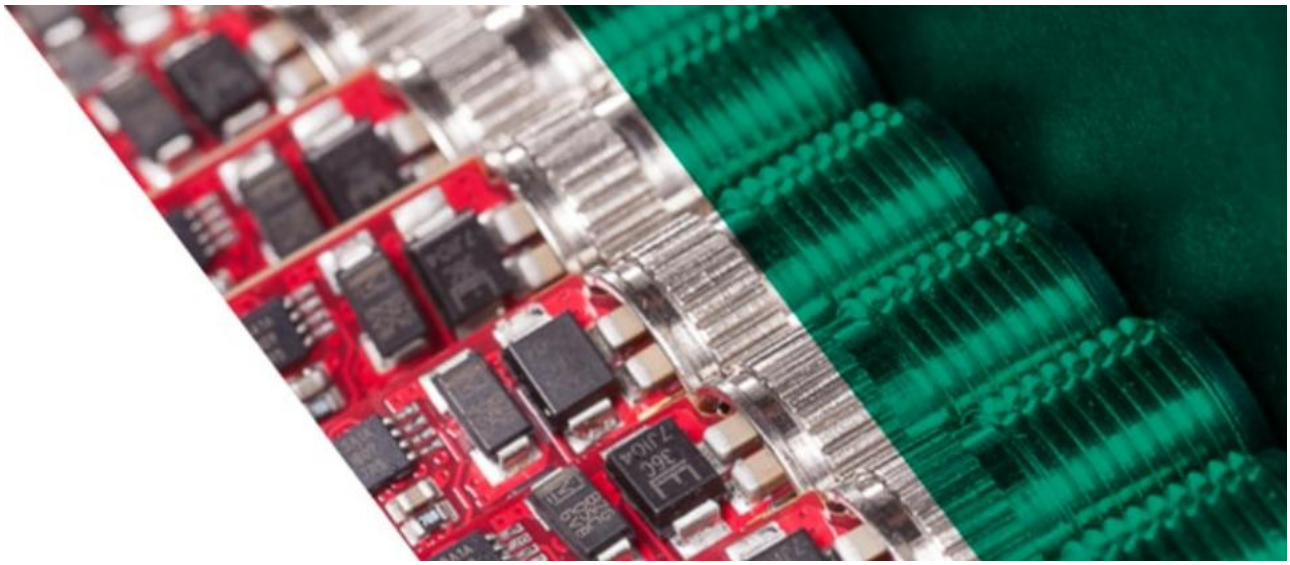
Italcoppie S.r.l. Group
2024 Sustainability Report



Italcoppie S.r.l. Group

Registered office - Via A. Tonani, 8 - Malagnino (CR)
R.E.A. (Economic and Administrative Index) CR 99991 - Register of Companies 00360540199 - Share Capital €46,800.00
Tax code and VAT number 00360540199

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Letter to Stakeholders

Dear Stakeholders,

Recent years have posed challenges and changes that have transformed the world we live in. Certain beliefs that were once perceived as established have been questioned, fostering a climate of widespread uncertainty.

Yet, in this very context, our Group has chosen to turn challenges into opportunities for growth.

The acquisition of Reckmann was the most notable step, enabling us to evolve into a company with 500 employees operating across three continents. This does not signify an endpoint, but a new beginning, borne out of a journey of constant transformation. Over the years, we have adopted increasingly advanced organisational models, capable of managing the complexity of processes, culminating in the launch of a management system renewal project that involved the entire company.

This first sustainability report seamlessly integrates into this vision as a reflection of our business approach. For us, sustainability means complying with legal requirements, valuing individuals, and taking into account the environment in which we operate: these guiding principles have always shaped our decision-making.

We have implemented a code of ethics, established a whistleblowing channel, and are completing the ISO 14000 certification for the Cremona site. These building blocks strengthen our commitment to responsible management. At the same time, we believe in connecting with the communities where we operate, promoting initiatives that create value for both the local areas and our employees.

We view sustainability not merely as an obligation, but as a commitment we embrace with enthusiasm and a forward-looking investment. With this document, we wish to share with you the meaning of this journey, and thank you for your contribution in making it possible.

Summary data

	2024	2023
Financial data		
Revenues from sales and services (Euro thousand)	43,277.9	49,046.4
Environment		
Total energy consumption – MWh	3,144.6	3,083.0
Electricity consumption from renewable sources (electricity from renewable sources / total electricity consumption)	45.1%	49.9%
Total direct (GHG Scope 1) and indirect (GHG Scope 2 market-based) emissions/t CO2e	759.8	708.9
Waste generated directed to recovery (% of total waste generated)	56.9%	48.1%
Environmental Policy, Waste Management Procedure, ISO 14001:2015		
Human Resources		
Number of employees at 31 December	515	567
Gender diversity – female gender share (% of total employees)	57.1%	59.8%
Training - average training hours per employee	8.6	5.2
Accident frequency index (No. of accidents/hours worked x 1,000,000)	2.4	4.9
Health and Safety Policy, Employee Benefits Policy, Training Procedure		
Quality and supply chain		
Supplier Code of Conduct, Quality Policies, Product Development Procedure, Product Manufacturing Procedure, Material Purchasing Procedure and External Supplier Qualification, ISO 9001:2015		
Governance		
Code of Conduct and Business Ethics		

1. General Disclosures

Basis for preparation

ESRS Standards	ESRS 2 BP-1, BP-2

The Sustainability Report of **Italcoppie S.r.l. and its subsidiaries** (hereinafter also referred to as "Italcoppie Group," "Group," "Italcoppie") for the financial year ended 31 December 2024 is the first document issued for the reporting of sustainability matters.

Italcoppie publishes this **Sustainability Report** as it acknowledges the strategic significance of sustainability topics as a key element of its business model. The aim of this Report is to enable stakeholders to understand the undertaking's material impacts on people and environment and the material effects of sustainability matters on the undertaking's development, performance and position.

The 2024 Sustainability Report has been prepared **on a voluntary basis, referring to the European Sustainability Reporting Standards (ESRS)**, European sustainability reporting criteria, **reporting selected ESRS, or parts of their content**, as indicated in the different sections of the document and summarised in the ESRS Contents Index.

The document, as part of the ongoing and gradual process of aligning with current regulations and enhancing accountability towards stakeholders, is not and does not intend to be fully compliant with the ESRS. The decision to refer to the ESRS as a basis for preparation is **consistent with and instrumental to the forthcoming sustainability reporting requirements** set out in Directive (EU) 2024/2464 Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law by Legislative Decree 125/2024.

Based on the regulatory framework in force at the date of preparation of this document, the obligation to apply the CSRD is expected to fall on Italcoppie S.r.l., as a large undertaking not listed on regulated markets of the European Union, starting from the corporate reporting period for the 2027 financial year. The European Parliament's approval of Directive EU 2025/794 has postponed the implementation date of the CSRD by two financial years compared to its original 2025 deadline. The requirement to publish a Sustainability Report entails the use of the European Sustainability Reporting Standards (ESRS) as a basis for preparation. It should be noted that the scope of application of the CSRD, with particular reference to the size thresholds of undertakings, as well as the contents of the ESRS, are currently being reviewed by the European Commission.

General basis for preparation

The ESRS specify the information that an undertaking shall disclose about its material **impacts**, **risks,** and **opportunities** in relation to material **environmental, social and governance sustainability matters**. The materiality of sustainability matters, arising from direct and indirect business relations in the upstream and/or downstream value chain, is assessed on the basis of the application of the principle of "double materiality" (DMA Double Materiality Assessment).

The ESRS and the related reported indicators (Disclosure Requirements) are those considered representative of the sustainability matters assessed as material, consistent with Italcoppie Group's activities and related impacts, risks, and opportunities. The process applied to the analysis, identification, assessment and prioritisation of material matters, as described in chapter *Material matters*, was carried out as required by the ESRS. This process is updated and gradually developed over time as part of the Group's sustainability (accountability) reporting.

Based on the results of double materiality analyses (DMA), and within the limits of the adopted approach, this document covers the entire upstream and downstream value chain.

The table of contents summarising the information on the different areas covered (Annex 1 - ESRS Contents Index), published as an appendix to the Sustainability Report and an integral part of it, allows traceability of the data, indicators, and other quantitative and qualitative information disclosed.

Italcoppie has not used the option to omit a specific piece of information corresponding to intellectual property, know-how, or the results of innovation or any ongoing negotiations.

To enable comparison of data over time and assessment of the Group's business performance, comparative data from the previous financial year are presented, even if not required for the first year of reporting under ESRS.

Reporting boundaries

The reporting boundaries of qualitative and quantitative data and information are represented by the performance of the parent company Italcoppie S.r.l. and its subsidiaries, consolidated on a line-by-line basis, in accordance with the Group's consolidated financial statements at 31 December 2024, for the entire reporting year (for the period from 1 January 2024 to 31 December 2024), except as specified below.

The reporting boundary of environmental and social data and information includes the following companies: Italcoppie Sensori S.r.l., Reckmann GmbH, Tunital S.A.R.L., and Coel Industria de Sensores LTDA. Italcoppie GmbH is included in the reporting boundaries for social data only, as its environmental impact has been assessed as irrelevant.

Disclosures on specific aspects

Time horizons – Italcoppie defines medium-term time horizons in line with its strategic sustainability objectives, consistently with the provisions of the ESRS (6.4 Definition of short-, medium- and long-term for reporting purposes).

Value chain estimation – Reported metrics do not include estimated value chain data.

Sources of estimation and outcome uncertainty - The process of reporting data on ESG performance of certain matters requires the use of estimates by Directors. Estimates are made on the basis of historical experience, primary and authoritative external sources and through the use of external specialists and consultants, as well as other information deemed reasonable under the circumstances. Any use of estimates and the related methodologies adopted are directly referred to in the various paragraphs relating to the reporting of material matters, to which reference is made for further details.
Quantitative metrics that are subject to uncertainty in estimates and results refer in particular to the following reporting topics and areas:

Main reporting topics / areas subject to estimation (quantitative data)	Description and impact
ESRS E1 – Energy consumption and mix	Estimated electricity consumption for Coel Industria de Sensores LTDA Potential impact: low

In order to mitigate the risk of errors in relation to estimated ESG performance data, and specifically those characterised by uncertainty, internal controls and validation processes are in place for reported data and information.

Changes in preparation or presentation of sustainability information – As this is the first Sustainability Report for Italcoppie Group, no recalculation or restatement of quantitative data was necessary. Starting with next year's report, any corrections due to errors, changes in measurement methods or changes in the nature of the business will be appropriately highlighted in the relevant chapters and paragraphs, specifying the criteria adopted and the effects on the data.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements – Disclosures in addition to those required by ESRS, stemming from other legislation which requires our undertaking to disclose sustainability information or from sustainability reporting standards, are reported in the relevant chapters and sections.

Incorporation by reference – There are no incorporations by reference, as this Sustainability Report is prepared as a separate document from the Directors' Report on the Financial Statements. Accordingly, all disclosures are set out in full within this Report, without references to other sections of corporate documents.

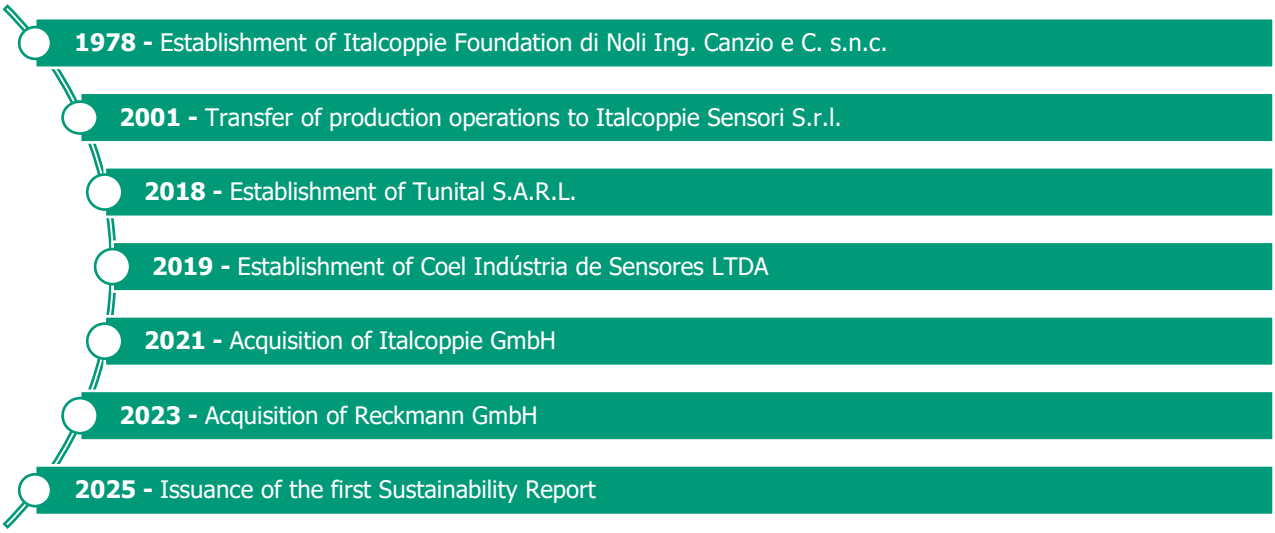
Strategy and business model

The Italcoppie Group

ESRS Standards	ESRS 2 SBM-1

The Italcoppie Group is one of Europe's leading players in the **design and production of temperature sensors**, with a strong footprint in **Italy, Germany, Tunisia, and Brazil**. The highly flexible nature of the Group's operational structure allows it to efficiently manage both technically complex projects and medium to large scale volumes, promptly addressing the needs of the markets it serves.

The registered office of the Parent Company, Italcoppie S.r.l., is located at Via Amedeo Tonani 8, Malagnino (CR), Italy.



The Group's history dates back to 1978, with the establishment of *Italcoppie di Noli Ing. Canzio e C. s.n.c.*, which has distinguished itself in the engineering and metalworking industry, since its inception, for the design, production, and marketing of thermal elements and industrial instrumentation, focusing in particular on temperature sensors, i.e. thermocouples and resistance thermometers.

Following a swift growth during the 1970s, boosted by an expanding market for temperature probes, in 1986 the Company was converted into a limited liability company and relocated to its current operational headquarters in Malagnino. Growth has continued over time owing to the ability to develop innovative solutions and an array of proprietary products, combined in a catalogue that has attracted interest from international markets. Increasing production volumes naturally caused the organisational structure to evolve.

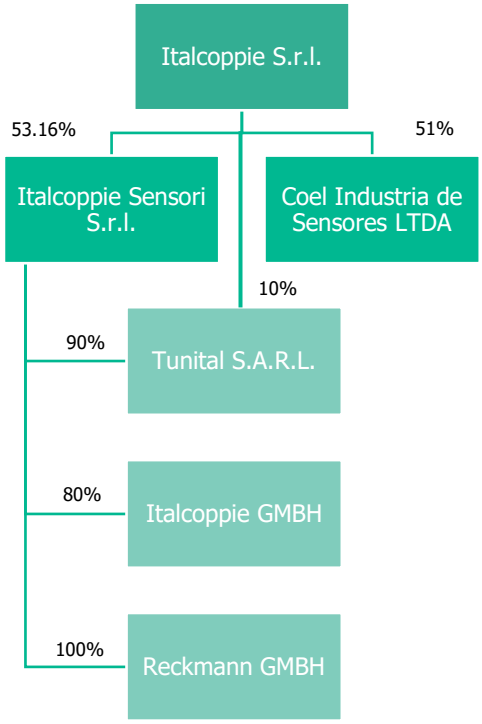
In 2001, the Italcoppie Group was formally established through the transfer of the entire temperature sensor manufacturing business to **Italcoppie Sensori S.r.l.** In 2018, the Parent Company transferred its personnel and administrative operations to its subsidiary, retaining only utility management. Currently, Italcoppie S.r.l. engages in real estate leasing activities of its own or leased assets for the benefit of Italcoppie Sensori S.r.l., which operates within the premises located in Malagnino (CR). The Company has no branch offices.

In 2008, Italcoppie set up a factory in Hammamet, Tunisia, with the aim of expanding its product range and entering new markets. Ten years later, in 2018, the Group acquired all the shares of **Tunital S.A.R.L.**, 10% of which was held by Italcoppie S.r.l. and 90% by Italcoppie Sensori S.r.l. This acquisition addressed the need to offer products with an established technological content, yet with high labour intensity.

In 2019, with the establishment of a joint venture with a local instrument manufacturer, the Group expanded, founding **Coel Indústria de Sensores LTDA**, a Brazilian company intended to serve the South American market with a dedicated production line.

In 2021, the Group strengthened its presence in Germany, in Neustadt, by acquiring the commercial representation company *Promovere GmbH*, which was subsequently renamed **Italcoppie GmbH**: this transaction marked a significant step in the commercial expansion in the German market and paved the way for the acquisition of 100% of the capital of **Reckmann GmbH** in 2023. Italcoppie GmbH is the Group's commercial entity for the German and Northern European markets, overseeing sales and promotional activities for Italcoppie Sensori S.r.l. and Reckmann GmbH.

As of today, Italcoppie has established itself as one of the leading European groups in the temperature sensor industry, while also strengthening its international reach with manufacturing and commercial operations across three continents.



The production sites

Italcoppie Sensori S.r.l.

Italcoppie Sensori S.r.l. (hereinafter also "Italcoppie Sensori") specialises in the design, production, and marketing of thermal elements and industrial instruments, with a focus on the production of custom sensors and small to medium series. Thanks to strong vertical integration, the company manages its entire production cycle in-house. While focusing on high value-added products, the company can support higher volume productions should it not be possible to relocate them to the facility in Tunisia. Research, development, and innovation are the pillars of its industrial strategy.

Reckmann GmbH

Reckmann GmbH (hereinafter also referred to as "Reckmann") has been operating since 1970, enjoying a strong reputation in the **production of sensors for demanding industrial applications**, especially in the glass and steel industries.

Tunital S.A.R.L.

