]** For more information on the Code of Ethics, please refer to chapter S1 *"Own Workforce"*.

Updates to the Code of Ethics are adopted by resolution of the Board of Directors. Any updates, amendments or additions to this Code of Ethics constitute a guarantee of the effectiveness thereof, and of the correspondence of this document to developments within the context in which it is designed to serve as a guide. **[MDR-P 65.c]**

The Code is shared with all our people at the time of recruitment and through awareness-raising and communication activities with business partners. Since 2021, as part of a project to update the General Conditions of Sale and Purchase, we have wanted to include an explicit reference to the application of the Code of Ethics in relations with customers and suppliers, providing them with the opportunity to directly access the document and facilitating their commitment to knowing and respecting the inspiring principles of the Code. **[MDR-P 65.f]**

In order to integrate the provisions of the Code of Ethics with regard to our Group's supply chain, in 2024 we introduced a **Supplier Code of Conduct**, with a view to highlighting the collaboration established with "upstream" parties, in order to achieve the highest ethical standards and promote sustainable business development, in the interests of the entire value chain. The direct recipients are all suppliers, who undertake to ensure full compliance with its provisions, also calling for the same degree of respect from their employees, suppliers, external collaborators and any other subjects who are part of the supply chain for the Group. **[MDR-P 65.a, 65.b, 65.e]** For more information on the Supplier Code of Conduct, please refer to chapter S2 *"Workers in the Value Chain"*.

Model 231 and Anti-Corruption Policy

The Group's Italian Companies **have also adopted their own Organization, Management and Control Model, pursuant to Italian Legislative Decree 231/2001**. This model is the result of an analysis of business risks, aimed at identifying and mapping business areas and processes potentially at risk of crime; it enables us to increase transparency towards our stakeholders, creating a structured and organic system of policies and control measures, with which to mitigate the potential risks of crimes being committed. The functions identified as most at risk of corruption are: **Real Estate; Facility & HSE Management; Administration, Finance & Controlling and Strategic Purchasing; Research & Development; Strategic Planning M&A & Communication; Human Resources; Sales & Business Development.** **[G1-1 10.h]** The organizational models adopted by the subsidiaries are prepared in accordance with that of the Parent Company.

Based on the provisions of Italian Legislative Decree no. 231/2001, the Model identifies the Supervisory Body as the entity (other than the Board of Directors) tasked with supervising the application of Model 231 and the Group Code of Ethics, as well as updating this, due to the fact that it has autonomous powers of initiative and control. The members of the SB are chosen from among individuals (including those external to the company) who are qualified and experts in the legal, internal control systems or auditing fields. The Supervisory Body is also responsible for the implementation of the Anti-Corruption Policy and the Whistleblowing Guidelines, including by periodically sending out flows of information. **[MDR-P 65.a, 65.b, 65.c, 65.d]**

We have also adopted an **Anti-Corruption Policy** to strengthen the principles of legality and transparency in the management of our activities. This Policy defines the rules for preventing and combating corruption, both active and passive, that all those who work for the Group are required to follow (including business partners, suppliers, collaborators and other third parties), in order to ensure fairness in business relations with third parties, both public and private. **[MDR-P 65.a, 65.b, 65.e, G1-1 10.e]**
The Policy is based on ethical values and the principles of responsibility and professionalism, and aims to protect the integrity of the organization, emphasizing full alignment with the provisions of the United Nations Convention against Corruption (2004). **[MDR-P 65.d]**

In addition, despite being autonomous with respect to the Code of Ethics and the Organization, Management and Control Model referred to in the Italian Legislative Decree 231/2001 already implemented, it also highlights the existence of internal reporting channels for regulatory violations and/or illegal conduct:

- the digital platform dedicated to Whistleblowing, accessible directly in the dedicated section of the Group's website, as specified in more detail in the "Whistleblowing Guidelines" (for more details see the paragraph "Whistleblowing Procedure");
- the email address of the Supervisory Body: odv@bonfiglioli.com.
  The decisions made are formally communicated to the central functions (Bonfiglioli S.p.A.) and/or local functions (Subsidiaries) responsible for the implementation of the necessary remedial actions. In any case, the Policy stipulates that no one can be dismissed, suspended, or discriminated against in any way in their role for having acted in good faith in reporting failures to comply with the provisions. **[G1-1 10.c]**

Whistleblowing procedure

We have adopted Whistleblowing Guidelines, with the aim of introducing specific procedures that ensure prompt and correct handling of reports of illegal conduct, including cases of active and passive corruption, in accordance with Directive (EU) 2019/1937 ("Whistleblowing Directive") **[MDR-P 65.a, 65.d; G1-1 10.e]** The Guidelines apply to all Group companies, both EU and non-EU, and identify all those who have an employment or collaboration relationship with the Group as possible "whistleblowers **[G1-1 10.a; S1-3 30]**: this includes suppliers, employees of contractors and subcontractors **[S2-3 25]**, customers and partners **[S4-3 23]**, consultants, as well as volunteers and trainees, who become aware of any offenses. **[MDR-P 65.b]**

The procedure identifies the methods by which to report the alleged violations, the subject of the report and the subjects responsible for receiving the reports, as well as the protocols for processing the personal data of the whistleblower. In particular, the IT tool uses innovative cryptography techniques, so even in the event of access to the system, it is not possible to view the content of the report, thus ensuring that adequate protection measures are guaranteed for whistleblowers. In addition, the Guidelines underline the importance of training initiatives in raising staff awareness of the purposes of the Whistleblowing function and how to use it: this translates into specific communications and training events, both in person and remotely, aimed at Top Management and employees of all the Group's Italian and European companies. **[G1-1 10.a, 10.c]**

With reference to the reporting methods, in addition to the internal reporting channel, which can be accessed via the computer portal, the company website or by means of a physical meeting request sent to the Reporting Manager, the Guidelines also identify an external reporting channel, as required by the National Anti-Corruption Authority (ANAC) Law, which can be used by the whistleblower in specific situations. **[G1-1, 10.a; S1-3 32.b; S2-3 27.b; S4-3 25.b]**

In general, no human rights issues or incidents related to consumers or end users, value chain workers and affected communities were reported in 2025. However, there were three incidents of discrimination among employees, for which specific repressive measures have been adopted, as described in more detail in S1 *"Own workforce"*. **[S1-17 100; S2-4 36; S3-4 36; S4-4 35]**

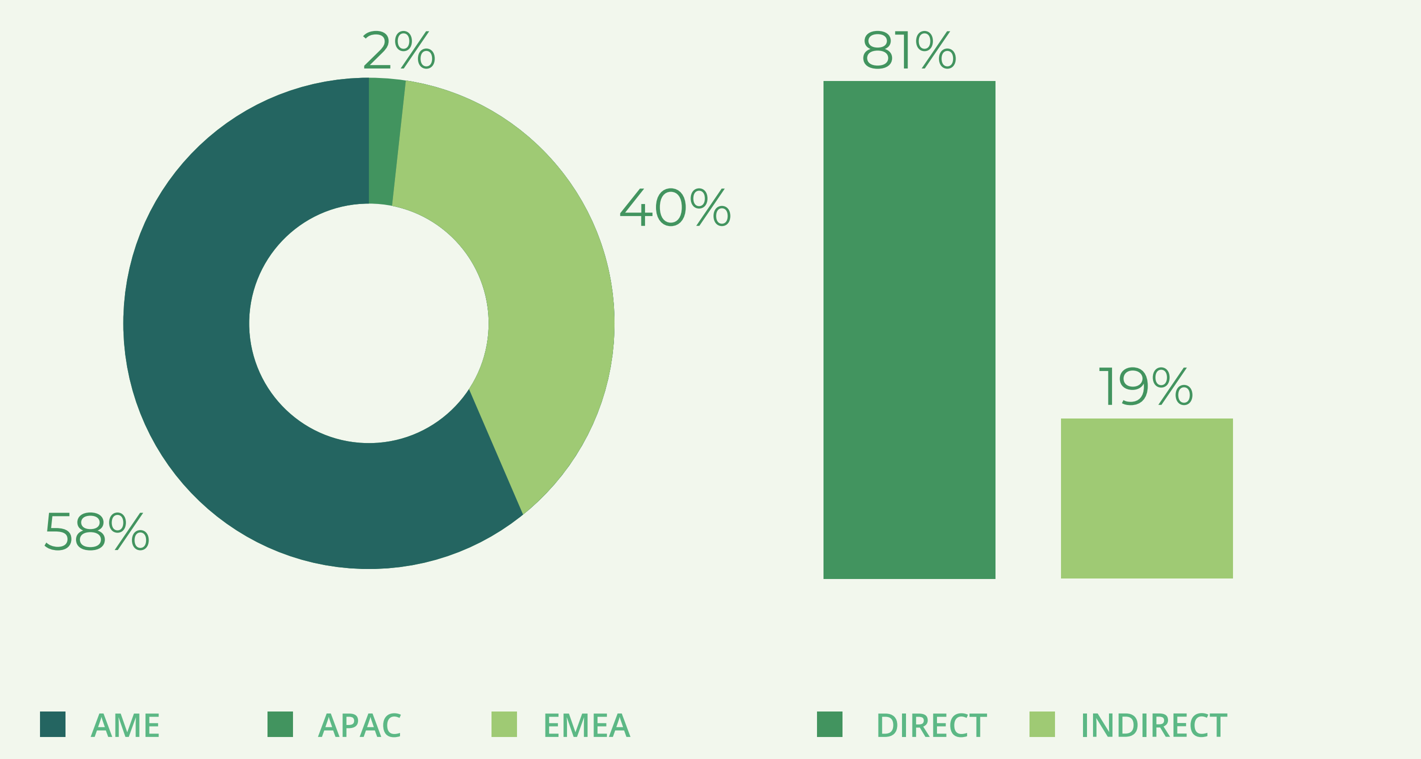
The Policies, Codes and Model 231 are available on the company website. **[MDR-P 65.f]**

Supplier relationship management

[G1-2, 12, 13, 15.a, 15.b]

During the course of 2025, we recorded a total expenditure of over 740 million euros on goods and services. The numerical value includes both the amount related to indirect and to direct purchases, which include raw and semi-finished materials.

Suppliers by geographical distribution and type (% of expenditure)



38 It should be noted that a perimeter extension has been made for 2025 data, in order to include the Selcom Group.

The management of the relationship with suppliers is characterized by a process of constant monitoring aimed at evaluating their performance. In particular, the adoption of a centralized approach in supply chain management ensures greater decision-making synergy between functions and allows suppliers to be evaluated more accurately, both in qualitative and economic terms.

In this regard, we organize meetings on a weekly basis (**"Group Staff Meeting"**), attended by all the Purchasing Managers and Commodity Leaders of the Group, with a view to:

- carrying out a periodic analysis of the performance at the BU, Region and Plant level, with reference to all the commodities used globally, identifying any deviations from the budget values;
- finalizing the development of resourcing and product development strategies;
- performing a 360-degree supply risk analysis, sharing mitigation plans where necessary;
- monitoring quality KPIs over time, implementing improvement strategies

As part of our quest for excellence in raw materials, we have a **Vendor Rating** system which is updated weekly, and which evaluates the performance of suppliers on the basis of specific indicators (quality of supplies, delivery times, etc.), allowing us to implement potential corrective actions. In addition to quality, the Vendor Rating system also allows us to track the financial rating of suppliers, in order to ensure greater continuity in the supply of materials, while reducing the risks associated with suppliers who are highly dependent on our business. In 2025, this analysis process was applied across all the regions in which our Group operates, extending the financial rating to all the geographical areas of competence for strategic and relevant suppliers in terms of turnover.

We also manage the entire supply chain through the use of a single global portal, which enables us to harmonize purchasing decision-making processes and criteria and to map out scouting activities. In fact, the roadmap for the digitization of the Purchasing function provides for a progressive transfer of all procedures and documents relating to suppliers to a virtual "space" at a global level, where all information and data relating to the supply chain (legal documents, certifications, information on orders) will be made available. This will facilitate the management of the entire fleet of suppliers, in economic, legal and environmental terms. **[G1-2, 12]**

Finally, we have invested resources in strengthening the database available on SAP: this has greatly facilitated the data collection process related to the calculation of Scope 3 GHG emissions. **[G1-2, 13, 15.a]**

In line with the requirements of the Supplier Code of Conduct, we have also chosen to adopt a **transparent and conscious approach in our relationship with our "upstream" partners**. This requires us to undertake a path of improvement "shared" with our partners in the value chain: by signing the Code of Conduct, suppliers commit to complying with environmental protection legislation, adopting tools to manage energy consumption, emissions, water withdrawal and discharges, as well as promoting the use of recyclable, reusable, renewable materials sourced from local suppliers, when possible. From the perspective of social impacts, meanwhile, the Code of Conduct requires the Group to work with partners who offer adequate salary conditions and minimum standards of safety at work, ensuring full compliance with current national or international legislation on the subject. In any case, since most purchases are made from companies based in Italy or Europe, it is easier to ensure that supplier companies operate in a significantly regulated context, which requires specific practices in managing these aspects. **[G1-2, 13, 15.a]**

Selection of suppliers based on ESG criteria

As part of this process, we have updated the Purchasing procedure, providing for the inclusion of the ESG rating in the search and selection criteria of suppliers for sourcing activities. As of 2024, therefore, we have introduced environmental and social criteria in the procedure used in the audit of new suppliers. **[G1-2, 15.b]** During 2025, 100% of new suppliers (out of a total of 16) were evaluated using environmental and social criteria [39]

The provision of a qualitative ESG assessment makes it possible to set up an even more structured supply chain selection process than in the past.

In particular, the selection of the supplier is preceded by a **quality assessment**, as follows:

- Initially, the supplier is evaluated according to parameters related to financial soundness and technical-qualitative skills
- Subsequently, criteria related to the sharing of specific values (supply chain ethics, work practices, environmental and social policy, etc.) are also taken into account, as well as the supplier's ability to provide guarantees regarding relations with its partners and any subcontractors (traceability of products from its suppliers, attitude of the parties in terms of compliance with the principles of environmental and social sustainability, etc.).