Tunital S.A.R.L. (hereinafter also referred to as "Tunital") has the most labour-intensive plant in the Group and specialises in **cable production** (copper and plywood), **overmoulding**, **assembly** and **cabling in medium to large series**. It mainly produces sensors for HVAC and refrigeration applications and receives raw materials from Italcoppie Sensori and Reckmann, to which it returns finished and semi-finished products.

Coel Industria de Sensores LTDA

Coel Indústria de Sensores LTDA (hereinafter also referred to as "Coel") operates independently and serves only the South American market. It produces a **targeted range of sensors** for professional refrigeration, working in synergy with the Group and receiving technical support and supplies from Italcoppie Sensori.

The industry: scenarios, market trends and regulatory framework

ESRS Standards	ESRS 2 SBM-1

The operations of the Italcoppie Group fall within the **automation component sector,** a key area for digital and ecological transition. Sensors are essential components in a wide range of industrial equipment and require a high degree of customisation for different application areas.

Over the past ten years, the global market has grown thanks to the automation and digitalisation of production processes, also driven by Industry 4.0 policies. The outlook remains positive, although the automotive sector may experience temporary slowdowns due to the spread of electric engines. Overall, the drive towards more sustainable production will require greater investment in research and development.

In 2023, the electronic components sector grew by 6.4%, a slowdown compared to previous years. Despite international uncertainty, exports increased by 8.3%, driven by East Asian markets, which account for more than 50% of foreign sales. In the medium term, the sector will play a key role in Italian manufacturing, also due to new policies supporting the national and European industrial supply chain.[1]

According to the World Semiconductor Trade Statistics, the global semiconductor market grew by 19.7% to $631 billion in 2024. For 2025-2026, the semiconductor market is expected to grow by 11.2% in 2025 and 8.5% in 2026, with an expected value of $760.7 billion. Sensors will also return to growth (+4.5% in 2025 and +4.2% in 2026). In terms of regions, the recovery in 2025 will be driven by the Americas (+18%) and Asia-Pacific (+9.8%), with Europe experiencing slower growth (3.4%).[2]

The regulatory framework

The Italcoppie Group operates within a complex regulatory environment, encompassing both European technical standards and specific local provisions in the countries where it operates. Regulatory compliance concerns in particular **product safety** and **environmental management**.

Any regulatory updates or the introduction of new provisions applicable to the Group's products may affect the technical characteristics of products, require the adoption of new compliance standards and impact the organisation of production and sales activities.

Among the European regulations most relevant to **Italcoppie Sensori S.r.l.** and **Reckmann** 's business are the **REACH Regulation**, which governs the safe use of chemical substances, and the **RoHS Directive**, restricting the use of certain hazardous substances in electrical and electronic equipment.

Italcoppie Sensori S.r.l. complies with **Regulation (EU) 2019/1021** on persistent organic pollutants (**POPs**) and aims to protect human health and the environment by prohibiting, phasing out or restricting the manufacturing, placing on the market and use of such substances.

It is also subject to the legislation on food contact materials (**FCM**), regulated by **Regulation (EC) No 1935/2004**, which ensures the safety of products intended for the food and beverage industry. In order to be able to guarantee compliance with these regulations, Italcoppie Sensori S.r.l. follows the provisions established by the six regulatory and technical references in relation to the quality and safety of Food Contact Materials (FCM) and management systems:

- **Standard UNI EN ISO 9001/2015 - 8.5**, which outlines the requirements for operational control of production and service provision within a quality management system;
- **Framework Regulation 1935/04/EC**, which lays down general rules for all materials and articles intended to come into contact with food;
- **GMP Regulation 2023/2006/EC**, aimed at establishing criteria for producing FCM in a controlled and hygienic manner;

[1] ANIE Componenti Elettronici, *Sector in numbers* -https://aniecomponentielettronici.anie.it/settore-in-cifre-2/
[2] World Semiconductor Trade Statistics (WSTS), *WSTS Semiconductor Market Forecast Spring 2025* - https://www.wsts.org/76/WSTS-Semiconductor-Market-Forecast-Spring-2025

- **Regulation 625/2017/EU**, which governs public controls along the food chain, including FCMs;
- **Regulation 10/2011/EU** (as amended and supplemented), aimed at establishing detailed rules for plastic materials intended to come into contact with food;
- **Ministerial Decree 21/03/73** (as amended and supplemented), historical national legislation governing materials that are not fully harmonised at EU level.

Additionally, the company monitors, investigates, reports, and exercises due diligence within its supply chain to ensure it meets its obligations under Proposition 65, known as the "**Safe Drinking Water and Toxic Enforcement Act**" of 1986, which aims to protect California's drinking water sources from contamination with chemicals known to cause cancer, birth defects, or other reproductive harm and requires companies to warn Californians about exposure to such chemicals.

In addition, the Company refers to the **Extended Minerals Reporting Template** (EMRT), a standardised reporting template developed by the Responsible Minerals Initiative, in order to identify critical points and gather due diligence information in the cobalt and mica supply chains.

Reckmann GmbH operates within a complex regulatory framework, which includes both European regulations and German laws. The main areas covered include waste management, pollution control, water use and protection, occupational safety, handling of hazardous substances, and energy efficiency. At the national level, an example of environmental legislation is represented by the **TA Luft** instructions (*Technische Anleitung zur Reinhaltung der Luft*), which provide technical guidelines for the control of air emissions generated by industrial plants.

Coel Industria de Sensores LTDA ensures compliance with Brazilian environmental regulations and those of the State of Amazonas by holding two main authorisations. The first authorisation is the **Licença Ambiental**, issued by the *Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis* (IBAMA - Brazilian Institute for the Environment and Renewable Natural Resources), which certifies the correct recording and transmission of environmental information relating to company activities. The second is the **Licença RLO** (Registro de Licenciamento de Operação), granted by the *Instituto de Proteção Ambiental do Amazonas* (IPAAM – Amazonas Environmental Protection Institute), specifically for activities with a low environmental impact. It is an operational licence that ensures compliance with environmental regulations with simplified monitoring, involving regular, unannounced inspections.

Italcoppie's commitment to sustainable development

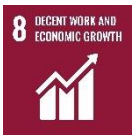
ESRS Standards	ESRS 2 SBM-1

In defining its contribution to sustainable development, the Italcoppie Group follows the principles of the United Nations 2030 Agenda and the **Sustainable Development Goals (SDGs)** contained therein. The SDGs are a globally shared framework for promoting equitable, inclusive and environmentally sound development. The Group identifies in the SDGs not merely a set of ethical and environmental goals, but a practical opportunity to enhance its competitiveness and resilience.

Italcoppie Group's commitment to sustainable development is reflected in every aspect of its business, from the design and implementation of reliable technological solutions to responsible corporate governance.

Taking into account its business model, activities and relevant sustainability matters, the Italcoppie Group has identified certain SDGs as priorities in terms of commitment and contribution to their achievement:

Description of commitment	SDG Target	
The Group is committed to increasing the share of renewable energy within its energy mix and to promoting energy efficiency through the installation of photovoltaic systems at its plants, the supply of	**Affordable and clean energy** **Target 7.2** - By 2030, increase substantially the share of renewable energy in the global energy mix.	

energy certified by a Guarantee of Origin and infrastructural measures aimed at optimising consumption management.	**Target 7.3** - By 2030, double the global rate of improvement in energy efficiency.	
The Italcoppie Group promotes economic growth through innovation and technological upgrading of its production processes. Highly specialised activities and the development of tailor-made solutions with high added value for technical and industrial sectors are the Group's key competitive factors. This development path is accompanied by the full protection of workers' rights, guaranteed through safe working environments, ongoing training programmes and active engagement initiatives aimed at promoting decent work.	**Decent work and economic growth** **Target 8.2 -** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. **Target 8.8 -** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	
The Italcoppie Group is committed to modernising its plants and production processes through investments in more efficient technologies with a lower environmental impact. In line with the principle of industrial sustainability, measures such as the replacement of energy-intensive machinery and systematic consumption analysis have been adopted to identify optimisation opportunities. These actions reflect the Group's goal of reducing its environmental footprint by modernising its industrial infrastructure.	**Industry, innovation and infrastructure** **Target 9.4** - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	
The Italcoppie Group takes an integrated approach to responsible consumption and production, promoting the efficient use of natural resources, safe management of chemicals and waste reduction. Implemented initiatives include increasing the share of recycled and reusable materials in packaging and digitising internal flows to reduce paper use. In the chemical field, the Group has launched projects to replace hazardous substances, in compliance with current regulations. In terms of waste, labels have been adopted for the proper disposal of packaging, and the adaptation to the RENTRI system has been initiated to strengthen traceability. These commitments are accompanied by the publication of this document, the first Sustainability Report of the Italcoppie Group, reaffirming the desire to transparently report the results achieved and the future directions in sustainability.	**Responsible consumption and production** **Target 12.2** - By 2030, achieve the sustainable management and efficient use of natural resources. **Target 12.4** - By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment. **Target 12.5**- By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse **Target 12.6** - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	
Climate change is integrated into the policies and procedures of Italcoppie Group companies, with the aim of contributing to its mitigation. As a manufacturer of temperature sensors, Italcoppie is committed to supporting its customers in making products capable of harnessing energy more efficiently.	**Climate action** **Target 13.2** - Integrate climate change measures into national policies, strategies and planning.	

Within the *Material Matters - Objectives and Actions* section, Italcoppie outlines the objectives it has established in relation to its material sustainability matters, considering its significant products and services, customer categories, geographic areas, and stakeholder engagement.

Business Model

ESRS Standards	ESRS 2 SBM-1

Products and services

The manufactured products

The Italcoppie Group manufactures products for a large number of application sectors. The production consists entirely of **thermal elements and industrial equipment**, with almost half of it designated for export.

The Group's products mainly consist in wiring and temperature sensors, which can be grouped into the following macro-categories:

- **Standardised** products for light industry;
- **O.E.M.** (Original Equipment Manufacturer) products installed on consumer goods;
- **Customised** products for heavy industry.

In particular, I**talcoppie Sensori** mainly deals with:

- **cable probes,** which are a versatile solution for standard measurements. These are available both in the conventional version, suitable for dry environments, and in the overmoulded version, which provides greater waterproofing and vibration resistance, making it ideal when exposed to moisture or condensation.
- **compact threaded probes**, typically used to measure the temperatures of fluids in pipes, small tanks and boilers.
- **contact probes**, which provide excellent adhesion and heat transfer, being particularly effective in monitoring pipes or flat components for surface temperature measurement.
- **mineral-insulated probes**, which offer superior strength and durability in environments with extreme temperatures or conditions. The metal cable's external coating and the internal compressed magnesium provide high performance from -200°C to 500°C for resistance thermometers and up to 1,100°C for thermocouples.
- **food probes**; complying with EC 1935/2004 regulations, they guarantee safety and hygiene in temperature measurement during cooking and chilling of food products.

Reckmann specialises in **standard temperature sensors** (such as resistance thermometers and thermocouples), **high-temperature sensors** (such as sheath thermocouples), **sensors for specific applications** (e.g. for the plastics and glass industry), as well as **special and customised designs.**
Globally, there is intense and growing activity in the development and design of electric drive systems for the **automotive sector**. The spread of electric mobility is introducing new technological standards, which also involve temperature measurement solutions.
Sensors manufactured by Reckmann are used in the testing of electric motors: they ensure high dielectric strength, meaning the ability to withstand high electric voltages without compromising the safety or reliability of the measurement.

The services provided

Repair and modernisation services

The Italcoppie Group offers a manufacturer-independent **repair and spare parts supply** service and handles the **modernisation of existing systems**, providing advice and support right from the offer stage. Furthermore, it supports customers in **designing new systems** and provides **staff training** on the use and maintenance of equipment and systems.
Italcoppie provides a comprehensive **repair and spare parts supply service**, functioning independently of the manufacturer, to ensure maximum flexibility in the management of operations.
During the design of new systems, the Group supports the customer with a **targeted consulting** service, ensuring efficient and tailor-made solutions.
It specialises in the **modernisation of existing installations**, offering customers technical advice and support.

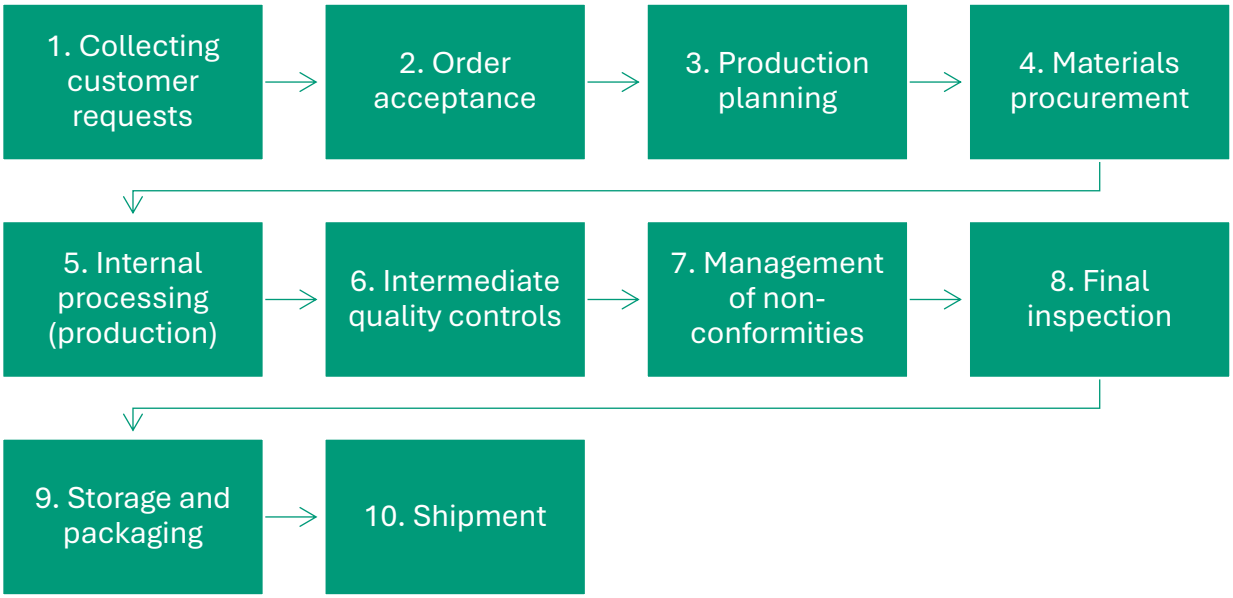
Italcoppie also specialises in providing **technical training for personnel**, aimed at ensuring the correct use and effective maintenance of installed equipment and systems.

Co-design and development services

The Italcoppie Group provides advanced **co-design** and **development services**, having supported companies in the technical industry for over forty years. The Group's consolidated experience in temperature measurement enables it to support its customers in realising bespoke solutions for a wide array of applications, including medical, pharmaceutical, household appliances, professional coffee machines, cabinets, and injection moulding.
The Group's engineering team develops innovative solutions using X-ray machines, thermal shock test chambers, climate chambers, 3D printers, and material analysis devices.
The approach is based on close cooperation with customers to ensure products in line with specific technical and functional needs. The Group acts as a technical partner, equipped to develop customised components and subsystems, helping to improve product performance and efficiency.

The production process

The production process of Italcoppie Group companies complies with procedures defined in accordance with the strict standards of the **ISO 9001:2015** certified quality management system. For Reckmann, these activities are also governed by additional requirements set out in the **ISO 14001:2015** certified environmental management system.



The production process begins with the **collection of customer requests** by the Sales Department, which verifies technical and production feasibility, costs, delivery schedules and, where necessary, compliance with ATEX regulations.

Orders are **classified** as:

- Standard, based on price list and discounts;
- Regular custom orders, based on previous orders;
- New customisations.

Each order goes through a verification and review process. Once the order is confirmed, it is formally **accepted**. The Technical Department develops **technical documentation** for new or customised products, and, if necessary, coordinates **pre-series** production (the intermediate stage between prototype and series production). The Production Order is **planned** in accordance with the requirements established during the contracting phase, expected delivery dates, and minimum inventory levels. The Purchasing Department manages **procurement** by selecting qualified suppliers, planning quantities and formalising orders, including those for sampling and external processing.

After compliance checks on the materials received, **production** begins, which includes activities such as assembly, calibration, welding, brazing, moulding, machining, wiring, and assembly. The production cycle includes intermediate checks and ends with the **final inspection**, in collaboration with Quality Control. Within the Group, the production of finished products may involve **multiple operating sites**: the sites collaborate with each other based on a principle of

production integration. Certain operations can, indeed, be carried out at different sites depending on production specialisations or resource availability. For more details regarding the allocation of functions across the Group's sites, please refer to section The Value Chain below.

The compliant materials are identified and transferred to the shipping area, where they are **packaged** according to established standards (e.g., cardboard or wooden containers, pallets, crates) or tailored to specific customer requests. Shipping information is managed via the company's software, which ensures data consistency and the issuance of delivery documents. At the end of this phase, the customer receives notification of the **shipment** and tracking details.

The Value Chain

The products manufactured by the Italcoppie Group are part of **complex production chains**, contributing to the control, efficiency, and safety of customers' industrial processes through the design and production of high-performance temperature sensors.

To ensure this level of reliability and customisation, the Group relies on a **structured and integrated value chain**, which encompasses all the main activities required for the design, production, and marketing of temperature sensors. The operational model in place integrates direct control over critical stages of the production process, in-house management of strategic activities, and a well-established network of relationships with customers and suppliers on a national and international scale.

The upstream value chain

Procurement management is structured based on a decentralised approach, to effectively address the specific operational and competitive needs of each production unit. Purchasing planning is carried out in close collaboration with the production and planning areas, in order to ensure continuity and timeliness of supplies. **Suppliers** are **selected** based on quality, reliability, and regulatory compliance criteria, and are subject to regular qualification and monitoring activities, including audits. In certain instances, the selection of suppliers is shaped by precise demands from key customers. Group consolidation has facilitated the incorporation of new sources of supply and the mutual utilisation of supplier networks, thereby enhancing supply chain resilience. The raw materials and components are subsequently processed through a production flow that combines in-house operations and outsourced processes to specialised facilities, maintaining traceability and quality control across the entire supply chain.