The assessment criteria also look at the possession of certifications and compliance with international standards by suppliers, including the EU REACH regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) and the EU RoHS Directive (Restriction of Hazardous Substances). Furthermore, as of 2019, in line with EU legislation, we require suppliers to sign a declaration certifying the origin of the components and goods purchased, i.e. their place of production or manufacture. This certificate enables materials and products that come from countries with special trade agreements - and which are considered and labeled as of "preferential origin" - to be easily identified. Finally, during the assessment phase, ISO 9001 certification is required as a minimum standard for all suppliers, serving as confirmation of the importance of having defined quality standards.

Once the supplier has been selected, the latter is required to agree to comply with the Code of Ethics, the Supplier Code of Conduct and the laws and regulations applicable at local, regional and national level relating to its business. All our business partners are in fact required to formally sign our Code of Ethics, and we have already taken steps to ensure that suppliers, both new and existing, sign the Code of Conduct (for more details on this see the "Objectives" paragraph of this chapter). Failure to comply with the conditions established by the Code of Ethics may result in the termination of the contract with the supplier.

Suppliers considered eligible are also required to sign the General Purchasing Conditions (GPC), which define the nature of the contractual relationship with both direct and indirect suppliers.

Finally, as required by contract, we also reserve the right to carry out performance checks in light of the application and compliance with ESG criteria. This may also involve carrying out on-site audits at the suppliers' premises, in order to ensure that they are operating in compliance with the law and the Code of Ethics. Type-approval audits are carried out both during the selection phase, for strategic and commercial reasons, and after the establishment of the employment relationship, on a predefined basis.

During 2025, we carried out **33 process audits** on suppliers from different parts of the world.

39 The information refers to the following Group companies: Bonfiglioli S.p.A.; Bonfiglioli Power Transmission PTY Ltd.; Bonfiglioli Drives (Shanghai) CO. Ltd.; Bonfiglioli Vietnam Ltd.; Bonfiglioli Transmissions Ltd; Selcom Group S.p.A.

Prevention of active and passive corruption

[G1-1 10.c, 10.g; G1-3, 16, 17, 18.a, 18.b, 18.c, 20, 21.a, 21.b, 21.c, RA 8]

Corruption prevention system

The Group Code of Ethics provides a definition of "corruption", linking this to the fact of obtaining, or attempting to obtain, personal benefit or commercial advantage through improper or illegal means. Our Group, therefore, takes a **"zero tolerance" approach to any form of bribery and corruption**, both active and passive, reiterating its condemnation of any form of facilitation payment, influence peddling and political donation, including on behalf of third parties, and highlighting the obligation of all Group companies to report any problem that could be linked to bribery and corruption.

The Group's commitment to fight corruption offences is based on the adoption and effective implementation of MUG 231 in Italy and the Anti-Corruption Policy in the remaining countries where we are present, in accordance with applicable national regulations. Indeed, the Anti-Corruption Policy is disseminated to each Group company and is accessible to all on the company website (in the "Sustainability" section, under the "Governance" subcategory) and through relevant training activities. **[G1-3 20]**

Both the Model and the Anti-Corruption Policy identify the main sensitive activities that are exposed to the risk of corruption, including: relations with Public Administration bodies; relations with political organizations; gifts and donations; charity and donations; assignment of consultancy roles and supply of goods and services; selection and hiring of personnel; sponsorship; staff incentives; accounting records.

In particular, relations with Public Administration bodies are the subject of greater attention, in light of the fact that in accordance with the principle of segregation of roles and functions, the assumption of commitments and the management of relations of any kind with representatives of Public Administration bodies and/or public entities is strictly limited to the company roles and functions designated and authorized for this purpose. Therefore, it is expressly required that no representative of subsidiaries of our Group may improperly influence the decisions or actions of the counterparty, either directly or through third parties.

In addition, the acceptance of gifts or donations is also a practice prohibited by both the Code of Ethics and the Anti-Corruption Policy, except in specific cases (for example, if their value is symbolic, or is not expressed in cash or other equivalent monetary form...). **[G1-3, 18.a]**

Furthermore, the internal governance system calls for the existence of an independent Supervisory Body responsible for overseeing the functioning of and compliance with the Model, including through the receipt of periodic reports (quarterly, biannual, annual, or as events occur). The relevant functions of each Group company report to the Supervisory Body of Bonfiglioli S.p.A. regarding the implementation of the Anticorruption Policy, at least on a half-yearly basis. The activities included in the report concert both activities carried out directly and those conducted by local functions tasked with monitoring the internal control system at the Subsidiaries. **[G1-3, 18.b. 18.c]**

As specified in the Anti-Corruption Policy, participation in the training activity is mandatory. Accordingly, all Group companies promote knowledge of the content of the Anti-Corruption Policy and Regulations amongst staff, **with a view to ensuring that the entire corporate population understands the key principles**, **[G1-1 10.c, 10.g, G1-3 21.a]** linked to:

- the risks of corruption to which the employees themselves and the organization are exposed;
- the corruption prevention policy in place;
- the aspects of the management system for the prevention of corruption relating to their role within the Group;
- the preventive actions to be taken and the reports to be made in relation to the risk or suspicion of unlawful practices.

The training activities provide for the engagement of employees of the Group's Italian companies within three months of recruitment, and are delivered in e-learning mode via the Bonfiglioli Academy. As such, they are accessible to all employees, including members of the Board of Directors of the Parent Company. These training activities address issues related to Anti-Corruption, Model 231 and the Group Code of Ethics, with a focus on crimes linked to relations with Public Administration bodies, corruption between individuals and corporate crimes. **[G1-3, 21.a]**

In particular, during the course of 2025, training materials on the topics of Anti-Corruption, Whistleblowing and the Code of Ethics were made available to all employees, including those in key and at-risk roles, through e-learning mode via the Group's "Academy" platform.

In light of the appointment of new members to the Board of Directors, the Supervisory Board, and the Remuneration Committee in 2025, a training program specifically designed for members of the administrative, management, and supervisory bodies is scheduled for the first half of 2026. **[G1-3, 21.c]**

Anti-corruption training is provided to 100% of the Functions deemed to be at risk in Italy, as specified in the Organization, Management and Control Model. **[G1-3, 21.b]** During 2025, the training activities involved newly-hired employees, who were trained on the topics covered in the Anti-Corruption Policy and in the procedures relating to the reporting and detection of actual or potential corrupt behavior or activities.

The performance of the Enterprise Risk Management (ERM) activity has enabled us to achieve greater awareness of the importance of monitoring activities with regard to regulatory compliance, already previously carried out. **[G1-3, 16, 17, 18.a]**

Objectives to monitor the effectiveness of actions

[MDR-T 78, 79.a, 79.b, 79.c, 79.e, 80.a, 80.b, 80.c, 80.d, 80.e, 80.f, 80.h, 80.i]

Below are the main objectives relating to business conduct, established on the basis of the scope of interest by the Legal & Corporate Affairs Department and the Administration, Finance & Controlling and Strategic Purchasing Department. These objectives are reviewed annually, in order to assess the performance of the company with respect to the achievement of the target in terms of the material impacts, risks and opportunities.