The core of the value chain

At the core of the value chain lie the **research**, **development**, and **industrialisation** activities, alongside the key support functions that maintain the operational efficiency of the entire organisation. The technical department is involved from the early stages of product development, collaborating with customers to define tailor-made solutions. The verticalisation of part of the production process, coupled with ongoing investments in automation, digitisation, and data management, enables the Group to sustain production flexibility, swift response times, and optimal resource management.

The downstream value chain

Distribution takes place through direct and indirect channels, tailored to the characteristics of the target markets, both in Italy and abroad. The customer base consists mainly of large industrial groups operating in sectors such as professional refrigeration, professional coffee, heat pumps, automation, and vending. Business relationships are built on long-term strategies and are based on a strong advisory component. The technical support provided during the design stage, together with after-sales service, is a distinctive element that enhances trust and maintains continuous relationships with customers.

The Italcoppie Group's production and distribution chain extends across the facilities of the various Group companies, with the aim of leveraging their **technical capabilities** and competitive advantage.

Products can be **manufactured** entirely at Italcoppie Sensori, Reckmann and Tunital; the latter can also act as a **subcontractor**, receiving raw materials, semi-finished products or technical instructions from another Group company and taking care of one or more production stages.
Purchasing of raw materials is managed by Italcoppie Sensori and Reckmann with a view to implementing a group activity to optimise costs and delivery times.

Typically, Italcoppie Sensori ships purchased raw materials to Tunital on a weekly basis. Tunital arranges production based on these shipments, while independently handling additional procurements and routine production planning. Strategic decisions are shared centrally.

Italcoppie S.r.l. acts as a **holding company**, with responsibilities in the areas of administration, finance, control, and tax and accounting management. The following table summarises the main operational functions performed by the other Group companies.

The suppliers

The Italcoppie Group selects and collaborates with suppliers capable of ensuring **high quality standards**, **operational continuity**, and **compliance with specific regulations**, such as those for FCM products.

The approach adopted favours **long-term relationships** with established partners, able to assure stable and efficient integration into the value chain, both technically and logistically.

Most of the Group's suppliers are based in Italy and Europe, while the role of non-European suppliers mainly pertains to raw materials or components that cannot be sourced locally, such as mineral cables, purchased from Asian manufacturers. In such cases, partnerships are commenced only following on-site visits to the manufacturing sites and risk assessment. Overall, almost the entire purchase volume is sourced from **European suppliers**, especially from Italy and Germany.

This decision is grounded on a strategy aimed at quality, the security of supplies, and the reduction of logistic and geopolitical risks. Proximity in geography also reduces transport-related emissions. In line with this approach, Coel prioritises **local suppliers** in Brazil, especially in the Manaus Free Zone, complementing the supplies received from Italcoppie Sensori.

Suppliers cover several product categories, including **electrical cables, mechanical and metal components, connectors, measurement instruments and packaging materials**. Procurement focuses on **semi-finished products and components**, which form the basis for the assembly of temperature sensors.

The **purchasing process** is handled according to structured procedures, centralised within the purchasing departments of each company, based on common assessment criteria: product quality, timeliness, reliability, and compliance with international certifications such as ISO 9001.
Suppliers are included in approved *Vendor Lists*, which are regularly updated; new partnerships involve a preliminary technical assessment and, if necessary, audits, or inspections.

The **monitoring** process is ongoing and relies on objective performance indicators, including the non-conformity rate and delivery delays. For critical materials, diversified supplies are adopted to mitigate the risk of disruptions. In case of critical issues, corrective actions, inspections, or, in severe cases, the suspension of the supplier are planned. The **risks** along the supply chain are mapped within the management system audits of the Group Companies, namely the ISO 9001 Quality Management System and the ISO 14001 Environmental Management System.

Although environmental or social criteria have not yet been systematically integrated into the selection, suppliers are required to sign a **code of conduct** that reflects the Group's commitments to responsibility and compliance. This process is supported by the use of digital tools for order management, traceability and classification of materials, with the aim of enhancing efficiency and transparency.

The customers

The Italcoppie Group's customer portfolio consists mainly of **large industrial groups** from Italy and Europe operating in different production sectors, as well as specialised **retailers** and **distributors**. Customer relationships are often long-term and marked by close technical collaboration, allowing for the development of customised solutions.

The temperature sensors produced by the Group are critical components within equipment designed for over 4,000 applications. For example, probes are used in industrial refrigeration systems, professional coffee machines, heat pumps, measurement and control instrumentation, industrial automation, plastic processing moulds and, to a lesser extent, household appliances and the healthcare industry. The cross-functional nature of the product requires a high level of design and production flexibility, with a very high degree of customisation.

The following **application areas** are especially noteworthy:

- industrial **refrigeration** and air conditioning, which represent the primary area of business in terms of revenue generated;
- **high-tech technical and industrial sectors** (automation, sensors, glass, steelworks and foundries, instrumentation and industrial moulding);
- professional **coffee-making** machines, including several customers operating both in Italy and abroad.

In terms of geography, the main reference market is **Italy**, followed by other European countries, particularly **Germany**, **France**, and **Switzerland**, where the Group operates through local agents and representatives. Sales are managed through direct and indirect channels, depending on the geographic areas and volumes handled.

Employees

As of 31 December 2024, the Italcoppie Group employed 515 people. The following workforce figures are calculated with reference to employees at the end of each period (HC/ Head Count).
The geographical distribution of the Group's employees shows 28% in Italy, 39% in Tunisia, 29% in Germany and the remaining 4% in Brazil.

Total number of employees **by gender / geographical areas**	**2024**			**2023**		
	Women	Men	Total	Women	Men	Total
Italy	43	103	146	39	102	141
Germany	70	78	148	73	83	156
Tunisia	169	32	201	213	38	251
Brazil	12	8	20	14	5	19
Total	**294**	**221**	**515**	**339**	**228**	**567**

The stakeholders: interests and expectations

ESRS Standards	ESRS 2 SBM-2

Stakeholders are individuals or groups who have interests or expectations towards a company, or who could be positively or negatively affected by the company's activities. An interest (which can also be understood as participation) is something of value to an individual or group. Not every interest is of equal significance and they should not all be treated equally. Human rights require special attention as they represent the rights of all people under international law. The most severe impacts that a company can have on individuals are those that adversely affect human rights.

Identifying and managing stakeholders allows us to better understand their needs, expectations, and concerns, and to develop relationships based on trust and mutual understanding. This can help increase appreciation, reduce reputational risks and create shared value for all stakeholders involved.

Companies create, develop and maintain relationships with their stakeholders over time, using systems and tools aimed at strengthening relationships and consequently improving their competitive position and ability to generate and distribute value over time. Stakeholder engagement is a structured activity aimed at understanding stakeholders' interests, expectations, and needs, thus fostering a more effective and informed decision-making process that enables appropriate strategic planning and achievement of business objectives.

Italcoppie's key stakeholders

The stakeholders of Italcoppie Group were identified by taking into account the sector they belong to, the business model, the relationship network, and the geographical distribution of the Group. When identifying material matters, the interests of stakeholders who are or could potentially be affected by the activities of the Group were taken into account.

Italcoppie Group's key stakeholders include employees, customers, suppliers of goods and services, educational institutions, local communities, authorities, banks, lenders, and certifying entities.

The Group values the active engagement of its stakeholders through various methods on a periodic basis. The table below shows the key stakeholders and their respective engagement activities.

Stakeholder	Engagement activities
Employees	Training activities – Corporate welfare initiatives (e.g. meal vouchers, remote working, social support initiatives) – Engagement in the performance evaluation plan – Interactions through the HR Department and employees' representatives – Employee climate surveys
Customers	Client visits/audits concerning process and product management – Supplier ratings – Interactions with the Technical-Sales Department – Research and development projects – Meetings
Suppliers (goods and services)	Quality, health and safety audit – Interactions with the Procurement Department – Adoption of the Supplier Code of Conduct
Educational institutions (schools, universities)	Collaborations aimed at preparing research theses – Curricular internship – Organisation of Group presentation events
Local community	Participation in philanthropic activities
Authority	Sending and exchanging communications to comply with regulations
Banks / lenders	Economic and social activities aimed at financing development projects
Certifying entities	Audits of quality, environmental, ATEX systems

Partnerships and memberships

Italcoppie is a member of the **Industrial Association of the Province of Cremona**, the Confindustria territorial organisation that represents and protects manufacturing, service and industrial companies operating in the Cremona area. The Association fosters the economic development and competitiveness of the local production system, providing its member companies with support in union, training, legal, environmental, and safety matters. Italcoppie actively participates in the initiatives promoted by this entity, contributing to the dialogue between businesses and institutions and supporting the development of the local industrial base.

Social projects

Italcoppie demonstrates its commitment to the local area and community by backing events and initiatives with sponsorships and contributions. During the two-year period, the Group supported social, sports, and cultural organisations by means of donations and sponsorships, which are listed and described below.

Beneficiaries	
I Bambini delle Fate	A social enterprise supporting inclusion projects for children and young people with autism and disabilities. Through continuous fundraising efforts, it supports families and organisations, while at the same time raising community awareness on the importance of social inclusion and long-term support.
Impulse Modena Racing	A project launched within the University of Modena and Reggio Emilia, with the aim of promoting innovation in electric mobility and providing students with the opportunity to apply the skills they have acquired during their academic studies by designing and building an electric motorcycle prototype intended for international competitions and exhibition events.

In addition to the initiatives described above, Reckmann actively supports local sports clubs, reinforcing the connection with the local community.

Collaborations with Universities

The Italcoppie Group maintains well-established relationships with university institutions such as the **University of Brescia** and **Politecnico di Milano**, fostering interaction between the world of research and industry. Collaborations are mainly realised through six-month curricular internships, initiated following the signing of specific agreements with the university involved.

The students involved, often engaged in the development of experimental theses, are supported by a training plan agreed with the university lecturer and are assisted by experienced internal staff. Italcoppie also provides insurance coverage and access to advanced equipment, including prototyping machines such as 3D printers.

Sustainability Governance

Governance model and corporate bodies

ESRS Standards	ESRS 2 GOV-1

The corporate governance structure adopted by Italcoppie Group is based on the **traditional** organisational model and consists of the following corporate bodies:

General Meeting of Shareholders	Decisions on matters relating to the governance of the Company, in accordance with the law and the Articles of Association
Board of Directors	Business management, defining corporate strategies and monitoring the achievement of objectives
Audit Firm	Auditing activities and opinion on financial statements, in accordance with the law and the Articles of Association
Sole Auditor	Control and supervision function of managerial and legal compliance

The statutory audit has been entrusted to Audirevi S.p.A., with a term of office until the approval of the financial statements at 31 December 2024.

The Board of Directors

The Board of Directors of Italcoppie S.r.l. was appointed in January 2006 and shall remain in office until removal. It consists of 4 members, 25% of whom are non-executive.

The composition and diversity of the members of the Board of Directors is shown below:

Board of Directors – Diversity (gender – age groups)					
Women		**Men**		**Total**	
Individuals: 1	25%	Individuals: 3	75%	Individuals: 4	100%
Under 30 years of age		**Between 30-50 years of age**		**Over 50 years of age**	
Individuals: -	-%	Individuals: -	-%	Individuals: 4	100%

The Board of Directors is the body responsible for strategic guidance and overseeing the Company's financial performance. Its role is to define development guidelines, monitor their implementation, and promote responsible governance.

The Board of Directors holds the broadest powers for the ordinary and extraordinary administration of the Company, with the authority to perform all actions deemed necessary to achieve the corporate purposes, except for those reserved by law to the General Meeting of Shareholders. It also has the option of delegating specific functions to directors or attorneys, and of transferring the registered office within the same municipality. Legal representation of the Company is attributed to the Chairperson and individual directors, as well as any managing directors and attorneys, according to the procedures established at the time of appointment.

The Board of Directors currently consists of 4 members, all of whom have executive functions. The members of the Board are part of the founding family of the Company, a feature that guarantees continuity in the strategic vision and deep understanding of the corporate environment. Directors are selected based on professional experience, management skills, and direct knowledge of the Group's activities.

Conflicts of interest

The Italcoppie Group promotes a corporate culture based on transparency, integrity and individual responsibility. In this context, the Code of Conduct and Business Ethics prohibits employees from finding themselves in situations where their personal or financial interests may conflict with those of the Group. Employees are required to report any conflicts to their supervisor, even if only a potential or apparent risk exists. The Code also covers the acceptance and granting of gifts or

invitations, the undertaking of external assignments, participation in third-party companies and the management of relations with family members in a contractual context, imposing obligations of disclosures and prior approval. Through these measures, the Company aims to prevent unethical behaviour and to safeguard its reputation and trustworthiness vis-à-vis customers, suppliers and stakeholders.

Appointment Criteria and Processes

The appointment of the administrative body is governed by the articles of association, which provide for the possibility for the General Meeting of Shareholders to assign management functions to a Sole Director, a Board of Directors (composed of two to seven members), or to several directors with powers exercised jointly or severally. The selection of the organisational structure and the appointment thereof are determined by resolutions made by the company's general meeting.

The Directors can also be individuals who are not part of the company's structure. However, the articles of association provide that directors may not engage in activities that compete with those of the Company, unless expressly authorised by the shareholders' meeting.

The term of office is determined from time to time at the time of appointment; in the absence of any specific determination, it is deemed to coincide with the life of the Company. The directors are always eligible for re-election.

Auditors, members, supervisory bodies

Auditors, members, supervisory bodies	
Lorenza Grezzi	Auditor
Audirevi S.p.A.	Auditing firm

Sustainability Governance

ESRS Standards	ESRS 2 GOV-1, GOV-2

The Sustainability Reporting Process

Effective and responsible governance requires that administrative, management, and supervisory bodies be fully informed about the company's material impacts, risks, and opportunities, as well as the progress of due diligence activities, policies, actions taken, metrics adopted, and targets set. This integrated management is a key element in strategically guiding the Italcoppie Group and consolidating its commitment to sustainability and social responsibility.

At Italcoppie, governance bodies receive regular updates through a structured flow of information provided by the heads of the main corporate functions, including Human Resources, Environmental Management, Health and Safety Management, Administration, Logistics. These updates are transmitted through various communication tools, such as periodic reports.

Sustainability matters are centrally managed at a high-profile level by the Management and Environmental Management functions, with operational support from their respective functional reports across the various countries where the Group operates. The Group's sustainability governance management is part of a broader Corporate Governance system. The monitoring and management of ESG issues specifically involve the following functions and bodies:

Board of Directors	It plays a key role in defining and updating the sustainability strategy, identifying objectives related to sustainable development and monitoring ESG management processes
HSE Function	It is responsible for the quality of production processes, environmental protection and safety in the workplace. This Function is responsible for the protection and safeguarding of the environment according to Legislative Decree 152/06
HR Function	It is responsible for managing labour relations, recruitment and training activities, as well as remuneration policies
Purchasing Function	It is responsible for the supply chain and procurement management

Finance Function	It is responsible for reporting activities

The above-mentioned functions play a key role in defining, implementing and overseeing the governance mechanisms required to monitor, manage and regulate sustainability-related impacts, risks, and opportunities. These functions ensure the continuous and consistent integration of ESG (environmental, social and governance) principles into the company's strategy, ensuring that these aspects are considered in decision-making processes and that any emerging issues are addressed promptly and effectively. Functional heads are also responsible for defining and approving targets relating to material impacts, risks and opportunities.

The material impacts, material risks and opportunities, together with the objectives associated with the various corporate functions, are described in the *Material matters* section.

During the reporting period, directors Mario Noli and Pietro Noli participated in **training courses** aimed at strengthening their skills on material matters concerning environmental sustainability, digitisation, and operational efficiency. The training activities contributed to increasing the management's awareness and ability to integrate ESG criteria into corporate management.

Organisational structure and responsibilities

Italcoppie S.r.l.'s organisational structure was developed to ensure effective operational management and oversight of key business processes, ensuring coordination between central functions and operational areas. The organisation includes:

- A **Central Management** function, with responsibility for strategic direction and cross-functional coordination of company functions;
- Various **specialised functions** (such as Quality System, Human Resources, ICT, Operations, Technical Department and Administration), aimed at ensuring organisational efficiency;
- A **structure** of **Additional functions** covering key areas such as Procurement, Sales, Manufacturing, Logistics and Maintenance.

Material matters

The process to identify and assess material impacts, risks and opportunities

ESRS Standards	ESRS 2 IRO-1

The disclosure included in this section aims to provide the information necessary to enable all stakeholders to understand the process through which **impacts**, **risks**, and **opportunities** were identified, their materiality assessed, and, consequently, the information included in the Sustainability Report.

Material matters under ESRS

The European Sustainability Reporting Standards - ESRS stipulate that material matters (IRO Impact Risk Opportunities) are identified and assessed from the perspective of impact materiality, financial materiality or both (environmental, social and governance).

- **Impact Materiality** – Material impacts, whether actual or potential, on people and the environment, directly connected to an undertaking's activities, products and services.
- **Financial Materiality** – Sustainability-related risks and opportunities that may affect the undertaking's value (in terms of financial effects).

Impacts, risks and opportunities also include those that arise or may arise within direct and indirect business relationships in the value chain (activities/sectors, geographic areas, operations, suppliers, customers, other relationships, where there is likelihood that material IROs may occur/exist).

Materiality Assessment Process and Methodology

The process to identify and assess material impacts, risks and opportunities involves the following steps:

- Understanding of the context;
- Identification of actual and potential IROs;
- Identification and assessment of material IROs.

Understanding of the context

The reference context refers to what is described in the previous paragraphs regarding the general disclosures on strategy, business model and value chain, relationships with stakeholders and underlying trade relations and the sustainability context.

Identification of actual and potential IROs

The process of identifying actual and potential IROs (material matters) on individuals and the environment was conducted using a methodology that involved analysing external sources and internal sources, taking into account stakeholder engagement and consultation, supplemented with a specific analysis of risks and opportunities, as required by the ESRS.

The analysis took into account the characteristics of the activities and business model, business relationships, geography or other factors that entail a higher risk of negative impacts. As previously mentioned, the impacts generated directly by the company's activities or as a result of business relationships have been considered, and consultation with key stakeholders has been conducted to understand how these impacts might be incurred. The opinions and assessments of external experts were indirectly considered through the different external sources examined.