The qualitative objectives apply to the entire Group, with the exception of induction activities on ESG issues for members of administrative bodies. Quantitative objectives are instead applied to the "upstream" value chain of the company and, indirectly, to the latter's collaborators, partners and suppliers.

Target	Brief description of the target	ESRS	Perimeter	Base year	Base line	Target year	Status update 2025
Supply Chain							
Signing of the Group's Supplier Code of Conduct by the Supply Chain (T1)	Ensuring that T1 suppliers (direct and indirect) - which represent 80% of revenue by 2025 and 95% of revenue by 2026 - sign the Code of Conduct, in order to align the supply chain with the Group's quality, environmental, and social standards	ESRS **G1-2 (Management of relation-ships with suppliers)**, ESRS G1-6 **(Payment practices)**	Own operations	2024	Not moni-tored	a) 2025 b) 2026	a) Achieved b) Ongoing
Value chain mapping aimed at identifying the value chain's material topics	Perform internal mapping of the supply chain (T1), with the aim of identifying the aspects of the supply chain deemed material in ESG terms	ESRS **G1-2 (Management of relationships with suppliers)**	Own operations	2024	Not launched	2026	Ongoing and extended target year
Introduction of a checklist that includes ESG criteria in the assessment and selection phase for major suppliers, and the sharing of these criteria with them	On the basis of the results of the internal mapping exercise, develop and share a formal assessment checklist that also includes environmental, social, and governance criteria with the selected suppliers	ESRS **G1-2 (Management of relationships with suppliers)**	Own operations	2024	Not launched	2026	To be launched
Governance and ethical conduct							
ESG induction activities for the members of the Parent Company's Board of Directors	Carry out training activities on the main innovations in sustainability for the members of the Parent Company's Board of Directors	ESRS G1-1 **(Policies on corporate culture and business conduct)**	Own operations	2024	Not launched	2025	100%[40]
Extension of the Compliance model provided for by Italian legislation (Legislative Decree 231/01) to foreign branches, including via the delivery of specific training	Promote the dissemination of the Group's Code of Ethics, the common disciplinary principles, and the implementation protocols set forth in the Organization, Management, and Control Model pursuant to Italian Legislative Decree 231/01, including within the Group's branches, through appropriate training activities	ESRS G1-4 **(Cases of active or passive cor-ruption)**	Own operations	2024	Not launched	2026	To be launched

39 The Chair of the Board of Directors and 5 other executives who hold positions in the Board of Directors.

40 For more information on the training activities carried out, please refer to the chapter "ESRS 2: General Disclosures ", paragraph "GOV-1 – Role of the administrative, management and supervisory bodies ".

Strengthening compliance with the Code of Ethics at Group level through audits of branches	Strengthen compliance at the Group level by promoting audits designed to assess the extent to which the principles of the Code of Ethics have been implemented at the branches	ESRS G1-4 **(Cases of active or passive corruption)**	Own operations	2024	Not launched	2028	To be launched

During 2025, the mapping of direct and strategic suppliers for the reference business area was carried out, and subsequently, during the update of the Double Materiality Analysis, a detailed analysis of the value chain will be carried out with a view to identifying the material topics thereof. **[MDR-T 79.c, 80.i]**

The objectives regarding the Supply Chain were established through the use of information found during on-site audits and from databases provided by external providers. **[MDR-T 80.f, 80.h]**

Metrics

[G1-4] Cases of active and passive corruption

G1-4 22, 23, 24.a, 26

During 2025, as in 2024 and 2023, there were no confirmed episodes of corruption that saw the Group either directly or indirectly involved: a sign of the effectiveness of the measures adopted and the company's commitment to maintaining high standards of ethics and legality. **. [G1-4, 22, 23, 24.a, 26]**

[G1-6] Payment practices

G1-6 31, 32, 33.a, 33.c, 33.d, RA 16, 17

In line with previous years, in 2025, we have chosen to adopt a conscious and transparent approach in the management of relations with our "upstream" partners. The average contractual payment times for supplies increased slightly between 2025 and 2024, and stood at 122 days at the end of 2025, compared to 117 the previous year[41]. This reflects the operational needs of the business.[42] There were no judicial proceedings due to delays in payments. **[G1-2, 14; G1-6, 31, 32, 33.a, 33.c]**

There is no uniform standard contract for all suppliers, as payment methods and timings vary according to two main criteria, namely the geographical location to which they belong (distinguishing between Italy, Europe and non-EU) and the product category purchased (Casting, Commercial & Electronic, Motors, Steel).

This means that suppliers located in different economic areas (Italy, Germany, China, etc.) are subject to different payment conditions, based on specific local economic dynamics. In addition to the above, as of 2021, we have chosen to support our suppliers by providing them with facilitated conditions of access to financing, through a reverse factoring program. We strongly believe that adopting a "listening" approach to our stakeholders can generate positive impacts for both parties: for this reason, the reverse factoring tool has allowed us to support our suppliers even in situations of financial difficulty. **[G1-6, 31]**

We work to ensure very clear, transparent relations, avoiding restrictions that entail abuses of power and/or dependence. As of December 31, 2025, as in previous years, there are no legal proceedings related to late payments. **[G1-6, 31]**

41 The data has been revised to ensure greater accuracy and methodological consistency with the approach used for 2025, calculated as the ratio of trade payables to cost of sales expressed in days.

42 We take care not to go beyond the payment terms provided for in the contract. Where the time-frame for the payment extends beyond the pre-established number of days, this is subject to prior agreement with the suppliers themselves. Average payment times are calculated as the difference between the payment date and the due date of the debt.

4

Appendix

Appendix A: ESRS Content Index

Declaration of use	Bonfiglioli S.p.A. has submitted a Sustainability Report prepared with reference to ESRS Standards for the period January 1, 2025 - December 31, 2025
ESRS Standard 1	ESRS 1 – General Requirements – July 31, 2023
Relevant ESRS industry standards	Not applicable