External Sources	World Economic Forum – The Global Risks Report 2025 World Economic Forum – Global Cybersecurity Outlook 2024 World Economic Forum – Diversity, Equity and Inclusion Lighthouses 2024 OECD - OECD Due Diligence Guidance for Responsible Business Conduct and other published documents Global Business Initiative - Integrating human rights into company climate action UNHR - Guiding Principles on Business and Human Rights CBD - Kunming/Montreal Global Biodiversity Framework

	EEA - European Climate Risk Assessment ILO - Transforming enterprises through diversity and inclusion ILO - Advancing social justice COSO wbcsd - Enterprise Risk Management Benchmarking material matters – policies – risks – SDGs – stakeholders
Internal Sources	Management Report Environmental Policy Health and safety policy Quality Policy Code of Conduct and Business Ethics Supplier Code of Conduct

Identification and assessment of material Impacts, Risks and Opportunities (IROs)

The assessment of material topics (material IROs) included, in summary, the following:

Assessment phases	Summary of process and contents
Qualitative analysis	Identification and in-depth analysis of potential material IROs (Impacts, Risks and Opportunities) concerning the issues emerging from the identification phase of potential material matters.
Characteristics of Impacts, Risks and Opportunities (IROs)	Characterisation of Impacts, Risks and Opportunities in review **Characteristics of Impacts** ▪ Actual / Potential ▪ Positive / Negative ▪ Short / medium / long term ▪ From own operations / Along the value chain **Characteristics of Risks/Opportunities** ▪ Short / medium / long term ▪ From own operations / Along the value chain
Quantitative analysis	**Impact materiality assessment**: materiality according to criteria of severity and likelihood of occurrence. Severity is based on the scale, scope, and irremediable character of the negative impacts. Quantitative and/or qualitative thresholds have been set for this purpose. **Risk and opportunity assessment**: materiality with respect to the likelihood of occurrence and potential magnitude. In this context, and consistently with the assessment of impacts, predominantly qualitative thresholds have been set for the assessment of financial effects relating to sustainability matters (financial performance, financial position, cash flows and access to finance).

The Double Materiality Analysis process developed during 2024 involved the engagement of several corporate functions described above, each contributing distinctively to the assessment of impacts, risks and opportunities.

Material matters

ESRS Standards	ESRS 2 SBM-3

In the context of sustainability reporting, the **Double Materiality Assessment** is essential for assessing and understanding the impact of Italcoppie Group's activities on the environment and society, and the underlying financial risks and opportunities related to environmental, social and governance (ESG) matters.

The approach considers both the impacts, classified as actual or potential, positive or negative, that Italcoppie may generate on people and the environment in the short, medium, or long term (impact materiality), and the influence of environmental, social and governance (ESG) factors on the Group's financial performance and resilience (financial materiality). The introduction of the European ESRS standard has facilitated the identification of material ESG risks and

opportunities, which integrate the outcomes of the impact analysis and reflect an increased awareness and focus on the potential financial impact of these factors as well as their consistent and integrated assessment.

Analytical information concerning impacts, risks, and opportunities associated with each material matter is provided in the corresponding sections where the topics are discussed (topical ESRS). A summary of this descriptive information is provided in the diagrams below.

Material matters (IRO)	**Topic description** [Impacts, Risks, Opportunities]	**Characteristics** [Impacts, Risks, Opportunities]
Environmental topics		
E1 Climate Change		
Energy	Impacts Negative impact: energy consumption for Group activities, such as electricity for lighting and production, fuel for company vehicles and natural gas for space heating	Actual Negative Short-Medium-Long term From own operations and along the value chain
	Risks Market risk associated with the increase in the cost or poor availability of energy sources necessary for the operation of the business, which can generate higher operating costs, reduce planning capacity and compromise the economic and operational stability of the organisation	Short-Medium-Long term From own operations and along the value chain
	Opportunities Improving energy efficiency through the expansion of photovoltaic systems and the adoption of efficiency measures based on consumption monitoring and optimisation of production processes	Short-Medium-Long term From own operations and along the value chain
Climate change mitigation	Impacts Negative impact: greenhouse gas emissions from production activities and operation of company sites (direct emissions – Scope 1) and from energy sources and indirect processes connected to the supply chain (indirect emissions – Scope 2 and Scope 3)	Actual Negative Short-Medium-Long term From own operations
	Risks Regulatory risk associated with evolving climate change regulations, which may lead to increased compliance costs and require technological and organisational adjustments	Short-Medium-Long term From own operations and along the value chain
E2 Pollution		
Substances of concern	Impacts Negative impact: use of substances of concern in production processes, such as base oil from petroleum distillates, zinc oxide and methylenediphenyl diisocyanate. These substances can have a negative impact on the environment, in terms of pollution and disposal, and on the health and safety of workers	Actual Negative Short-Medium-Long term From own operations
	Risks Regulatory risk associated with the use of substances classified as hazardous and subject to stricter environmental and safety regulations (e.g. REACH, CLP, European regulations on chemical substances), potentially leading to increased exposure to restrictions and sanctions, with possible legal and reputational impacts in the event of non-compliance	Short-Medium-Long term From own operations
E5 Circular Economy		
Resource inflows, including resource use	Impacts Negative impact: use of raw materials and materials used in production processes and packaging of incoming products	Actual Negative Short-Medium-Long term From own operations

	Risks Market risk associated with the potential increase in procurement costs, resulting from suppliers' need to comply with new regulations regarding the procurement of raw materials (e.g. circularity principles), aimed at mitigating the impacts on biodiversity and resource consumption	Short-Medium-Long term Along the value chain - upstream
Resource outflows related to products and services	Impacts Negative impact: outflow of non-recoverable resources associated with the production and marketing of temperature probes and sensors, which use highly engineered materials and electronic components with limited possibilities for reuse or recycling, thus contributing to pressure on the use of natural resources	Actual Negative Short-Medium-Long term From own operations
	Risks Regulatory risk associated with the evolution of the European regulatory framework on eco-design and product circularity, potentially leading to additional compliance costs to ensure compliance with stricter requirements on durability, disassembly, traceability of materials and end-of-life management Operational risk associated with possible inefficiencies or deficiencies in the management and control processes of marketed products, potentially leading to additional costs for corrective actions, product recalls or litigation	Short-Medium-Long term From own operations and along the value chain
Waste	Impacts Negative impact: generation of waste, particularly metal and plastic, resulting from the production and processing of materials, with consequent environmental pressures associated with the management, disposal, and treatment of waste	Actual Negative Short-Medium-Long term From own operations
	Risks Regulatory risk related to evolving European and national regulations on hazardous and industrial waste management (e.g. the Waste Framework Directive, REACH and CLP regulations), which may lead to increased compliance and treatment costs, as well as the possibility of incurring penalties, administrative proceedings or operational limitations in the event of non-compliance Operational risk related to possible pollution incidents resulting from incorrect waste management, including inadequate separation or improper disposal practices by environmental managers	Short-Medium-Long term From own operations and along the value chain
Social topics		
S1 Own workforce		
Working conditions • Secure employment • Adequate wages • Social dialogue • Freedom of association, the existence of works councils and the information, consultation and participation rights of workers • Collective bargaining, including rate of workers covered by collective agreements • Work-life balance • Health and Safety	Impacts Positive impact: attracting talent, developing employment and creating a serene and quality working environment to enhance workers' well-being by offering adequate wages, safe working conditions consistent with the relevant collective bargaining agreements, safeguarding their work-life balance, and ensuring opportunities for social dialogue and freedom of association	Actual Positive Short-Medium-Long term From own operations
	Risks Operational risk associated with the difficulty of attracting and retaining qualified personnel, which may lead to negative effects on productivity, internal climate and employee motivation, as well as increase costs related to turnover and training of new staff Reputational and operational risk due to an increase in accidents and/or injuries of employees, resulting in reduced operational capacity and staff availability	Short-Medium-Long term From own operations

Equal treatment and opportunities for all • Gender equality and equal pay for work of equal value • Employment and inclusion of persons with disabilities • Diversity • Training and skills development	Impacts Positive impact: creating an inclusive work environment and business model that respects and values diversity, without discrimination, and ensures equal opportunities and fair treatment Positive impact: identification of specific training plans aimed at skills development for employees, fostering both personal and professional growth	Actual Positive Short-Medium-Long term From own operations
	Risks Reputational risk associated with incidents of discrimination within the workforce, due to inadequate measures and protocols for the protection of diversity and equal opportunities Operational risk arising from the loss of key talent and the resulting loss of specialist know-how	Short-Medium-Long term From own operations
Other work-related rights • Child labour • Forced labour	Impacts Positive impact: creating a working environment that ensures respect for human rights and rejects the use of child and/or forced labour	Actual Positive Short-Medium-Long term From own operations
	Risks Reputational and economic risk arising from possible violations of workers' human rights or non-compliance with social standards within the company's operations, which could lead to disputes	Short-Medium-Long term From own operations
S2 Workers in the value chain		
Working conditions • Secure employment • Adequate wages • Work-life balance • Health and Safety	Impacts Negative impact: working conditions related to the production chain may be characterised by potential negative impacts on human rights and other rights of people (working hours – inadequate wages – social dialogue – freedom of association – health and safety)	Potential Negative Short / medium / long term Along the value chain - upstream and downstream
	Risks Reputational and legal risk associated with sanctions resulting from failure to monitor compliance with workers' rights along the value chain	Short-Medium-Long term Along the value chain - upstream and downstream
Equal treatment and opportunities • Gender equality and equal pay for work of equal value • Training and skills development • Measures against violence and harassment in the workplace • Diversity	Impacts Negative impact: presence of situations where equal treatment and opportunities are not guaranteed (impact on human rights)	Potential Negative Short / medium / long term Along the value chain - upstream and downstream
	Risks Legal risk (litigation), market/business continuity, and reputational risk due to incidents of discrimination among workers in the value chain.	Short-Medium-Long term Along the value chain - upstream and downstream
Other work-related rights • Child labour • Forced labour	Impacts Negative impact: failure to ensure the protection of workers' rights and working conditions that exclude all forms of forced and child labour	Potential Negative Short / medium / long term Along the value chain - upstream and downstream
	Risks Reputational and market risk associated with the disruption of business activities of suppliers or customers characterised by inadequate management of workers' rights, particularly with regard to forced and child labour	Short-Medium-Long term Along the value chain - upstream and downstream

S4 Consumers and end-users		
Information-related impacts for consumers and/or end-users • Confidentiality	Impacts Negative impact: Negative impacts: potential cyberattacks or data breaches could compromise the security of sensitive customer information	Potential Negative Short-Medium-Long term From own operations
	Risks Market and reputational risk associated with a lower perception of the Group's reliability in handling privacy issues, also due to potential disputes and sanctions	Short-Medium-Long term From own operations
Personal safety of consumers and/or end-users • Health and Safety • Security of a person	Impacts Negative impact: potential failure to meet quality standards in products manufactured by the Group	Potential Negative Short-Medium-Long term From own operations and along the value chain
	Risks Legal risk associated with non-compliance with regulatory requirements concerning the safety and quality assurance of marketed products, which may lead to legal exposure, penalties and financial losses for the Group Reputational risk arising from the receipt of complaints due to deficiencies in product quality and safety controls, resulting in negative impacts on corporate image, customer trust and brand competitiveness	Short-Medium-Long term From own operations and along the value chain
Governance topics		
G1 Business Conduct		
Corruption and bribery • Prevention and detection including training • Incidents	Impacts Potential negative impact linked to possible corruption and bribery along the value chain	Potential Negative Short-Medium-Long term From own operations
	Risks Reputational and financial risks due to potential penalties arising from corruption incidents.	Short-Medium-Long term From own operations
Management of relationships with suppliers, including payment practices	Impacts Negative impact: inadequate management of the supply chain / failure to select and qualify suppliers according to environmental and social standards, safeguarding of human rights, and employment practices	Potential Negative Short-Medium-Long term Along the value chain - upstream
	Risks Reputational and market risks due to potential penalties against Group suppliers resulting from inadequate management of environmental and social issues. This can also lead to disruptions in the supply chain	Short-Medium-Long term Along the value chain - upstream
Protection of whistleblowers	Impacts Potential negative impact: failure to protect whistleblowers using the anonymous reporting channels made available by the Group	Potential Negative Short-Medium-Long term From own operations
	Risks Reputational and economic risk associated with potential sanctions due to the failure to protect whistleblowers who used anonymous reporting channels	Short-Medium-Long term From own operations

The effects of material impacts, risks and opportunities on the business model, strategy and decision-making process are explored in detail within the reporting of the various (ESRS) matters assessed as material.

Material matters and ESRS reporting

ESRS Standards	ESRS 2 IRO-2

Annex 1 of the Sustainability Report includes an Index, to which reference is made, summarising the disclosures outlined in the document (Disclosure Requirements) based on the results of the materiality analysis.

The material information for the Italcoppie Group that will follow in the subsequent sections has been determined in accordance with the impacts, risks and opportunities identified through the Double Materiality process.

Policies adopted to manage material sustainability matters

ESRS Standards	ESRS 2 MDR-P

Policies, actions, metrics and targets to prevent, mitigate and remediate actual and potential material impacts, address material risks and/or pursue material opportunities (material matters management) are discussed in more detail in the sections relating to reporting on individual material environmental, social and governance topics.

Policies and management systems

A summary of the policies and management systems applied by the Group is provided below to ensure a comprehensive overview.

Policies / Management systems	Boundaries	Topical ESRS
Code of Conduct and Business Ethics	Italcoppie Sensori S.r.l. Reckmann GmbH Coel Industria de Sensores LTDA Tunital S.A.R.L.	E1 Climate Change E2 Pollution S1 Own workforce S4 Consumers and end-users G1 Business Conduct
Quality policies	Italcoppie Sensori S.r.l. Reckmann GmbH Coel Industria de Sensores LTDA Tunital S.A.R.L.	E1 Climate Change S1 Own workforce S4 Consumers and end-users G1 Business Conduct
Supplier Code of Conduct	Italcoppie Sensori S.r.l. Reckmann GmbH	S2 Workers in the value chain G1 Business Conduct
Environmental Policy	Italcoppie Sensori S.r.l. Reckmann GmbH	E1 Climate Change E2 Pollution E3 Water and marine sources E4 Biodiversity and ecosystems E5 Circular Economy
Waste disposal procedure	Reckmann GmbH	E5 Circular Economy
Health and safety policy	Italcoppie Sensori S.r.l. Reckmann GmbH	S1 Own workforce
Employee Benefits Policy	Coel Industria de Sensores LTDA	S1 Own workforce
Training Procedure	Reckmann GmbH Coel Industria de Sensores LTDA	S1 Own workforce
Material Purchasing Procedure and External Supplier Qualification	Italcoppie Sensori S.r.l. Coel Industria de Sensores LTDA	S2 Workers in the value chain
Product development procedure	Reckmann GmbH	S4 Consumers and end-users
Product manufacturing procedure	Reckmann GmbH	S4 Consumers and end-users
ISO 9001:2015 Quality management systems	Italcoppie Sensori S.r.l. Tunital S.A.R.L. Reckmann GmbH	S4 Consumers and end-users

	Coel Industria de Sensores LTDA	
ISO 14001:2015 Environmental management systems	Reckmann GmbH	E1 Climate Change E2 Pollution

The policies are made available in-house to employees and collaborators, and externally through publication on each company's website, specifically in the Quality (https://www.italcoppie.it/)and Company Policy (https://www.reckmann.de/)sections.

Corporate management systems adopted

ISO 9001:2015	Quality Management System, applied to the company's processes and organisation, with the aim of improving the effectiveness of product manufacturing and service delivery, as well as achieving and increasing customer satisfaction
ISO 14001:2015	A management system adequate to monitor the environmental impacts of the company's activities, systematically seeking improvement in a coherent, effective and above all sustainable manner

Summary Table on Certified Management Systems

Company	ISO 9001	ISO 14001
Italcoppie Sensori S.r.l.	■	
Reckmann GmbH	■	■
Tunital S.A.R.L.	■	
Coel Industria de Sensores LTDA	■	

Policies adopted

Code of Conduct and Business Ethics

At Italcoppie Group, integrity is a core value that guides all strategic and operational decisions. The Group's manufacturing companies have adopted Codes of Conduct and internal rules establishing binding **ethical and behavioural principles** for their personnel. These instruments reflect a shared commitment to management practices grounded in legality, respect for human rights, the protection of human dignity, inclusion, and sustainability. The Codes are based on a set of **common principles**, outlined below.

Each Code establishes clear guidelines on critical issues like preventing corruption and bribery, managing conflicts of interest, safeguarding privacy, ensuring fair competition, protecting personal data, workplace safety, promoting equity in employment relationships, and prohibiting discrimination and child labour. Employees are required to exhibit exemplary conduct, guided by responsibility, transparency, and fairness, both in in-house relations and towards customers, suppliers, and stakeholders.

Group companies fully acknowledge the right to freedom of association, encourage inclusive environments, and protect the health and safety of workers. Employees are trained on the contents of the Codes and encouraged to **report** any **violations**, including anonymously, through dedicated and protected channels.

Quality policies

Quality is a primary objective for the Italcoppie Group, which has established specific policies in line with **ISO 9001** certified quality management systems. The quality policies are intended to assure reliable, innovative, and high-standard compliant products and services, capable of meeting customer expectations and strengthening the group's **competitive market positioning**.

Pivotal to the commitment to quality is the **ongoing enhancement of processes**, facilitated through the active engagement of individuals, broad-based accountability, focus on the operational environment, and systematic monitoring of measurable indicators.

Quality policies also address cross-cutting issues such as **training**, **occupational safety**, the creation of a safe and stimulating **professional environment** , the adoption of advanced **technological tools** and respect for the **environment**. Quality is therefore understood as a collective responsibility and a key element for the long-term development of the Group.

Supplier Code of Conduct

The Italcoppie Group is committed to promoting environmentally, socially, and ethically responsible practices throughout the value chain, with special focus on the procurement stages. For this reason, Italcoppie Sensori and Reckmann have adopted specific Codes of Conduct aimed at their suppliers.