Disclosure requirements	Reference paragraph
GENERAL DISCLOSURES	
ESRS 2 BP-1 General basis for preparation of sustainability statements	ESRS 2: General Disclosures | Criteria for drafting
ESRS 2 BP-2 Disclosures in relation to specific circumstances	ESRS 2: General Disclosures | Criteria for drafting
ESRS 2 GOV-1 The role of administrative, management and supervisory bodies	ESRS 2: General Disclosures | Sustainability governance
ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS 2: General Disclosures | Sustainability Governance; Managing Impacts, Risks and Opportunities
ESRS 2 GOV-4 Statement on due diligence	Appendix B
ESRS 2 SBM-1 Strategy, business model and value chain	ESRS 2: General Disclosures | Sustainability strategy and objectives
ESRS 2 SBM-2 Interests and views of stakeholders	ESRS 2: General Disclosures | Sustainability strategy and objectives
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS 2: General Disclosures | Managing Impacts, Risks and Opportunities
ESRS 2 IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities	ESRS 2: General Disclosures | Managing Impacts, Risks and Opportunities
ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	ESRS 2: General Disclosures | Managing Impacts, Risks and Opportunities
ESRS 2 MDR-P Policies adopted to manage material sustainability matters	Please refer to MDR-P reported in each Thematic Standard below
ESRS 2 MDR-A Shares and resources related to relevant sustainability issues	Please refer to MDR-A reported in each thematic standard
ESRS 2 MDR-M Metrics related to relevant sustainability issues	Please refer to MDR-M reported in each thematic standard below
ENVIRONMENTAL INFORMATION	
ESRS E1 CLIMATE CHANGE	
ESRS E1-1 Transition plan for climate change mitigation	ESRS E1: Climate change | Climate change mitigation transition plan
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS E1: Climate change | Impacts, Risks and Opportunities
ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	ESRS E1: Climate change | Impacts, Risks and Opportunities
ESRS E1-2, MDR-P Policies related to climate change mitigation and adaptation	ESRS E1: Climate change | Policies related to climate change mitigation and adaptation
ESRS E1-3, MDR-A Actions and resources in relation to material sustainability matters	ESRS E1: Climate change | Actions and resources in relation to material sustainability matters
ESRS E1-4, MDR-T Targets related to climate change mitigation and adaptation	ESRS E1: Climate change | Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption and mix	ESRS E1: Climate Change | Metrics
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	ESRS E1: Climate Change | Metrics
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY	
ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to resource use and circular economy	ESRS E5: Resource Use and Circular Economy | Impacts, Risks and Opportunities
ESRS E5-1, MDR-P Policies related to resource use and the circular economy	ESRS E5: Resource use and circular economy| Policies related to resource use and circular economy
ESRS E5-2, MDR-A Actions and resources related to resource use and the circular economy	ESRS E5: Resource use and circular economy | Actions related to resource use and circular economy
ESRS E5-3, MDR-T c	ESRS E5: Resource use and circular economy | Targets related to resource use and circular economy
ESRS E5-4, AR Inbound resource flows	ESRS E5: Resource use and circular economy| Inbound resource flows
	ESRS E5: Resource Use and Circular Economy | Outbound Resource Flows
SOCIAL INFORMATION	
ESRS S1 OWN WORKFORCE	
ESRS 2 SBM-2, AR Stakeholder interests and opinions	ESRS 2: General Disclosures | Sustainability strategy and objectives
ESRS 2 SBM-3 , AR Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS S1: Own workforce | Impacts, Risks and Opportunities
ESRS S1-1, AR Own workforce policies	ESRS S1: Own Workforce | Own workforce policies
ESRS S1-2, AR Processes for the engagement of own workers and workers' representatives regarding impacts	ESRS S1: Own workforce | Processes for the engagement of own workers and workers' representatives with regard to impacts
ESRS S1-3, AR Processes to remedy negative impacts and channels that allow own workers to raise concerns	ESRS S1: Own workforce | Processes for the engagement of own workers and workers' representatives with regard to impacts
ESRS S1-4, MDR-A, AR Interventions on material impacts for own workforce and measures designed to mitigate material risks and seize opportunities in relation to own workforce, as well as the effectiveness of such actions	ESRS S1: Own workforce | Interventions on material impacts on personnel and approaches to mitigate material risks and seize opportunities in relation to personnel, as well as the effectiveness of such actions
ESRS S1-5, MDR-T, AR Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities	ESRS S1: Own workforce | Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities
ESRS S1-6 Characteristics of company employees	ESRS S1: Own Workforce | Metrics
ESRS S1-7 Characteristics of non-employee workers	ESRS S1: Own Workforce | Metrics
ESRS S1-8 Collective bargaining coverage and social dialog	ESRS S1: Own Workforce | Metrics
ESRS S1-9 Diversity metrics	ESRS S1: Own Workforce | Metrics
ESRS S1-10 Fair wages	ESRS S1: Own Workforce | Metrics
ESRS S1-11 Social protection	ESRS S1: Own Workforce | Metrics
ESRS S1-12 People with disabilities	ESRS S1: Own Workforce | Metrics
ESRS S1-13 Training and skills development metrics	ESRS S1: Own Workforce | Metrics
ESRS S1-14 Health and safety metrics	ESRS S1: Own Workforce | Metrics

ESRS S1-15 Work-life balance metrics	ESRS S1: Own Workforce | Metrics
ESRS S1-16 Pay metrics (pay gap and total pay)	ESRS S1: Own Workforce | Metrics
ESRS S1-17, AR Serious human rights incidents, complaints and impacts	ESRS S1: Own Workforce | Metrics
ESRS S2 WORKERS IN THE VALUE CHAIN	
ESRS 2 SBM-2, AR Stakeholder interests and opinions	ESRS S2: Workers in the value chain | Stakeholder interests and opinions
ESRS 2 SBM-3 , AR Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS S2: Workers in the value chain | Impacts, Risks and Opportunities
ESRS S2-1, MDR-P, AR Policies related to workers in the value chain	ESRS S2: Workers in the value chain | Policies related to workers in the value chain
ESRS S2-2, AR Processes for the engagement of workers in the value chain with regard to impacts	ESRS S2: Workers in the value chain | Processes for the engagement of workers in the value chain with regard to impacts
ESRS S2-3, AR Processes for the engagement of workers in the value chain with regard to impacts	ESRS S2: Workers in the value chain | Processes for the engagement of workers in the value chain with regard to impacts
ESRS S2-4, AR Interventions on material impacts for workers in the value chain and measures designed to mitigate material risks and seize opportunities for workers in the value chain, as well as the effectiveness of such actions	ESRS S2: Workers in the value chain | Interventions on material impacts for workers in the value chain and measures designed to mitigate material risks and seize opportunities for workers in the value chain, as well as the effectiveness of such actions
ESRS S2-5, MDR-T, AR Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities	ESRS S2: Workers in the value chain | Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities
ESRS S3 AFFECTED COMMUNITIES	
ESRS 2 SBM-2, AR Stakeholder interests and opinions	ESRS S3: Stakeholder Communities | Stakeholder Interests and Views
ESRS 2 SBM-3 , AR Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS S3: Affected communities | Impacts, Risks and Opportunities
ESRS S3-1, MDR-P, AR Policies regarding affected communities	ESRS S3: Affected communities | Policies regarding affected communities
ESRS S3-2, AR Processes for the involvement of the affected communities regarding impacts	ESRS S3: Affected communities | Processes for the engagement of affected communities with regard to impacts
ESRS S3-3, AR Processes to remedy negative impacts and channels that allow affected communities to express concerns	ESRS S3: Affected communities | Processes for the engagement of affected communities with regard to impacts
ESRS S3-4, MDR-A, AR Interventions on material impacts on affected communities and measures designed to manage material risks and seize opportunities for affected communities, as well as the effectiveness of such actions	ESRS S3: Affected communities | Interventions on material impacts on affected communities and measures designed to manage material risks and seize opportunities for affected communities, as well as the effectiveness of such actions
ESRS S3-5, MDR-T, AR Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities	ESRS S3: Stakeholder communities | Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities
ESRS S4 CONSUMERS AND END USERS	
ESRS 2 SBM-2, AR Stakeholder interests and opinions	ESRS S4: Consumers and End Users | Stakeholder Interests and Opinions
ESRS 2 SBM-3 , AR Material impacts, risks and opportunities and their interaction with the Group's strategy and business model	ESRS S4: Consumers and end users | Impacts, Risks and Opportunities
ESRS S4-1, MDR-P, AR Policies related to consumers and end users	ESRS S4: Consumers and end users | Policies related to consumers and end users
ESRS S4-2 Processes for the engagement of consumers and end users with regard to impacts	ESRS S4: Consumers and end users | Processes for the engagement of consumers and end users with regard to impacts
ESRS S4-3 Processes to remedy negative impacts and channels that allow consumers and end users to raise concerns	ESRS S4: Consumers and end users | Processes for the engagement of consumers and end users with regard to impacts
ESRS S4-4, MDR-A, AR Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions	ESRS S4-4, MDR-A, AR Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions
ESRS S4-5, MDR-T, AR Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities	ESRS S4: Consumers and end users | Targets related to the management of material negative impacts, the enhancement of positive impacts and the management of material risks and opportunities

GOVERNANCE INFORMATION	
ESRS G1 BUSINESS CONDUCT	
ESRS 2 GOV-1 The role of administrative, management and supervisory bodies	ESRS 2: General Disclosures | Sustainability governance
ESRS 2 IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities	ESRS G1: Business Conduct | Impacts, Risks and Opportunities
ESRS G1-1, MDR-P, AR Corporate culture and business conduct policies	ESRS G1: Business Conduct | Corporate culture and business conduct policies
ESRS G1-2, AR Supplier Relationship Management	ESRS G1: Business Conduct | Supplier Relationship Management
ESRS G1-4 Proven cases of active or passive corruption	ESRS G1: Business Conduct | Metrics
ESRS G1-6, AR Payment Practices	ESRS G1: Business Conduct | Metrics

Appendix B: List of elements of information referred to in the transverse and thematic principles deriving from other EU legislative acts

Disclosure Requirement and Corresponding Information Element	SFDR Reference	Third pillar reference	Reference regulation on benchmarks	EU Climate Regulatory Reference	Reference paragraph
Gender diversity on the Board of Directors ESRS 2 GOV-1 21 d)	Annex I, table 1, indicator no. 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2: General Disclosures | Role of the administrative, management and supervisory bodies
Percentage of independent members of the Board of Directors ESRS 2 GOV-1 21 e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2: General Disclosures | Role of the administrative, management and supervisory bodiess
Due diligence declaration ESRS 2 GOV-4 30	Annex I, table 3, indicator no. 10				Appendix C: Due diligence
Involvement in activities related to the fossil fuel sector ESRS 2 SBM-1 40 d) point i)	Annex I, table 1, indicator no. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Bonfiglioli Group is not active in the fossil fuel sectors
Involvement in activities related to the production of chemical substances ESRS 2 SBM-1 40 d) point ii)	Annex I, table 2, indicator no. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Bonfiglioli Group is not active in the chemical production sectors
Participation in activities related to controversial weapons ESRS 2 SBM-1 40 d) point iii)	Annex I, table 1, indicator no. 14		Article 12 (1) of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		Bonfiglioli Group is not active in the controversial weapons sector
Involvement in activities related to tobacco cultivation and production ESRS 2 SBM-1 40 d) point iv)			Article 12 (1) of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		Bonfiglioli Group is not active in the tobacco growing and production sectors
Transition plan to achieve climate neutrality by 2050 ESRS E1-1 14				Article 2 (1) of Regulation (EU) 2021/1119	ESRS E1: Climate change | Climate change mitigation transition plan
Companies excluded from benchmarks aligned with the Paris Agreement ESRS E1-1 16 g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issues and residual maturity	Article 12 (1) (d) to (g) and (2) of Delegated Regulation (EU) 2020/1818		ESRS E1: Climate change | Climate change mitigation transition plan

Disclosure Requirement and Corresponding Information Element	SFDR Reference	Third pillar reference	Reference regulation on benchmarks	EU Climate Regulatory Reference	Reference paragraph
GHG emission reduction targets ESRS E1-4 34	Annex I, table 2, indicator no. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		ESRS E1: Climate change | Targets related to climate change mitigation and adaptation
Energy consumption from fossil fuels disaggregated by source (only sectors with high climate impact) ESRS E1-5 38	Annex I, table 1, indicator no. 5 and Annex I, table 2, indicator no. 5				ESRS E1: Climate change | Energy consumption and energy mix
Energy consumption and energy mix ESRS E1-5 37	Annex I, table 1, indicator no. 5				ESRS E1: Climate change | Energy consumption and energy mix
Energy intensity associated with activities in sectors with high climate impact ESRS E1-5 40-43	Annex I, table 1, indicator no. 6				ESRS E1: Climate change | Energy consumption and energy mix
Scope 1, 2, 3 gross emissions and total GHG emissions ESRS E1-6 44	Annex I, Table 1, Indicators Nos. 1 and 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issues and residual maturity	Articles 5 (1), 6 and 8 (1) of Delegated Regulation (EU) 2020/1818		ESRS E1: Climate change | Greenhouse gas emissions
Gross GHG emission intensity ESRS E1-6 53-55	Annex I, table 1, indicator no. 3	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: alignment metrics	Article 8 (1) of Delegated Regulation (EU) 2020/1818		ESRS E1: Climate change | Greenhouse gas emissions
Absorption of GES and carbon credits ESRS E1-7 56				Article 2 (1) of Regulation (EU) 2021/1119	As of 2025, Bonfiglioli Group does not adopt GHG absorption practices and has not implemented GHG emission mitigation projects financed with carbon credits
Exposure of the benchmark portfolio to physical climate-related risks ESRS E1-9 66			Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816		For the financial year 2025, Bonfiglioli Group has decided to make use of the phasing-in option, as provided for in Transitional Provision 10.4: List of gradually-introduced disclosure obligations, pursuant to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, with regard to the disclosure of the expected financial effects of material physical and transition risks.
Disaggregation of monetary amounts for acute and chronic physical risk, ESRS E1-9 66 a) Placing of significant assets at material physical risk ESRS E1-9 66 c)		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Bank portfolio – Indicators of potential physical risk associated with climate change: exposures subject to physical risk			For the financial year 2025, Bonfiglioli Group has decided to make use of the phasing-in option, as provided for in Transitional Provision 10.4: List of gradually-introduced disclosure obligations, pursuant to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, with regard to the disclosure of the expected financial effects of material physical and transition risks.