The Codes set out clear and binding requirements that suppliers and subcontractors are required to comply with. Key principles include the following:

- The **Social** domain includes the prohibition of forced and child labour, protection of human rights and decent work, non-discrimination, freedom of association, safety at work and equal pay.
- As regards **Environment**, the Codes promote the reduction of emissions, waste and resource consumption, encouraging responsible management of raw materials and hazardous substances.
- In terms of **Business conduct**, emphasis is placed on transparency, fairness in commercial relationships, respect for intellectual property rights and anti-corruption regulations, as well as the protection of privacy and personal data.

Environmental Policy

The Italcoppie Group recognises environmental protection as a strategic responsibility and an overarching priority, to be integrated into all operational and decision-making activities. With this in mind, Italcoppie Sensori and Reckmann have adopted formalised environmental policies, compliant with the ISO 14001 certified environmental management system and aimed at preventing and reducing environmental impact throughout the entire production cycle.

Commitments in environmental policies include:

- the responsible use of natural resources, particularly materials, energy, and water;
- energy efficiency, through the monitoring and optimisation of consumption and the use of energy from renewable sources;
- the control and reduction of polluting emissions, including noise, through abatement technologies;
- responsible waste management, with a commitment to waste reduction, separation and, if possible, recycling;
- the protection of biodiversity and the preservation of natural ecosystems;
- the adoption of design solutions with a lower environmental impact in new industrial projects;
- compliance with current environmental legislation.

All employees are expected to contribute with awareness and responsibility towards the above-mentioned commitments.

Environmental policies are approved by each Company's Management, which is responsible for ensuring their implementation and dissemination to interested parties.

Waste disposal procedure

Within the Italcoppie Group, responsible waste management is an integral part of the environmental commitments undertaken by the Companies, and is implemented in full compliance with applicable local regulations. In line with the requirements of the ISO 14001 environmental management system, Reckmann has adopted a structured procedure for waste management and disposal.

The procedure governs the **collection**, **storage**, and **disposal** of the main **hazardous and non-hazardous waste** streams, including emptying **frequencies**, operational **responsibilities** and **risk prevention** measures. The aim is to reduce the environmental impact of production activities by promoting separate waste management and recycling practices.

Health and safety policy

The safeguarding of health and safety at work is an indispensable principle for the Italcoppie Group, and is regarded as essential for process quality and the continuity of production activities.

Italcoppie Sensori has adopted a specific company policy in this area, which complies with current legislation and is aimed at continuously improving working conditions, recognising health and safety as a cornerstone of people's well-being and organisational effectiveness. The other Companies within the Group, even in the absence of a formal policy, employ structured procedures to manage workplace safety and the risks associated with their respective operational activities. The policy of Italcoppie Sensori advocates a **systematic approach to prevention**, aiming to provide healthy, safe, and peaceful working environments. Priority areas include **machinery safety**, workstation **ergonomics**, the correct use of **personal protective equipment** and the safe handling of **chemicals**. At the same time, the policy recognises staff **training** and **emergency preparedness** as key tools for a stronger prevention culture.

Employee Benefits Policy

At Italcoppie Group, the focus on people's wellbeing is also reflected through dedicated welfare measures, which are discussed in more detail in section *Company Welfare and Work-Life Balance*.

Coel, in particular, has formalised a specific policy on employee benefits, with the aim of enhancing human capital and promoting an inclusive, healthy and inspiring work environment. Coel's policy, applied to all workers employed under the Consolidação das Leis do Trabalho (CLT) scheme, guarantees a comprehensive system of benefits, including **food support**, extended **health and dental care** for family members, **nursery** subsidies, life and accident **insurance**, **canteen** meals, **company transport**, access to **subsidised loans**, and participation in company **profits**. This system is designed to enhance the social security of workers and promote work-life balance. The policy is disseminated internally to all employees through Coel's corporate channels.

Training Procedures

The Italcoppie Group recognises the strategic importance of training to ensure process quality, operational safety and the professional growth of its workforce. In this context, Coel and Reckmann have implemented structured procedures for identifying training requirements, planning development activities, and evaluating the effectiveness of initiatives.

The procedures involve establishing an **annual training plan** that can be adjusted in accordance with any emerging needs, and distinguish between **compulsory** training, **technical** training, **cross-functional** training, and training for **new employees** or those undergoing a **change in job roles**. Responsibilities are shared between Management, Human Resources, and department heads, with employees also playing an active role. At the core of this approach is the enhancement of skills, the spread of a culture of quality and the promotion of organisational awareness, including through **evaluation tools** and bespoke pathways.

Procedures for materials sourcing and qualification of external suppliers

Italcoppie Group companies implement structured procedures for materials and services sourcing and qualification of external suppliers, in order to ensure the reliability of supplies and compliance with corporate quality standards. The processes involve **identifying** procurement needs, **selecting suppliers** according to predefined criteria, **issuing orders**, and **checking incoming materials**. Qualified suppliers are included in specific **Vendor Lists,** subject to periodic review, and regularly assessed through **audits**, performance **indicators**, and **inspections**. These practices ensure the traceability, reliability, and compliance of supplies throughout the value chain.

Product development and manufacturing procedures

Reckmann has implemented a structured procedure to regulate the **development of new products** and the improvement of existing ones. The procedure is designed to ensure traceability of the entire process, from the design phase to production.
The procedure differentiates between **innovative and specific developments**, each of which follows a formalised flow that includes the stages of **analysis**, **design**, **verification**, **validation**, and **approval**. Special focus is placed on **risk assessment**, compliance with regulatory requirements, and the availability of the technical and documentary resources required for production.

Reckmann has also implemented a structured procedure for product manufacturing, aimed at ensuring the efficiency of production processes and consistently high quality standards. Special focus is placed on the **management of residual**

and recyclable materials, which are **separated** and **disposed of or directed to recovery** in accordance with current environmental regulations.

Product certifications

The Italcoppie Group consistently prioritises product quality and process safety, valuing compliance with current regulations in the different markets it serves. The companies of the Group hold internationally recognised certifications, which confirm compliance with specific technical standards. Below is a summary of the certifications pursued.

Certification		Description	Boundaries
	Underwriters Laboratories (UL) certification	The UL certification confirms that the manufactured electrical wirings comply with the strict UL safety and quality standards, ensuring suitability for use according to North American regulations and reliability in industrial applications.	Italcoppie Sensori S.r.l. Coel Industria de Sensores LTDA
	Quality Assurance Notification (QAN) ATEX	The production quality assurance notification for ATEX products confirms that the manufacturing processes meet the requirements of the ATEX directives and guarantee maximum safety for potentially explosive atmospheres.	Italcoppie Sensori S.r.l. Reckmann GmbH
	CE Marking of Conformity	The CE marking certifies that a product complies with the safety, health, and environmental protection requirements set by European Union legislation, allowing the product's free movement within the European market.	Italcoppie Group
	ENEC Mark - European Norms Electrical Certification	The ENEC mark certifies the conformity of an electrical or electronic product with European safety standards (EN).	Coel Industria de Sensores LTDA
	BRTÜV	The BRTÜV certification certifies the compliance of products or systems with national and international technical, regulatory, and safety requirements, guaranteeing quality, reliability, and safety for the Brazilian and global markets.	Coel Industria de Sensores LTDA
	CB Test Certificate	The CB Test Certificate is an international certificate issued under the IECEE system (IEC System for Conformity Testing and Certification of Electrotechnical Equipment and Components). It certifies that an electrical or electronic product has been tested and found to comply with specific International Electrotechnical Commission (IEC) standards, facilitating its access to foreign markets without the need for additional local conformity tests.	Reckmann GmbH
	IECEx Certificate of Conformity	The IECEx Certificate of Conformity is an international certification attesting the conformity of electrical equipment and components intended for use in areas with explosive atmospheres according to IEC standards. It ensures safety and facilitates product acceptance in markets requiring ATEX or equivalent requirements.	Reckmann GmbH

In addition to the above certifications, Italcoppie Sensori S.r.l. aligns its production processes and operating instructions with internationally recognised IPC standards for electronics. If requested by the customer, production meeting IPC certification can be conducted by qualified staff.

Material Matters – Objectives and Actions

ESRS Standards	ESRS 2 MDR-T, ESRS E1-4, E5-3, S1-5, S4-5

Starting from the identification of material matters, the Italcoppie Group has established a set of objectives outlined through commitments and actions that it aims to accomplish within the time frame specified in the table below, which outlines the Group's sustainability strategy.

Material matters	Objectives	Actions	Target year
Environmental Objectives			
E1 Climate Change	Reducing energy consumption for heating and preventing waste by defining temperatures in production departments for Italcoppie Sensori S.r.l.	Recording and analysis of temperatures using data loggers; data processing and evaluation	2025
	Implementing UNI EN ISO 14001:2015 certification for Italcoppie Sensori S.r.l. and Tunital SARL	Starting the process to obtain ISO 14001:2015 certification for the plant in Malagnino	2025
E5 Circular Economy	Reducing the consumption of PE film, either in full or in part, for Reckmann	Evaluating the processes and areas where PE film is used, with the aim of identifying biologically more degradable packaging alternatives	2025
Social Objectives			
S1 Own workforce	Promoting skills development and employee engagement at Coel Industria de Sensores LTDA through inclusive training initiatives, also available to family members	Funding food and transport for employees and 8 children for an external training day. The activities will cover quality, digital reading, the environment, learning methods, and time management	2025
	Offering advanced training to enhance human capital and strengthen the technical skills of personnel for Coel Industria de Sensores LTDA	Selecting and supporting a supervisor for participation in a funded master's program	2025
	Raising awareness about workforce protection in Tunital	Developing safeguards and procedures to protect the in-house workforce and ensure health and safety in the workplace	2025
S4 Consumers and end-users	Accreditation of Italcoppie Sensori S.r.l.'s calibration laboratory	Collaboration with Reckmann GmbH	2025
	Wireless probes for Italcoppie Sensori S.r.l.	Research and development activities of the electronics department	2026

2. Environmental disclosure

Climate Change

Topic	Sub-topic
E1 Climate Change	Energy Climate change mitigation

Policies related to climate change mitigation and adaptation

ESRS Standards	ESRS 2 MDR-P, ESRS E1 E1-2

Being active in the highly specialised manufacturing sector, the Italcoppie Group uses energy and employs materials and chemicals in its production activities, resulting in waste and emissions. These activities contribute, in particular, to greenhouse gas emissions, making the issue of climate change a material aspect of the Group's environmental management.

The Group is aware of its impacts and has implemented a set of policies, management systems, and operational practices designed to minimise the environmental footprint of its activities in relation to climate change mitigation.

Environmental policies and environmental management system

The Italcoppie Group acknowledges the importance of environmental protection and climate change mitigation within its corporate policies: this dedication is explicitly stated in the **Environmental Policies** adopted by Italcoppie Sensori and Reckmann. Both Companies manage their environmental responsibilities **independently**, consistent with the production, regulatory, and sector-specific characteristics of the context in which they operate. This approach allows for proportionate and targeted management of actual material impacts.

The policies outline the Group's objective of reducing the environmental impact of its business activities across different material areas. Specifically, the Environmental Policy of Italcoppie Sensori S.r.l. sets out some provisions on the management of greenhouse gas emissions and environmental impacts, such as:

- monitor and, where possible, reduce air emissions with abatement systems;
- promote good environmental behaviour, both in-house and externally.

It also includes provisions on energy efficiency and renewable energy:

- analysing and optimising utility consumption;
- ensuring that at least 50% of electricity comes from renewable sources.

Both environmental policies were drafted in accordance with the requirements of **ISO 14001:2015**. At present, **Reckmann** is the only Company in the Group with an environmental management system certified in compliance with this standard. This tool enables the structured monitoring and management of material environmental topics, consistent with the current regulatory framework and with the aim of reducing the impact of business activities on the environment. Recognising the benefits of adopting the standard, **Italcoppie Sensori** has **started** the process of aligning with the standard's requirements, with the goal of obtaining certification by 2025.

In this regard, the policies aim to address the key environmental impacts, including those related to climate change, through an integrated approach by mitigating the relevant risks and promoting the material opportunities.

To support this approach, environmental policies include an ongoing commitment to ensuring compliance with current legislation by systematically monitoring environmental aspects. This oversight not only allows for effective management of regulatory risks, but also aids in mitigating the risks associated with climate change.

Code of Conduct and Business Ethics

Through its Code of Conduct and Business Ethics, Italcoppie Sensori S.r.l. establishes its core principle of acting in compliance with applicable laws and regulations in all business activities – including, but not limited to, all relevant **environmental** laws and regulations. The Code specifically addresses the issue of **managing energy consumption** and **efficiency**: energy consumption must be monitored and, if possible, documented. With its Code of Conduct and Business Ethics, Italcoppie Sensori demonstrates its commitment to finding cost-effective solutions to improve energy efficiency and minimise energy consumption.

Actions in relation to climate change

ESRS Standards	ESRS 2 MDR-A, ESRS E1 E1-3

In 2024, the Italcoppie Group launched a set of significant initiatives concerning climate change, primarily focused on managing and optimising energy consumption. While not yet part of a formally structured strategy, the initiatives undertaken are essential steps toward achieving the goals outlined in the Environmental Policy of the Companies within the Group, with a focus on two key levers: energy efficiency and the decarbonisation of energy consumption.

Overall, the initiatives carried out in 2024 are mainly directed towards collecting and analysing energy data as well as evaluating pilot projects. These activities form the basis for the subsequent formalisation of climate mitigation **targets** and the development of dedicated investment plans.

Regarding **energy efficiency**, the following projects have been developed:

- **Italcoppie Sensori** has introduced a system for **monitoring** and **analysing energy consumption** within the Malagnino production facility, providing monthly reports on the quality and efficiency of the energy used. This project is the basis for identifying future efficiency measures. In addition, Italcoppie Sensori started an **evaluation** to **replace energy-intensive industrial furnaces** at the Malagnino production site, with the aim of reducing energy consumption.
- At the **Reckmann** production site, a **project to analyse the energy consumption** of the calibration laboratory has been launched, aimed at identifying potential optimisation opportunities. The project was scheduled for completion by the end of the fourth quarter of 2024. However, the initial audit revealed that it was not feasible to move forward with the initiative.

With regard to **decarbonisation**, the following initiatives have been launched:

- **Italcoppie Sensori** has commenced an evaluation for the installation of a new **photovoltaic system**, intended to enhance the energy self-production capacity at the Malagnino site.
- In recent years, **Coel** has adopted an **energy sourcing** strategy focused on the free market, favouring suppliers from renewable sources over local distributors, with the aim of reducing environmental impact and costs.
- **Tunital** has initiated a preliminary **assessment** of consumption and technical requirements for a potential investment in a **photovoltaic plant** with a storage system at its production site, although no formal decisions have been made, nor has an implementation timeline been established at present.

Energy consumption and mix

ESRS Standards	ESRS 2 MDR-M, ESRS E1 E1-5

Energy consumption

The Italcoppie Group's energy consumption results from:

- Purchased and self-produced electricity (where a photovoltaic system is in place), used for the operation of production machinery, for lighting, and for air conditioning of premises;
- Natural gas used for heating;
- Diesel and petrol, used for company vehicles.

Italcoppie Group's energy consumption for the 2023-2024 two-year period, expressed in MWh as required by ESRS standards, is shown below. The data reported is derived from direct sources. The Italcoppie Group has not entered into any contracts for the supply of energy from nuclear sources.

In 2024, the Italcoppie Group's main energy consumption was natural gas, used for heating premises, and electricity, 45.1% of which is sourced from renewable sources. The facilities of Italcoppie Sensori and Reckmann are equipped with photovoltaic systems that produced 705.2 MWh of renewable energy throughout the year, with 363.7 MWh sold back to the grid.

The Italcoppie Group procures electricity through contracts with suppliers operating both in the free market and in the regulated market, with a portion of the purchased energy certified by the Guarantee of Origin for renewables.

In addition to electricity, natural gas is used for heating; however, high-efficiency electric heat pumps are installed in Italcoppie Sensori's newer buildings.

Overall, total energy consumption increased by 2%. An increase in petrol and diesel consumption for vehicle use was recorded due to the expansion of the company fleet allocated to employees. The vehicle fleet of the Group includes petrol, diesel, hybrid, and dual-fuel cars.

Energy consumed (MWh)	**2024**	**2023**
Energy from fossil sources		
Automotive gas oil	273.7	217.4
Automotive petrol	46.9	21.0
Natural gas for heating	924.2	913.2
Purchased electricity	1,042.3	967.7
Total energy from fossil sources - MWh	**2,287.0**	**2,119.3**
Energy from renewable sources		
Electricity purchased with Guarantee of Origin contracts	516.1	543.8
Electricity produced by photovoltaic system	705.2	719.2
Minus: energy fed into the grid	363.7	299.4
Total energy from renewable sources – MWh	**857.5**	**963.6**
Total energy consumption - MWh	**3,144.6**	**3,083.0**
Incidence of fossil fuels	**72.7%**	**68.7%**
Renewable sources percentage	**27.3%**	**31.3%**

Sources (MWh conversion factors):

- Fuels, natural gas – Defra UK - Greenhouse gas reporting: conversion factors 2024 - gov.uk (www.gov.uk)

Energy intensity

The Italcoppie Group's energy intensity index is shown below, defined as both the ratio between total energy consumption and net revenue, and the ratio between total energy consumption and the number of units produced in the year. The net revenue used to calculate the energy intensity index corresponds to the Group's total consolidated revenues.

Energy Intensity index	**2024**	**2023**
Energy consumption (MWh)	3,144.6	3,083.0
Net revenue (Euro thousand)	43,277.9	49,046.4
Intensity index (MWh / Euro thousand)	**0.073**	**0.063**

Energy Intensity index	**2024**	**2023**
Energy consumption (MWh)	3,144.6	3,083.0
Units produced (no.)	8,862,702	12,184,012
Intensity index (MWh / units produced * 1,000)	**0.355**	**0.253**

GHG emissions

ESRS Standards	ESRS 2 MDR-M, ESRS E1 E1-6

Considering the nature of the business and activities of the Italcoppie Group, the most significant air emissions are those associated with **greenhouse gases (GHG)**. The emission figure is reported in tonnes of carbon dioxide equivalent (t CO2e) and refers to direct emissions (GHG Scope 1 – Greenhouse Gas) and indirect emissions associated with electricity consumption (GHG Scope 2).

The Italcoppie Group's **direct emissions (GHG Scope 1)** primarily stem from the use of natural gas for heating production facilities and from the use of company vehicles fuelled by petrol and diesel. These sources are under the direct control of the Group and include heating systems and company fleets at the various sites.

Indirect emissions (GHG Scope 2) result from the energy consumption of all plants from external supplies (electricity), net of production and supply from renewable energy plants (photovoltaic plants). The calculation of indirect emissions from electricity consumption (GHG - Scope 2) was carried out according to both the "location-based" and "market-based" approaches: The **location-based** method involves accounting for emissions from electricity consumption by applying national average emission factors for electricity production, whereas the **market-based** method requires determining emissions from the purchase of electricity by considering the specific emission factors reported by suppliers. For purchases of electricity from renewable sources, the t CO2 emission factor is zero. Where no specific contractual agreements have been defined, the approach requires the use of national "residual mix" emission factors, where technically applicable.

The Group's total emissions, including Scope 1 and Scope 2 emissions, are shown below. The quantitative data shown result from the conversion of the amounts consumed from the different energy sources. In 2024, total GHG emissions (Scope 1 + Scope 2) increased by 0.6% compared to 2023 according to the Location-based methodology and by 7.2% according to the Market-based methodology.

Total emissions – Scope 1 + Scope 2 Location based (t CO2e)	**2024**	**2023**
Total Scope 1 GHG emissions (direct)	276.5	260.6
Total Scope 2 GHG emissions (indirect) - Location-based	583.7	594.6
Total emissions (t CO2e)	**860.3**	**855.2**

Total emissions – Scope 1 + Scope 2 Market-based (t CO2e)	**2024**	**2023**
Total Scope 1 GHG emissions (direct)	276.5	260.6
Total Scope 2 GHG emissions (indirect) – Market-based	483.3	448.3
Total emissions (t CO2e)	**759.8**	**708.9**

Direct emissions – Scope 1 GHG

It should be noted that the Group's direct Scope 1 emissions are not covered by regulated emission trading schemes. It is also specified that no biogenic emissions are generated through the Group's activities.

In 2024, Scope 1 GHG emissions showed a slight increase compared to the previous year, due to higher fuel consumption for the corporate fleet.

Direct emissions – Scope 1 GHG (t CO2e)	**2024**	**2023**
Automotive gas oil	69.5	55.2
Automotive petrol	10.9	4.9
Natural gas for heating	187.4	185.2
F-gas (refrigerant gases dispersed in the atmosphere) – R-410A	8.7	15.2
Total - Scope 1 emissions (t CO2e)	**276.5**	**260.6**

Sources

- Fuels, natural gas, F-gas – Defra UK - Greenhouse gas reporting: conversion factors 2024 - gov.uk (www.gov.uk)

Indirect emissions – Scope 2 GHG

In 2024, 6.1% of the electricity consumed was purchased under Guarantee of Origin contracts, corresponding to 29.3% of indirect location-based Scope 2 emissions.

Scope 2 emissions calculated using the Location-based method show a slight decrease of 1.8% (mainly due to a greater amount of self-produced energy sold to the grid), while Scope 2 emissions calculated using the Market-based method show a slight increase (+7.8%), due to higher electricity consumption from fossil fuels.

Indirect emissions – Scope 2 GHG (t CO2e)	**2024**	**2023**
Purchased electricity - Location-based method	583.7	594.6
Purchased electricity - Market-based method	483.3	448.3

Sources:

- Italy – Location based: ISPRA - Emission factors for the production and consumption of electricity in Italy (published 05/2024), Sheet 19; Market based: European Residual Mix | AIB
- Germany – Location based and Market based: European Residual Mix | AIB
- Brazil, Tunisia – Location based and Market based: Carbon Footprint Ltd's GHG Factors for International Grid Electricity (ROW) 2024 - 2022 data

Emission intensity

Similar to the energy intensity index, the emission intensity index is calculated with reference to net revenue and units produced in the year. The net revenue used to calculate the energy intensity index corresponds to the Group's total consolidated revenues.

Emission intensity index	**2024**	**2023**
Total Scope 1 + Scope 2 GHG emissions - Location based (t CO2e)	860.3	855.2
Net revenue (Euro thousand)	43,277.9	49,046.4
Intensity index (t CO2e / Euro thousand)	**0.020**	**0.017**

Emission intensity index	**2024**	**2023**
Total Scope 1 + Scope 2 GHG emissions - Market-based (t CO2e)	759.8	708.9
Net revenue (Euro thousand)	43,277.9	49,046.4
Intensity index (t CO2e / Euro thousand)	**0.018**	**0.014**

Emission intensity index	**2024**	**2023**
Total Scope 1 + Scope 2 GHG emissions - Location based (t CO2e)	860.3	855.2
Units produced (no.)	8,862,702	12,184,012
Intensity index (t CO2e / units produced * 1,000)	**0.097**	**0.070**

Emission intensity index	**2024**	**2023**
Total Scope 1 + Scope 2 GHG emissions - Market-based (t CO2e)	759.8	708.9
Units produced (no.)	8,862,702	12,184,012
Intensity index (t CO2e / units produced * 1,000)	**0.086**	**0.058**

Pollution

Topic	Sub-topic
E2 Pollution	Substances of concern

Policies related to pollution

ESRS Standards	ESRS 2 MDR-P, ESRS E2 E2-1

As an industrial sensor manufacturer, the Italcoppie Group engages in production activities that require the use of chemicals classified as substances of concern. These substances can have significant impacts, especially on workers' health and safety and environmental protection.

Recognising the materiality of these impacts, the Group has launched several initiatives intended to progressively reduce the use of substances of concern, with the aim of improving working conditions and ensuring compliance with current legislation, including the REACH Regulation and the RoHS Directive. These measures are part of the environmental policies adopted at individual Company level.

The following sections explain how the Group's main policies, particularly environmental and health and safety policies, address the issue of pollution.

Environmental policies and environmental management system

As described in section *Policies related to climate change mitigation and adaptation*, Italcoppie Sensori and Reckmann's environmental policies recognise the importance of environmental protection. In particular, **Italcoppie Sensori S.r.l.** 's Environmental Policy places emphasis on pollution prevention and the safe and compliant management of chemical substances. Furthermore, pollution prevention is an integral part of the ISO 14001:2015 certified environmental management system implemented by **Reckmann**. The standard requires an in-depth analysis of a company's environmental impacts, including air emissions, water discharges, and the use of hazardous substances.

Health and safety policies

The management of hazardous substances within the Italcoppie Group is also regulated by corporate health and safety policies. In particular, Italcoppie Sensori's health and safety policy states:

- **the proper handling of chemical substances** according to safety and risk prevention criteria;
- **the pursuit of alternatives with lower impact** to substances hazardous to human health and the environment;
- **the implementation of technological solutions to contain risks**, with the objective of lowering the likelihood of exposure during operational stages.

Actions in relation to pollution

ESRS Standards	ESRS 2 MDR-A, ESRS E2 E2-2

During 2024, **Italcoppie Sensori** launched a project aimed at **reducing the use of lead** in brass alloys. During the period from 2022 to 2024, the Company progressively replaced the CW614N material, containing between 2.5% and 3.5% lead, with the CW510L alloy, which has a lead content of less than 0.1%. This change resulted in a significant reduction in the amount of lead used, from 7.7 kg to just 0.4 kg in 2024, despite the increased weight of material purchased, from 276 kg to 406 kg. The initiative aligns with Italcoppie Sensori's health and safety policy commitment, aiming to find safer alternatives to substances that are dangerous to human health. The project involves both Italcoppie Sensori and **Tunital**, with the latter falling under the parent company for procurement and R&D initiatives.

Substances of concern

ESRS Standards	ESRS 2 MDR-M, ESRS E2 E2-5

The Italcoppie Group uses certain chemical substances in its production activities, which can be classified as substances of concern.

The analysis considered the plants of Italcoppie Sensori, Reckmann and Tunital. The substances analysed are purchased and used directly in the Group's activities; there are no manufactured and/or marketed substances.

The largest amounts of substances of concern are concentrated in oils and petroleum derivatives, which are used primarily in the lubrication of machinery and the operation of hydraulic systems. Another significant area concerns the use of zinc-based compounds, which are found in greases and greasing materials, but also in some formulations used in the moulding of plastic components, where they are combined with substances such as antimony oxide.

In the packaging departments, on the other hand, chemical compounds from the diisocyanate family are used, whereas epoxy resins are employed in different production stages to provide strength and stability to the materials. Other products, such as solvents or other additives, are much more limited in amount and play a secondary role.

Resource use and circular economy

Topic	Sub-topic
E5 Resource use and circular economy	Resource inflows, including resource use Resource outflows related to products and services Waste

Policies related to resource use and circular economy

ESRS Standards	ESRS 2 MDR-P, ESRS E5 E5-1

During its production processes, the Italcoppie Group uses natural resources, semi-finished products and packaging materials. Such activities are characteristic of a highly specialised manufacturing sector and may lead to significant environmental impacts associated with the exploitation of natural resources, waste generation, and the handling of outgoing materials.

Aware of these impacts, and with a view to continuous improvement aimed at mitigating risks and seizing material opportunities, Italcoppie Sensori S.r.l. and Reckmann GmbH have included topics related to resource use and waste management within their **Environmental Policies**. These policies are based on principles of efficient use of resources and proper waste management.

Reckmann's environmental policy includes a specific commitment to **use natural resources moderately and responsibly**, as well as to reduce, separate and recycle waste produced, within operational limits. Italcoppie Sensori's environmental policy also notes the objective of **managing waste production and disposal**, striving, wherever feasible, to lessen the amount and hazardous nature of the waste. In addition, the environmental management system certified according to **ISO 14001:2015** and implemented by Reckmann contributes to achieving objectives related to resource use and the circular economy, by integrating efficient material management, separation, and monitoring of output streams.

Italcoppie Sensori Srl's **Code of Conduct and Business Ethics** mentions the principle of environmental protection, addressed to employees: each employee shares the responsibility for protecting the environment within their own workplace.

Reckmann GmbH has its own **Waste Disposal Procedure**, which governs the proper disposal of hazardous and non-hazardous waste.

Reckmann also implemented a structured **procedure** to regulate the **development of new products** and the improvement of existing ones. The procedure is designed to ensure traceability of the entire process, from the design phase to production. The procedure differentiates between **innovative and specific developments**, each of which follows a formalised flow that includes the stages of **analysis**, **design**, **verification**, **validation**, **approval**, and **risk assessment**. The stages of development are monitored by a **cross-functional team** and undergo **internal review and validation**, including structured sessions to assess "lessons learned", with the aim of promoting continuous improvement and responsible innovation.

Lastly, Reckmann has implemented a **structured procedure for product manufacturing**, aimed at ensuring the efficiency of production processes and consistently high quality standards. The procedure governs production **planning** and **control**, **warehouse management**, **manufacturing stages** and final **inspection**. Despite the variety of products handled, the manufacturing process is managed according to a documented general scheme, supported by specific operating instructions for each process.

Actions and resources related to resource use and circular economy

ESRS Standards	ESRS 2 MDR-A, ESRS E5 E5-2

In recent years, the Italcoppie Group has implemented and consolidated a series of actions aimed at improving efficiency in the use of resources, reducing environmental impact along the product life cycle, and enhancing waste management.

The actions described below substantiate the commitments made by the Group companies in their Environmental Policies. In particular, they help to promote a more efficient and responsible use of natural resources, in addition to the reduction, separation, and proper management of waste.

Regarding **resource inflows**, the projects focused on reducing consumption and finding renewable alternatives to traditional materials:

- **Italcoppie Sensori** has initiated several projects concerning **packaging** processes. These include a project aimed at eliminating from packaging composite materials that are difficult to separate, such as expanded polyurethane foam (PE-HD PUR7) as filling. The Company has also launched pilot projects to replace external packaging, promoting the use of reusable and compactable crates to reduce the environmental impact of return transport. At the same time, the percentage of recycled material in packaging was increased, reaching over 70% for cardboard and 42% for post-consumer recycled (PCR) plastic, as well as starting to replace traditional paper and cardboard with materials from FSC or PEFC certified sources.
- In 2024, **Reckmann** completed a project to **digitise** document flows in the administrative department, with the aim of avoiding printing customer orders. The initiative involved reviewing internal processes and training activities, resulting in an estimated saving of approximately **30,000 sheets of paper** per year.

Regarding **resource outflows**, initiatives have focused on greater transparency in the environmental management of products and on extending their useful life:

- **Italcoppie Sensori** has introduced **information labels** to facilitate the correct disposal of packaging, with instructions also available online on the company website.
- Since 2022, **Reckmann** has incorporated environmental considerations into its **research and development projects**, evaluating aspects such as energy consumption, waste production, the use of hazardous substances, and the selection of materials from the earliest stages. This approach has been implemented across several product lines, including: thermocouples for the glass industry, contact elements for the steel industry, male insulators for high voltage, hydrogen and electronic test probes, as well as simple and long-life thermocouples.
- In its repair activities, **Reckmann** has additionally implemented a **procedure for retrieving and reusing** still-functional sensor components, thereby lowering waste and supporting the recovery of precious metals like platinum and rhodium. Non-reusable parts are directed to recycling, where technically possible.

With regard to **waste management**, the Group has promoted actions aimed at improving tracking and separate waste collection:

- **Italcoppie Sensori** is finalising its alignment with the **RENTRI** system (National Electronic Register for Waste Traceability), with the aim of strengthening transparency and control along the waste disposal chain.
- In 2024, **Reckmann** planned to **increase the share of separate waste collection**, exceeding the set target of 80%. The programme included regular inspections, training of departments and updating of company operating procedures on waste disposal

Resource inflows

ESRS Standards	ESRS 2 MDR-M, ESRS E5 E5-4

As previously mentioned, Italcoppie Group's production is characterised by a wide variety of components and the complexity of processes required to assemble each product. The primary raw materials used in terms of quantity by the manufacturing Companies (Italcoppie Sensori S.r.l., Tunital S.A.R.L., Reckmann GmbH, Coel Industria de Sensores LTDA) are metals (stainless steel, brass, aluminium, copper, titanium). Semi-finished products like cables and mechanical, electrical, and plastic components, ancillary to the production of finished products, are also procured.

In 2024, 1,445.1 tonnes of materials were purchased, 97.6% of which were technical materials required for the production and packaging of finished products. The main materials purchased by Group companies are shown below:

Inflows (t)	2024	2023
Technical materials		
Raw materials	**1,092.9**	**1,471.4**
Polymers	1.1	1.3
Precious metals	0.3	0.2
Metals	1,090.7	1,468.8
Ceramics	0.2	0.3
Other	0.6	0.7
Materials required for the production process that are not part of the finished product	**67.7**	**0.5**
Tools and consumables	67.0	-
Plastic materials	0.3	0.2
Other	0.4	0.3
Semi-finished products or components	**212.6**	**136.5**
Cables	185.8	114.4
Mechanical components	0.2	0.3
Plastic connectors	26.0	20.7
Electrical connectors, connector heads and terminals	0.6	1.1
Sensors and probes	0.1	0.1
Finished products	**33.3**	**26.4**
Finished cables	12.6	6.9
Connectors and terminals	0.1	-
Finished sensors and probes	20.6	19.5
Packaging materials	**4.5**	**4.4**
Plastic	3.6	3.2
Metals	0.1	0.3
Other	1.1	0.9
Biological materials		
Packaging materials	**34.1**	**42.1**
Wood	21.3	24.7
Paper and cardboard	12.8	17.4
Total	**1,445.1**	**1,681.2**

Resource outflows

ESRS Standards	ESRS 2 MDR-M, ESRS E5 E5-5

The products sold

The Italcoppie Group's product portfolio is broad and diversified. Below is a list of the main types of products marketed by the Group's manufacturing Companies.

Italcoppie Sensori / Tunital	Reckmann	Coel
• Mineral insulated probes • Overmoulded cable probes (IKE/IKS) • Cable probes with tube (FTR/FTC)	• Thermocouples • Sheathed thermocouples • Sensors for the plastics industry • Resistance temperature detectors	• Wiring • Standard NTC probes • Special/integrated NTC probes (TPE/PVC) • Magnetic probes • Instruments

- Thermometric assemblies with head
- Steam lances
- Wiring
- Special designs (e.g. platinum-tipped thermocouples, special thermocouples, connections with special coatings and materials)

Product durability and reparability

The **durability** of Italcoppie Group products is closely linked to the **type** of product, the specific applications, and the usage conditions by the final user. The sensors and probes produced are passive devices that ensure reliable performance and a potentially very long life, provided they are used in compliance with the prescribed operating conditions (especially regarding currents and voltages within the design limits). For certain specific applications, the Group conducted **life tests** during the design phase, whereas for widely used standard products, durability is inherent to correct application and compliance with technical specifications.

Product **reparability** is generally limited: due to the technical nature of the solutions provided, the products are designed to guarantee the utmost level of reliability. In the event of a failure, the standard procedure involves replacing the component. However, in specific instances and upon the customer's request, **reprocessing** or **refurbishing** can be considered, if technically feasible and consistent with quality standards.

Waste generated

In 2024, 141.9 tonnes of waste were generated (of which 44.4% was hazardous waste), a decrease of 19.8% compared to the previous year.

Waste generated (tonnes)	**2024**	**2023**
Hazardous waste	62.9	89.2
Non-hazardous waste	78.9	80.8
Total waste generated	**141.9**	**170.0**

The following table provides an indication of the types of waste produced in the two-year period and whether they were recovered or disposed of. In particular, a significantly high amount of aqueous washing liquids was detected, mainly attributable to the cleaning activities of the components during the production stages.