Disclosure Requirement and Corresponding Information Element	SFDR Reference	Third pillar reference	Reference regulation on benchmarks	EU Climate Regulatory Reference	Reference paragraph
Breakdown of the accounting value of its real estate assets by energy efficiency classes ESRS E1-9 67 c)		Article 449a of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio – Indicators of the potential transition risk related to climate change: loans secured from real estate – Energy efficiency of collateral			For the financial year 2025, Bonfiglioli Group has decided to make use of the phasing-in option, as provided for in Transitional Provision 10.4: List of gradually-introduced disclosure obligations, pursuant to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, with regard to the disclosure of the expected financial effects of material physical and transition risks.
Degree of portfolio exposure to climate-related opportunities ESRS E1-9 69			Annex II to Delegated Regulation (EU) 2020/1818	Degree of portfolio exposure to climate-related opportunities ESRS E1-9 69	For the financial year 2025, Bonfiglioli Group has decided to make use of the phasing-in option, as provided for in Transitional Provision 10.4: List of gradually-introduced disclosure obligations, pursuant to Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, with regard to the disclosure of the expected financial effects of material physical and transition risks.
Quantity of each pollutant listed in Annex II of Regulation E-PRTR (European Pollutant Release and Transfer Register) emitted into air, water and soil ESRS E2-4 28	Annex I, Table 1, Indicator No. 8; Annex I, Table 2, Indicator No. 2; Annex 1, Table 2, Indicator No. 1; Annex I, Table 2, Indicator No. 3			Quantity of each pollutant listed in Annex II of Regulation E-PRTR (European Pollutant Release and Transfer Register) emitted into air, water and soil ESRS E2-4 28	For the financial year 2025, the issue is not relevant to the Group
Marine waters and resources ESRS E3-1 9	Annex I, table 2, indicator no. 7			Marine waters and resources ESRS E3-1 9	For the financial year 2025, the issue is not relevant to the Group
Dedicated policy ESRS E3-1 13	Annex I, table 2, indicator no. 8				For the financial year 2025, the issue is not relevant to the Group
Sustainability of the oceans and seas ESRS E3-1 14	Annex I, table 2, indicator no. 12				For the financial year 2025, the issue is not relevant to the Group
Total water recycled and reused ESRS E3-4 28 c)	Annex I, table 2, indicator no. 6.2				For the financial year 2025, the issue is not relevant to the Group
Total water consumption in m3 compared to net revenues from own operations ESRS E3-4 29	Annex I, table 2, indicator no. 6.1				For the financial year 2025, the issue is not relevant to the Group
ESRS 2 IRO-1 – E4 16 a) point i)	Annex I, table 1, indicator no. 7				For the financial year 2025, the issue is not relevant to the Group
ESRS 2 IRO-1 – E4 16 b)	Annex I, table 2, indicator no. 10				For the financial year 2025, the issue is not relevant to the Group
ESRS 2 IRO-1 – E4 16 c)	Annex I, table 2, indicator no. 14				For the financial year 2025, the issue is not relevant to the Group
Sustainable agricultural/land use policies or practices ESRS E4-2 24 b)	Annex I, table 2, indicator no. 11				For the financial year 2025, the issue is not relevant to the Group
Sustainable sea/ ocean use practices or policies ESRS E4-2 24 c)	Annex I, table 2, indicator no. 12				For the financial year 2025, the issue is not relevant to the Group
Policies to tackle deforestation ESRS E4-2 24 d)	Annex I, table 2, indicator no. 15				For the financial year 2025, the issue is not relevant to the Group
Unrecycled waste ESRS E5-5 37 d)	Annex I, table 2, indicator no. 13				ESRS E5: Resource Use and Circular Economy | Outbound Resource Flows
Hazardous waste and radioactive waste ESRS E5-5 39	Annex I, table 1, indicator no. 9				ESRS E5: Resource Use and Circular Economy | Outbound Resource Flows
Forced labor risk ESRS 2 – SBM3 – S1 14 f)	Annex I, table 3, indicator no. 13				ESRS S1: Own Workforce | Own workforce policies

Disclosure Requirement and Corresponding Information Element	SFDR Reference	Third pillar reference	Reference regulation on benchmarks	EU Climate Regulatory Reference	Reference paragraph
Risk of child labor ESRS 2 – SBM3 – S1 14 g)	Annex I, table 3, indicator no. 12				ESRS S1: Own Workforce | Own workforce policies
Policy commitments on the topic of human rights ESRS S1-1 20	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				ESRS S1: Own Workforce | Own workforce policies
Due diligence policies on issues covered by core conventions 1 to 8 of the International Labor Organization ESRS S1-1 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1: Own Workforce | Own workforce policies
Procedures and measures to prevent human trafficking ESRS S1-1 22	Annex I, table 3, indicator no. 11				ESRS S1: Own Workforce | Own workforce policies
Prevention policy or management system for accidents at work ESRS S1-1 23	Annex I, table 3, indicator no. 1				ESRS S1: Own Workforce | Own workforce policies
Mechanisms for handling complaints/ reports ESRS S1-3 32 c)	Annex I, table 3, indicator no. 5				ESRS S1: Own workforce | Processes for the engagement of own workers and workers' representatives with regard to impacts
Number of deaths and number and rate of work-related injuries ESRS S1-14 88 b) and c)	Annex I, table 3, indicator no. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1: Own Workforce | Metrics
Number of days lost due to injury, fatal accident or illness ESRS S1-14 88 e)	Annex I, table 3, indicator no. 3				ESRS S1: Own Workforce | Metrics
Gender pay gap ESRS S1-16 97 a)	Annex I, table 1, indicator no. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS S1: Own Workforce | Metrics
Excess pay gap in favor of the CEO ESRS S1-16 97 b)	Annex I, table 3, indicator no. 8				ESRS S1: Own Workforce | Metrics
Incidents related to discrimination ESRS S1-17 103 a)	Annex I, table 3, indicator no. 7				ESRS S1: Own Workforce | Metrics
Failure to comply with UN Guiding Principles on Business and Human Rights and the OECD Guidelines ESRS S1-17 104 a)	Annex I, table 1, indicator no. 10 and Annex I, table 3, indicator no. 14		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		ESRS S1: Own Workforce | Metrics
Serious risk of child labor or forced labor in the labor chain ESRS 2 SBM-3 – S2 11 b)	Annex I, Table 3, Indicators Nos. 12 and 13				ESRS 2: Workers in the value chain | Policies related to workers in the value chain
Policy commitments on the topic of human rights ESRS S2-1 17	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				ESRS 2: Workers in the value chain | Policies related to workers in the value chain
Policies related to workers in the value chain ESRS S2-1 18	Annex I, Table 3, Indicators Nos. 11 and 4				ESRS 2: Workers in the value chain | Policies related to workers in the value chain
Failure to comply with UN Guiding Principles on Business and Human Rights and the OECD Guidelines ESRS S2-1 19	Annex I, table 1, indicator no. 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		ESRS 2: Workers in the value chain | Policies related to workers in the value chain
Due diligence policies on issues covered by core conventions 1 to 8 of the International Labor Organization ESRS S2-1 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		ESRS 2: Workers in the value chain | Policies related to workers in the value chain