Waste generated by category (ton)	**2024**			**2023**		
	Recovery	Disposal	**Total**	Recovery	Disposal	**Total**
Hazardous waste						
Still bottoms and reaction residues	-	0.4	**0.4**	-	0.3	0.3
Waste ink containing hazardous substances	-	0.1	**0.1**	-	-	-
Waste printing toner containing hazardous substances	0.1	-	**0.1**	0.1	-	0.1
Waste adhesives and sealants containing organic solvents or other hazardous substances	0.3	-	**0.3**	0.2	-	0.2
Machining emulsions and solutions free of halogens	3.9	0.0	**3.9**	3.0	14.1	17.1
Waste blasting material containing hazardous substances	-	3.7	**3.7**	-	2.8	2.8
Aqueous washing liquids	-	52.4	**52.4**	-	66.0	66.0
Solvents or solvent mixtures	0.4	-	**0.4**	0.2	-	0.22
Packaging contaminated by hazardous substances	-	0.1	**0.1**	0.2	0.1	0.2
Absorbents, filter materials, wiping cloths and protective clothing contaminated by hazardous substances	0.2	0.2	**0.4**	0.1	-	0.1
Organic wastes containing hazardous substances	-	0.1	**0.1**	-	1.4	1.4
Spray cans	-	-	**-**	-	0.0	0.0

Discarded equipment containing hazardous components	0.5	-	**0.5**	0.6	-	0.6
Mixtures of, or separate fractions of concrete, bricks, tiles and ceramics containing hazardous substances	-	0.4	**0.4**	-	-	-
Insulation materials consisting of or containing hazardous substances	-	0.1	**0.1**	-	0.2	0.2
Fluorescent tubes and other mercury-neon containing waste	0.1	-	**0.1**	0.0	-	0.0
Total	**5.5**	**57.5**	**62.9**	**4.4**	**84.8**	**89.2**
Non-hazardous waste						
Plastic waste	2.77	-	**2.77**	2.45	-	**2.45**
Ferrous metal filings and turnings	30.5	-	**30.5**	24.5	-	**24.5**
Chromium-nickel-molybdenum shavings	0.3	-	**0.3**	1.6	-	**1.6**
Copper and brass shavings	0.1	1.6	**1.7**	0.2	0.8	**1.0**
Paper and cardboard packaging	1.4	-	**1.4**	6.4	-	**6.4**
Wood packaging	2.5	-	**2.5**	2.5	-	**2.5**
Mixed material packaging	22.9	2.0	**24.9**	29.4	2.6	**32.0**
Discontinued equipment	6.0	0.1	**6.1**	1.5	-	**1.5**
Inorganic wastes	-	-	**-**	1.0	-	**1.0**
Alkaline batteries	0.1	-	**0.1**	0.2	-	**0.2**
Aluminium	0.2	-	**0.2**	0.1	-	**0.1**
Iron and steel	7.8	-	**7.8**	5.1	-	**5.1**
Cables	-	-	**-**	0.2	-	**0.2**
Stainless steel	-	-	**-**	0.2	-	**0.2**
Chromium-nickel waste	0.3	-	**0.3**	1.1	-	**1.1**
Wood	0.3	-	**0.3**	0.6	-	**0.6**
Plastic waste	0.2	-	**0.2**	0.3	-	**0.3**
Total	**75.2**	**3.7**	**78.9**	**77.3**	**3.5**	**80.8**
Total waste generated	**80.7**	**61.2**	**141.9**	**81.8**	**88.2**	**170.0**

The table below shows the amounts of waste according to their intended purpose (recovery or disposal). In 2024, 14% of waste generated was directed to recycling (an increase compared to 2023).

Waste directed to recovery (tonnes)	**2024**			**2023**		
	Hazardous waste	**Non-hazardous waste**	**Total**	**Hazardous waste**	**Non-hazardous waste**	**Total**
Preparation for reuse	-	-	-	-	-	-
Recycling	4.9	15.0	19.9	3.9	16.8	20.7
Other recovery operations	0.5	60.2	60.7	0.6	60.5	61.1
Total	**5.4**	**75.2**	**80.7**	**4.5**	**77.3**	**81.8**
Percentage of recycling on total waste generated	**14%**			**12.2%**		
Percentage of non-recycled waste	**86.0%**			**87.8%**		

Waste directed to disposal (tonnes)	2024			2023		
	Hazardous waste	Non-hazardous waste	Total	Hazardous waste	Non-hazardous waste	Total
Incineration	0.9	3.7	**4.6**	1.8	3.5	**5.25**
Landfill	-	-	**-**	-	-	**-**
Other disposal operations	56.6	-	**56.6**	83.0	-	**83.0**
Total	**57.5**	**3.7**	**61.2**	**84.8**	**3.5**	**88.2**

3. Social disclosure

Own workforce

Topic	Sub-topic	Sub-subtopic
S1 Own workforce	Working conditions	Secure employment Adequate wages Social dialogue Freedom of association, the existence of works councils and the information, consultation and participation rights of workers Collective bargaining, including rate of workers covered by collective agreements Work-life balance Health and Safety
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Diversity Training and skills development
	Other work-related rights	Child labour Forced labour

Policies related to own workforce

ESRS Standards	ESRS 2 MDR-P, ESRS S1 S1-1

To ensure the protection and enhancement of the rights for its entire workforce, the Group has established a set of internal policies aimed at managing the impacts and risks associated with its workforce. These policies apply to the **entire workforce** of the Companies that have implemented them. Each Group Company independently manages issues related to its own workforce, ensuring compliance with local regulations and requirements.

The policies adopted by the Group, both expressly and implicitly, are based on international principles and regulatory frameworks. By enforcing its labour policies and related operating procedures, the Group acknowledges and advocates respect for fundamental human rights, aligning with the United Nations Guiding Principles on Business and Human Rights, including the **Universal Declaration of Human Rights** and the **ILO Declaration on Fundamental Principles and Rights at Work**.

Code of Conduct and Business Ethics

In order to promote ethical, lawful, and responsible behaviour in all business activities, the manufacturing companies of the Italcoppie Group (Italcoppie Sensori S.r.l., Reckmann GmbH, Coel Industria de Sensores LTD) have adopted a Code of Conduct at an individual level. These documents, whilst retaining local specificities, share **common** fundamental principles that reflect the Group's commitment to regulatory compliance, the protection of human rights, non-discrimination, corporate integrity, and the promotion of safe and inclusive workplaces.

The Code of Conduct sets binding standards for all employees with regard to **compliance with the law**, the **prevention of conflicts of interest**, the rejection of **corruption**, the **protection of personal data**, respect for workers' **rights**, and the promotion of **occupational safety and health**. In particular, it explicitly prohibits child labour, forced labour and all forms of modern slavery.

The main **objectives** of the Code of Conduct are:

The Code of Conduct actively promotes equal opportunities, particularly in recruitment practices, skills development, remuneration, access to training and, more generally, in the treatment of people in the workplace. The rules expressly **prohibit** any form of **discrimination** or harassment based on race, ethnic origin, colour, gender, sexual orientation, political opinion, trade union membership, religion, age, disability, marital status, or social conditions. Any form of coercion, acts of violence, personal or sexual harassment, and any behaviour detrimental to individual dignity are also excluded.

The organisation's approach is established in these Codes and is rooted in the principle of **equal treatment**, whereby each individual is assessed and appreciated solely based on their skills, professionalism, and contribution to the work environment. The Group is committed to ensuring inclusive and respectful environments, where diversity is embraced and all forms of discrimination are prevented and combated.

The Code of Conduct applies to **all personnel** of the respective Group Companies (Italcoppie Sensori, Reckmann, Coel) without exception. It is also applicable to other parties acting on behalf of the Companies, where relevant, including consultants or collaborators: these commitments cover all operational activities and relationships with customers, suppliers, and stakeholders across the entire value chain.

The ultimate responsibility for the implementation of the Code lies with the Management of each Company. Managers are required to actively promote the dissemination of and compliance with the Code, setting an example for employees and ensuring compliance with ethical standards.

The Codes refer, implicitly or explicitly, to international regulations such as the General Data Protection Regulation (**GDPR**), and to shared principles such as those of the International Labour Organisation concerning the protection of workers' rights, the elimination of child labour, and freedom of association, as well as to what is determined by applicable national regulations and collective agreements.

In order to ensure greater alignment, Tunital S.A.R.L is committed to structuring procedures that integrate these aspects over the coming years.

Worker health and safety policies

Protecting the health and safety of workers is a core value for the Italcoppie Group, which considers the physical and psychological well-being of its workforce an essential condition for the quality of work and the continuity of its business operations.

Italcoppie Sensori has established its **Health and Safety Policy**, in line with current national regulations and with an approach focused on risk prevention and continuous training. The health and safety policy aims to constantly improve health and safety management by preventing risks related to operational activities and the work environment, particularly workplace accidents. To this end, the policy highlights the importance of workstation ergonomics, the use of safe machinery, personal protective equipment, and the proper management of chemicals. The monitoring of employees' health and safety is entrusted to the Prevention and Protection Service (PPS), which operates through qualified, constantly trained and updated personnel, and also includes the organisation of mandatory training and emergency drills. The policy is

enforced for all workers at the Italcoppie Sensori facility, irrespective of their duties. The responsibility for implementing the policy lies with the Management of Italcoppie Sensori, supported by the Prevention and Protection Service, which coordinates the technical, training, and organisational activities related to risk prevention. The policy is fully compliant with Italian occupational health and safety legislation (Legislative Decree no. 81/2008, as subsequently amended). Italcoppie Sensori applies the Legislative Decree no. 81/08 through the adoption of a **Risk Assessment Document (RAD)** that covers all company offices and is regularly updated, especially in the event of significant organisational changes.

In Brazil, Coel has developed a **Risk Management Programme (Programa de Gerenciamento de Risco, PGR)** to prevent accidents and occupational diseases by systematically analysing risks and implementing a plan of preventive and corrective measures. In addition to the PGR, Coel has adopted a **Medical Control Programme for Occupational Health (Programa de Controle Médico de Saùde Ocupacional, PCMSO)**, establishing the health monitoring of workers via medical check-ups at the time of hiring, during employment, and upon leaving. Furthermore, Coel has developed an **Ergonomics Programme (Programa de Ergonomia)**, to adapt working conditions to the physical and psychological needs of employees. Health and safety training is an integral part of the relevant management procedures.

In Germany, **Reckmann** has adopted a formal **health and safety procedure**, which includes initial and periodic training of workers, management of chemical risks, mandatory use of Personal Protective Equipment (PPE), and compliance with machinery safety regulations. The relevant measures are documented and monitored using a centralised digital system, supported by an external safety specialist.

In order to ensure greater alignment, the other Group Companies are committed to progressively structuring procedures that incorporate such aspects.

Currently, the Italcoppie Group workforce is not covered by a health and safety management system certified according to legal requirements or recognised standards. However, Italcoppie Sensori adopts a **non-formalised management system**, comprising a safety organisation chart, the scheduling of periodic medical examinations, and mandatory training for designated supervisors.

Welfare policy

Each Company within the Italcoppie Group promotes corporate welfare initiatives geared towards enhancing its employees' well-being, by providing benefits and services that seek to enhance both personal and professional quality of life. These actions, which vary for each entity, are described in detail in section *Actions taken towards own workforce*.

Among the Group's companies, **Coel Indústria de Sensores Ltda** stands out for having adopted a formal welfare policy, which provides a structured set of granted benefits, describing the criteria for accessing them and the methods of delivery. The welfare policy aims to ensure the overall well-being of the company's staff by delivering a structured set of benefits that complement their standard remuneration. The main objectives of this policy are:

- improving the quality of life of employees and their families, strengthening their connection to the organisation
- reducing absenteeism
- promoting work-life balance
- preventing negative impacts caused by financial or family hardships.

Coel's welfare policy includes several measures to support employees, including a monthly food package or equivalent contribution, free healthcare and dental care for employees and their family members, support for day-care costs, life insurance coverage, company meals, and organised or reimbursed transportation to and from work. The measures also include a profit-sharing system, agreements with retail outlets for instalment purchases, and the possibility of accessing loans with payroll deductions.

The policy applies to Coel's entire workforce employed under contracts governed by Brazilian labour legislation (Consolidação das Leis do Trabalho - CLT), regardless of level or role. Benefits are administered solely to employees under regular employment, and, where applicable, also to their dependent family members. The policy does not apply to independent collaborations (e.g. external consultants) or to contracts that do not fall under the CLT framework. Responsibility for implementing and overseeing the policy is shared between the Human Resources Department and the Company Management.

Processes for engaging with own workforce and workers' representatives about impacts

ESRS Standards	ESRS S1 S1-2

The Italcoppie Group recognises **employee engagement** as a key element in ensuring an inclusive, equitable and continuous improvement-oriented working environment. Group Companies employ diverse methods of consultation and participation, either through formal representation or direct communication channels, to ensure that collaborators' needs and proposals are heard and factored into corporate decision-making processes.

Italcoppie Sensori promotes structured dialogue with worker representatives, ensuring regular discussions with the **Unitary Workplace Union Representative Body** (RSU), particularly with plant managers. These meetings take place on an annual basis, and are key opportunities to jointly discuss the main organisational and contractual issues. Italcoppie Sensori is considering a greater engagement of its workers, with a focus on training. In particular, a new **digital system** is being developed that will enable employees to submit their training requests independently and in a traceable manner.

Reckmann ensures the engagement of its workforce through continuous dialogue, conducted both directly between staff and managers, and via employee representatives. This approach enables the prompt identification of potential challenges and fosters a cooperative and inclusive workplace climate.

Coel maintains regular employee engagement, aided by the small size of its workforce, enabling an open and participatory structured internal communication.

To monitor internal satisfaction, Reckmann, Coel and Tunital conduct regular **company climate surveys**. These tools allow for the systematic identification of employee insights and uncover opportunities for enhancement.

Processes to remediate negative impacts and channels for own workforce to raise concerns

ESRS Standards	ESRS S1 S1-3

The Italcoppie Group recognises the importance of open and ongoing dialogue with its employees, as a key element for promptly identifying critical issues, improving organisational well-being, and promoting a climate of trust and transparency.

In compliance with EU Directive no. 1937/2019, Italcoppie Sensori and Reckmann have established channels for **reporting unlawful conduct and violations of the Code of Ethics**, accessible to employees, collaborators, and external stakeholders. Both companies have set up **online platforms** through the *Whistleblower Software* system, accessible via their respective company websites, which allows for confidential and anonymous reporting. The processing of the whistleblower's personal data complies with Regulation (EU) no. 679/2016 (GDPR). Italcoppie Sensori has two additional internal reporting channels in place, namely sending **regular mail** to the attention of the Reporting Officers, or a **direct meeting** with them. The Companies are required to ensure the protection of whistleblowers, both in terms of confidentiality and in the event of retaliation. For further information on the topic, please refer to section *The Whistleblowing System*.

In addition to the whistleblowing system, Italcoppie Sensori provides its employees with additional direct communication channels to report any concerns or issues encountered in their work environment. The **HR Office** serves as a reliable and constantly reachable point of contact. Employees can contact department managers using various tools, including direct telephone contact, e-mail, the Zoom platform, or the company switchboard. This approach ensures timely processing of reports and fosters an organisational climate based on listening, mutual trust, and transparency.

Actions taken towards own workforce

ESRS Standards	ESRS 2 MDR-A, ESRS S1 S1-4

Consistent with its commitment to responsible human resources management, the Italcoppie Group has implemented measures intended both to prevent and mitigate any negative impacts, and to promote the well-being and advancement of individuals.

Strategic human resources development

In particular, **Italcoppie Sensori** has embarked on **strengthening its technical area**, aiming to enhance its operational capacities and ensure adequate supervision of design and production activities.

Conversely, during 2024, **Reckmann** initiated a process to enhance the human resources area in order to address more effectively the challenges pertaining to recruitment, training, and organisational development. The company also planned to introduce **training courses** for administrative staff, starting in 2025.

At the same time, Coel has established an agreement with SESI SENAI, a leading Brazilian non-profit institution for **technical and industrial training**, with the objective of improving professional skills in accordance with corporate requirements.

Recruitment and employment promotion

During 2024, the Italcoppie Group strengthened its efforts to **attract and retain talent**, with the aim of supporting the Group's industrial development by establishing a structured and ongoing relationship with schools and universities, as well as through career guidance and employment integration initiatives.

Consistent with the actions undertaken in previous years, **Italcoppie Sensori** was involved in **career guidance** initiatives at local technical high schools, with a view to presenting the company and its application areas to students approaching graduation. Specifically, in 2024, the Company's staff visited the ITIS Enrico Fermi Institute in Modena to introduce career opportunities, distribute information material and showcase its products. Italcoppie Sensori also conducted **PCTO** courses (i.e. Pathways for Transversal Skills and Orientation) at the Toriani Institute in Cremona, which involve a group of 4 to 6 students each year. The initiative includes a preliminary phase of planning corporate visits and the updating of mandatory documentation, including medical examinations and risk assessment.

In 2024, **Reckmann** launched the **first structured collaboration projects** with schools and universities, supported by the specialised agency Agenturmark based in Hagen. As part of the "Startbahn Zukunft" ("Runway to the Future") initiative, the Group is committed to promoting the integration of young people into professional life through guidance, training, and mentoring activities. The Company visits local schools 2–3 times a year, presenting its internship and technical training opportunities, and regularly takes part in fairs focused on vocational training. Reckmann further provides **internship** programmes for students and enhances its visibility via social media platforms.

Similarly, **Coel** has strengthened several partnerships with specialised bodies and entities to facilitate access to employment and enhance the connection between academic frameworks and the manufacturing environment. The company has entered into an agreement with the Centro de Integração Empresa-Escola (CIEE), a Brazilian non-profit organisation that facilitates the inclusion of young people into the job market through **internship** and **apprenticeship** programmes in partnership with companies.

Tunital has likewise developed **technical internship** programmes in cooperation with universities and training centres, aimed at training young professionals and providing them hands-on experience within its production units.

Corporate welfare and work-life balance

During 2024, the Italcoppie Group confirmed its commitment to **enhancing the well-being of its workers**, by implementing various initiatives designed to provide improved living and working conditions, thereby helping employees balance their professional and private lives. Consistent with the experiences gained in prior years, the Group Companies have strengthened their corporate welfare instruments, operational flexibility, and health and income support, establishing an approach that is responsive to employees' diverse needs.