Disclosure Requirement and Corresponding Information Element	SFDR Reference	Third pillar reference	Reference regulation on benchmarks	EU Climate Regulatory Reference	Reference paragraph
Human rights issues and incidents in the upstream and downstream value chain ESRS S2-4 36	Annex I, table 3, indicator no. 14				ESRS 2: Workers in the value chain | Policies related to workers in the value chain
Policy commitments on the topic of human rights ESRS S3-1 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				ESRS S3: Affected communities | Policies regarding affected communities
Failure to comply with UN Guiding Principles on Business and Human Rights, ILO Principles or OECD Guidelines ESRS S3-1 17	Annex I, table 1, indicator no. 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		ESRS G1: Business Conduct | Corporate culture and business conduct policies
Human rights issues and incidents ESRS S3-4 36	Annex I, table 3, indicator no. 14				Affected communities | Policies regarding affected communities
Policies related to consumers and end users ESRS S4-1 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11				ESRS S4: Consumers and end users | Consumer and end-user policies & policies related to data protection and cybersecurity issues
Failure to comply with UN Guiding Principles on Business and Human Rights and the OECD Guidelines ESRS S4-1 17	Annex I, table 1, indicator no. 10		Annex II to Delegated Regulation (EU) 2020/1816 and Article 12 (1) of Delegated Regulation (EU) 2020/1818		ESRS S4: Consumers and end users - Customer management: Customer satisfaction and innovative and sustainable solutions | Processes for the engagement of consumers and end users with regard to impacts
Human rights issues and incidents ESRS S4-4 35	Annex I, table 3, indicator no. 14				ESRS S4: Consumers and end users - Customer management: Customer satisfaction and innovative and sustainable solutions | Processes for the engagement of consumers and end users with regard to impacts
United Nations Convention against Corruption ESRS G1-1 10 b)	Annex I, table 3, indicator no. 15				ESRS G1: Business Conduct | Corporate culture and business conduct policies
Whistleblower protection ESRS G1-1 10 d)	Annex I, table 3, indicator no. 6				ESRS G1: Business Conduct | Corporate culture and business conduct policies
Fines imposed for violations of laws against active and passive corruption ESRS G1-4 24 a)	Annex I, table 3, indicator no. 17		Annex II to Delegated Regulation (EU) 2020/1816		ESRS G1: Business Conduct | Proven cases of active or passive corruption
Active and passive anti-corruption rules and regulations ESRS G1-4 24 b)	Annex I, table 3, indicator no. 16				ESRS G1: Business Conduct | Proven cases of active or passive corruption

Appendix C: Due diligence

The table below shows how the Bonfiglioli Group incorporates the essential principles of due diligence concerning people and the environment into its business, as well as indicating the points where these aspects are covered in the sustainability report. **[GOV- 4 32]**

Fundamental elements of due diligence	Paragraphs in the sustainability declarations	Page
a) Integrate due diligence into governance, strategy and business model	"SBM-1 Strategy, business model and value chain (Sustainability Plan)"	15
	"IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities"	25
b) Involve stakeholders in all key stages of the due diligence process	"SBM-2 Stakeholder Interests and Opinions"	23
	"S1-2 Processes for the engagement of own workers and workers' representatives with regard to impacts", which also includes reference to processes to remedy negative impacts and channels that allow workers to raise concerns	63
	"S2-2 Processes for the engagement of workers in the value chain with regard to impacts", which also includes processes to remedy negative impacts and channels that allow workers in the value chain to express concerns	93
	"S3-2 Processes for the engagement of affected communities with regard to the impacts", which also includes processes to remedy negative impacts and channels that allow affected communities to express concerns	100
	"S4-2 Processes for the engagement of consumers and end users with regard to impacts," which also includes processes to remedy negative impacts and channels that allow consumers and end users to express concerns	109
	"S4-4 Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions"	111, 120
	"G1-1 Policies on corporate culture and business conduct"	126
c) Identify and assess negative impacts	"IRO-1 Description of the process for identifying and assessing material impacts, risks and opportunities"	25
	"ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the Group's strategy and business model"	33, 43, 57, 92, 99, 107, 117, 125
d) Intervene to deal with any negative impacts	"E1-3 Actions and resources related to climate change policies"	36
	"E5-2 Actions and resources related to the use of resources and the circular economy"	44
	"S1-4 Interventions on material impacts for own workforce and measures designed to mitigate material risks and seize opportunities in relation to own workforce, as well as the effectiveness of such actions"	66
	"S2-4 Interventions on material impacts for workers in the value chain and measures designed to mitigate material risks and seize opportunities for workers in the value chain, as well as the effectiveness of such actions"	94
	"S3-4 Interventions on material impacts on affected communities and measures designed to manage material risks and seize opportunities for affected communities, as well as the effectiveness of such actions"	100
	"S4-4 Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions"	111, 120
	"MDR-A – Actions and resources related to material sustainability issues"	36, 44, 66, 94, 100, 111, 120

e) Monitor the effectiveness of interventions and communicate	"E1-3 Actions and resources related to climate change policies"	36
	"E5-2 Actions and resources related to the use of resources and the circular economy"	44
	"S1-4 Interventions on material impacts for own workforce and measures designed to mitigate material risks and seize opportunities in relation to own workforce, as well as the effectiveness of such actions"	66
	"S2-4 Interventions on material impacts for workers in the value chain and measures designed to mitigate material risks and seize opportunities for workers in the value chain, as well as the effectiveness of such actions"	94
	"S3-4 Interventions on material impacts on affected communities and measures designed to manage material risks and seize opportunities for affected communities, as well as the effectiveness of such actions"	100
	"S4-4 Interventions on material impacts for consumers and end users and measures designed to mitigate material risks and seize opportunities in relation to consumers and end users, as well as the effectiveness of such actions"	111, 120
	"MDR-A – Actions and resources related to material sustainability issues"	36, 44, 66, 94, 100, 111, 120

Appendix D: Additional metrics related to air pollution and water consumption

Air pollution

Emission of pollutants into the atmosphere	u.m.	2024	2025
Sulfur dioxide (SO2)	t	0.04	0.02
Nitric oxide (NOx)		2.34	2.14
Volatile Organic Compounds (VOCs)		6.54	8.51
Total Organic Carbon (TOC)		1.15	0.23
Alkaline substances (Na2O)		0.05	0.00
Carbon monoxide (CO)		0.11	0.00
Particulate Matter (PM)[43]		1.08	0.03
Total		**11.32**	**10.93**

Water consumption

Total water consumption and water resources	u.m.	2024	2025
Total water consumption	m3	142774	92376
Total number of workers (average per year)	no.	4790[44]	4530
Total consumption per worker	m3/n.	**29.8**	**20.39**

43 This item includes both Fine Particulate (PM 10) for 1.07 tons and Fine Particulate (PM2.5) for 0.01.
44 The data was reviewed in order to ensure greater accuracy and methodological consistency with the approach used for 2025, according to which the average annual number of employees reported in the Management Report was taken as a reference, in the paragraph "Analysis of the results for the year 2025".

Bonfiglioli

We engineer dreams

We have a relentless commitment to excellence, innovation and sustainability.
Our team creates, distributes and supports world-class power transmission and solutions to keep the world in motion.

HEADQUARTERS

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