In 2024, **Italcoppie Sensori** and **Reckmann** confirmed that employees would be able to work **remotely** for up to two days a week. This initiative seeks to foster work-life balance, reduce home-work travel, and enhance individual productivity.

Italcoppie Sensori has continued to implement economic support mechanisms and flexible remuneration: employees are given the option to convert, in whole or in part, their production bonus into welfare credit or untaxed salary, in addition to the bonuses provided by the National Collective Labour Agreement (CCNL). The company additionally provides meal vouchers for each working day.

Since 2020, Italcoppie Sensori has been involved in the **WHP** (*Workplace Health Promotion*) project, a programme promoted by the World Health Organisation aimed at creating healthy workplaces through organisational measures and initiatives that encourage employees to adopt healthy lifestyles. The good practices adopted included the distribution of fruit and vegetables, the installation of free water dispensers, the provision of equipped refreshment areas, and the introduction of ergonomic seating for office staff.

The company also promoted **regular health screenings** and encouraged participation in smoking cessation programmes.

As described above, Coel has adopted a structured and voluntary corporate welfare policy, which encompasses multiple **benefits** that are also available to employees' family members. These include: free nationwide health and dental coverage, including for spouses and children; childcare allowances; full meals in the company canteen; discounts on public transport and company shuttle; a monthly food basket or shopping card; annual bonuses linked to company performance (PLR); a company life insurance policy; a card for purchases at participating stores; and access to payroll deduction loans.

Tunital provides **social security coverage** to all its employees. The Company pays particular attention to culturally and socially significant times of the year, by arranging a solidarity allocation of food products provided for each employee during Ramadan, financial contributions for Eid al-Adha, and supplies of school materials for the children of employees at the start of the school year. These actions serve as a tangible demonstration of commitment and concern for the wellbeing of workers' families.

Characteristics of employees

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-6

Employees

As at 31 December 2024, the Italcoppie Group employed **515 people**. The following workforce figures are calculated with reference to the number of employees at the end of each period (HC/ Head Count).

At the time of publication of this document, the Group has not formalised an internal communication procedure for employees who do not identify themselves within the male or female gender categories. However, to date, no communications have been received from employees declaring that they do not identify with these genders or who have expressed the desire not to disclose their identified gender, regardless of their personal data and biological sex.

Overall, most employees (68% of the total) are hired on a permanent employment contract. Employees at the Hammamet site are mostly seasonal: this is because workers prefer to be employed in the tourism sector during peak periods, thus allowing for a more efficient management of production flows. Contracts are typically on a quarterly and renewable basis, and are often offered again to the same workers in subsequent seasons.
It is noted that, during the 2023-2024 two-year period, Italcoppie did not employ any non-guaranteed hours employees (on-call contracts or casual employees).

Total number of employees **by gender / type of contract**	**2024**			**2023**		
	Women	Men	Total	Women	Men	Total
Italy	**43**	**103**	**146**	**39**	**102**	**141**
Permanent	40	103	143	37	98	135
Fixed-term	3	-	3	2	4	6
Germany	**70**	**78**	**148**	**73**	**83**	**156**

Permanent	70	78	148	73	83	156
Fixed-term	-	-	-	-	-	-
Tunisia	**169**	**32**	**201**	**213**	**38**	**251**
Permanent	29	10	39	27	10	37
Fixed-term	140	22	162	186	28	214
Brazil	**12**	**8**	**20**	**14**	**5**	**19**
Permanent	12	8	20	14	5	19
Fixed-term	-	-	-	-	-	-
Total	**294**	**221**	**515**	**339**	**228**	**567**
Permanent	151	199	350	151	196	347
Fixed-term	143	22	165	188	32	220

In 2024, full-time employees accounted for 95.4% of the workforce, while 4.6% were part-time contracts.

Total employees **by type of contract / by gender**	**2024**			**2023**		
	Women	Men	Total	Women	Men	Total
Italy	**43**	**103**	**146**	**39**	**102**	**141**
Full-time	35	101	136	32	101	133
Part-time	8	2	10	7	1	8
Germany	**70**	**78**	**148**	**73**	**83**	**156**
Full-time	56	74	130	58	80	138
Part-time	14	4	18	15	3	18
Tunisia	**169**	**32**	**201**	**213**	**38**	**251**
Full-time	169	32	201	213	38	251
Part-time	-	-	-	-	-	-
Brazil	**12**	**8**	**20**	**14**	**5**	**19**
Full-time	12	8	20	14	5	19
Part-time	-	-	-	-	-	-
Total	**294**	**221**	**515**	**339**	**228**	**567**
Full-time	272	215	487	317	224	541
Part-time	22	6	28	22	4	26

Recruitments and terminations

The table below shows the recruitments and terminations made during 2024. During the 2024 financial year, the Group employment decreased by 9.2%, resulting in a total of 515 employees at the end of 2024.

Hirings during 2024 mainly involved workers under the age of 30; terminations primarily involved employees under the age of 50, mainly due to voluntary resignations. For Tunital, the considerable number of recruitments and terminations is due to the heavily seasonal nature of employment relationships.

Hires:

	Italy			**Germany**			**Tunisia**			**Brazil**		
Age group	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
<30	1	3	4	1	2	3	13	2	15	-	-	-
30-50	2	4	6	3	8	11	10	1	11	-	-	-
>50	1	1	2	1	1	2	-	-	-	-	-	-
Total 2023	**4**	**8**	**12**	**5**	**11**	**16**	**23**	**3**	**26**	**0**	**0**	**0**
<30	1	2	3	**-**	**2**	**2**	19	10	29	-	3	3
30-50	3	2	5	**2**	**7**	**9**	10	1	11	-	1	1
>50	-	-	-	**-**	**2**	**2**	-	-	-	-	-	-
Total 2024	**4**	**4**	**8**	**2**	**11**	**13**	**29**	**11**	**40**	**0**	**4**	**4**

Terminations:

	Italy			Germany			Tunisia			Brazil		
Age group	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
<30	2	1	3	1	1	2	48	8	56	6	3	9
30-50	2	6	8	5	9	14	30	8	38	3	4	7
>50	-	-	-	3	5	8	-	-	-	1	-	1
Total 2023	**4**	**7**	**11**	**9**	**15**	**24**	**78**	**16**	**94**	**10**	**7**	**17**
<30	-	1	1	-	-	-	42	12	54	-	1	1
30-50	-	-	-	2	11	13	31	5	36	1	-	1
>50	-	2	2	3	5	8	-	-	-	1	-	1
Total 2024	**0**	**3**	**3**	**5**	**16**	**21**	**73**	**17**	**90**	**2**	**1**	**3**

During 2024, the following **turnover rate**was recorded, broken down by gender.

Turnover	**Positive turnover - hires**	**Negative turnover - terminations**	**Overall turnover**
Gender			
Men	13.2%	16.2%	-3.1%
Women	10.3%	23.6%	-13.3%
Total	**11.5%**	**20.6%**	**-9.2%**

Characteristics of non-employee workers in the own workforce

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-7

For conducting its business, the Italcoppie Group relies on **non-employee workers**, in particular for plant maintenance activities. As of December 31, 2024, the Group had 13 non-employee workers, most of whom were cleaning and maintenance workers.

The following workforce figures are calculated with reference to the number of non-employee workers at the end of each period (HC/ Head Count).

Other workers	**2024**			**2023**		
	Women	Men	Total	Women	Men	Total
Temporary workers	1	1	2	7	2	9
Interns	-	1	1	-	1	1
Other (self-employed persons with VAT registration, recruitment workers, cleaners)	3	7	10	3	6	9
Total at the end of the period / by gender	4	9	13	10	9	19

Collective bargaining and social dialogue

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-8

Collective bargaining

Within the regions where the Italcoppie Group conducts its business, there are no situations in which freedom of association and collective bargaining rights are impeded by national legislation. All workers are therefore **free** to **form**, **join** and **associate** with trade unions of their choice and to engage in collective bargaining with the Group.

The total percentage of employees covered by collective bargaining agreements in 2024 was 71%. In Italy, Tunisia, and Brazil, 100% of employees are covered by national collective bargaining agreements, while in Germany, collective bargaining is applied via different approaches, mainly based on sectoral and/or company-level agreements.

In Italy, the Italcoppie Group applies the Confindustria **National Collective Labour Agreement** for the Metalworking Sector (CCNL Metalmeccanico) to its entire workforce. In Germany, employment relationships are regulated via individual contracts, directly negotiated between the Companies and the individual employees. This approach reflects **German law**, according to which the application of collective agreements **is not mandatory** unless specific conditions are met. **Tunital** employees are covered by the **Convention collective sectorielle**: **Électricité et de l'électronique.** Lastly, **Coel** employees are covered by the collective agreement signed with the Sindicato da Indústria de Aparelhos Elétricos, Eletrônicos e Similares do Estado do Amazonas (**SINAEES-AM**).

Social dialogue

The Italian company of the Italcoppie Group has a Unitary Workplace Union Representative Body (RSU) that represents the entire workforce, and regular consultation meetings are held with this body. In Germany, at Reckmann GmbH, an independent workers' representation is active.

Outside the European Economic Area, Coel Industria de Sensores LTDA ensures representation of 100% of its employees through the Comissão Interna de Prevenção de Acidentes (CIPA), which consists of 2 formally appointed workers. The CIPA operates in compliance with occupational safety principles and encourages active workforce involvement in internal decision-making. Although it is a voluntary institution, Coel has opted to implement the CIPA, regarding it as a precautionary measure and a stimulus for social dialogue.

There are currently no worker representatives at Tunital S.a.r.l. and Italcoppie GmbH, which, however, has a small workforce.

Diversity metrics

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-9

The most represented professional category is that of blue-collar workers (72.0% of the total), followed by white-collar workers (21.7% of the total), middle managers, and executives. 50.1% of the Group's employees are between 30 and 50 years of age, 25.4% of employees are over 50 and 24.5% of employees are under 30 years of age.
57.1% of the staff are female: Italcoppie strives to combat all forms of discrimination in the workplace, providing equal opportunities for employees in accordance with the provisions of its Code of Ethics.

Employee Diversity	**2024**			**2023**		
Employees by category / by gender (HC)	Women	Men	**Total**	Women	Men	**Total**
Managers	-	4	4	-	5	5
Middle managers	14	14	28	15	16	31
White collars	43	69	112	35	70	105
Blue collars	237	134	371	289	137	426
Total	**294**	**221**	**515**	**339**	**228**	**567**
Employees by category / by gender % (HC)	Women	Men	**Total**	Women	Men	**Total**
Managers	0.0%	0.8%	0.8%	0.0%	0.9%	0.9%
Middle managers	2.7%	2.7%	5.4%	2.6%	2.8%	5.5%
White collars	8.3%	13.4%	21.7%	6.2%	12.3%	18.5%
Blue collars	46.0%	26.0%	72.0%	51.0%	24.2%	75.1%
Total	**57.1%**	**42.9%**	**100.0%**	**59.8%**	**40.2%**	**100.0%**

Employees by age group / by gender	Women	Men	Total	Women	Men	Total
Up to 29 years of age	84	42	126	126	42	168
From 30 to 50 years of age	150	108	258	152	115	267
Over 50 years of age	60	71	131	61	71	132
Total	**294**	**221**	**515**	**339**	**228**	**567**
Employees by age group / by gender (%)	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years of age	16.3%	8.2%	24.5%	22.2%	7.4%	29.6%
From 30 to 50 years of age	29.1%	21.0%	50.1%	26.8%	20.3%	47.1%
Over 50 years of age	11.7%	13.8%	25.4%	10.8%	12.5%	23.3%
Total	**57.1%**	**42.9%**	**100.0%**	**59.8%**	**40.2%**	**100.0%**

Employee Diversity	2024				2023			
Employees by category/age	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	**Total**	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	**Total**
Managers	-	1	3	4	-	1	4	5
Middle managers	2	18	8	28	4	18	9	31
White collars	17	63	32	112	18	55	32	105
Blue collars	107	176	88	371	146	193	87	426
Total	**126**	**258**	**131**	**515**	**168**	**267**	**132**	**567**
Employees by category / by age (%)	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	**Total**	Up to 29 years of age	From 30 to 50 years of age	Over 50 years of age	**Total**
Managers	0.0%	0.2%	0.6%	0.8%	0.0%	0.2%	0.7%	0.9%
Middle managers	0.4%	3.5%	1.6%	5.4%	0.7%	3.2%	1.6%	5.5%
White collars	3.3%	12.2%	6.2%	21.7%	3.2%	9.7%	5.6%	18.5%
Blue collars	20.8%	34.2%	17.1%	72.0%	25.7%	34.0%	15.3%	75.1%
Total	**24.5%**	**50.1%**	**25.4%**	**100.0%**	**29.6%**	**47.1%**	**23.3%**	**100.0%**

Equitable salaries

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-10

Italcoppie Sensori, Coel, and Tunital ensure that all wages comply with the provisions of the applicable national collective agreements, thereby guaranteeing compliance with current regulations and the protection of workers' rights. In Germany, where no collective bargaining agreements are applied, the Companies undertake to uphold and guarantee decent wages to their employees.

This commitment demonstrates the Group's intention to foster equitable and sustainable working conditions, ensuring that each individual receives adequate remuneration that reflects the value of their input and enables them to live with dignity.

Social protection

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-11

The companies of the Italcoppie Group ensure their employees have access to welfare and social security systems, in compliance with the legislation in force in the countries where they conduct business. All workers within the Group enjoy social protection against events that may result in a loss of income.

Italcoppie Sensori S.r.l.	In accordance with prevailing legislation, all employees at the Italian sites of the Italcoppie Group are protected by public institutions that provide assistance and social security in the event of occurrences that could result in income loss. Specifically, the National Social Insurance Institute (INPS) provides coverage in cases of illness, parental leave and retirement, whereas the National Institute for Insurance against Accidents at Work (INAIL) provides support in cases of occupational injuries and acquired disabilities.
Reckmann GmbH **Italcoppie GmbH**	In Germany, the employees of the Italcoppie Group are covered by the public social security system (Sozialversicherung), which is provided by law and is structured as follows: 1. Rentenversicherung – Pension insurance; 2. Krankenversicherung – Health insurance; 3. Arbeitslosenversicherung – Unemployment insurance; 4. Unfallversicherung – Insurance against accidents at work; 5. Pflegeversicherung – Long-term care insurance. This system ensures income protection in case of significant events such as illness, unemployment, work-related injuries and acquired disabilities, parental leave, and retirement. It also provides long-term care coverage for people who are unable to care for themselves. German companies are required to register their workers with the system and contribute to the funding of benefits together with the employees themselves.
Tunital SARL	In Tunisia, private sector employees are required to be affiliated with the Caisse Nationale de Sécurité Sociale (CNSS). The fund provides coverage for various social risks, including: illness; maternity; work-related injuries and occupational diseases; retirement, disability, and survivors' (death) pensions; unemployment benefits; and family benefits.
Coel Industria de Sensores LTDA	In Brazil, all employees are automatically registered with the public social security system managed by the Instituto Nacional do Seguro Social (INSS). Contributions paid by workers and employers cover benefits such as pensions, sickness and maternity benefits, work-related injuries, unemployment, family allowances, and death benefits for family members. Additionally, employers are required to pay a monthly fee into the Fundo de Garantia do Tempo de Serviço (FGTS), a fund that protects workers in the event of unfair dismissal. The accumulated sums can also be used for specific events, such as the purchase of a first home, retirement, or in case of diagnosis of a serious illness.

Persons with disabilities

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-12

The percentage of employees with disabilities in the Italcoppie Group is shown below.

	2024			2023		
	Women	Men	**Total**	Women	Men	**Total**
% Employees with disabilities / Total employees	8	7	**15**	7	8	**15**

Training and skills development

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-13

The Italcoppie Group views training as a strategic pillar for the development of its human capital and constantly invests in staff training initiatives. In addition to specific training activities aimed at facilitating the integration of new hires and mandatory training in health and safety, Italcoppie's training offer generally covers the following areas:

- Language courses;
- Technical and operational training (logistics, supply chain, marketing, sales);
- Quality management;
- Certifications;
- Administration and accounting;
- Soft skills;
- Regulatory compliance;
- IT tools.

The Italcoppie Group's **average number of training hours** is shown below, broken down by employee category and gender. During 2024, Italcoppie Sensori delivered a training programme aimed at all staff, focusing on the introduction and use of the new company management system. This initiative resulted in an overall increase in training hours compared to previous years.

Average employee training hours	**2024**			**2023**		
	Women	Men	**Total**	Women	Men	**Total**
Managers		88.8	88.8		8.0	8.0
Middle managers	37.5	32.1	34.8	28.8	3.9	15.9
White collars	14.4	15.8	15.3	9.7	7.0	7.9
Blue collars	1.5	7.7	3.8	2.7	5.9	3.7
Total	5.1	13.2	8.6	4.6	6.2	5.2

Italcoppie Sensori promotes ongoing training, structured on two main levels:

1. **mandatory training**, such as health and safety training, to be completed within 60 days of joining the company,
2. **on-demand training**, defined in collaboration with the managers of the production departments and offices.

Training programmes are delivered through internal mentoring or with the support of external trainers, and include courses on technical subjects such as mechanical drawing reading, as well as modules on transferable skills such as Excel and English and German languages. Training is also extended to trainees and has recently included courses concerning the adoption of the ISO 14001 environmental management system.

Coel's employee training is governed by a structured corporate plan aimed at ensuring staff competence and awareness in compliance with quality and safety standards. For **new hires**, an integration programme is provided, which includes an introduction to the company, management policies, production processes, and the delivery of personal protective equipment (PPE). The training is divided into mandatory internal courses, held periodically, and external courses launched upon request and subject to company approval. All training activities are recorded and documented to ensure compliance with ISO 9001 standards.

In the event of a **role change**, employees are provided with targeted training for their new responsibilities. In certain circumstances, Coel makes targeted investments in the professional development of selected employees, providing them with technical training to take on different roles within the organisation. An example of this is the completion, scheduled for 2025, of company-funded master's degree programme for a supervisor.

Courses on topics such as fire safety, ergonomics and the LEAN methodology are regularly available to all staff. From a holistic perspective, aimed at preventing specific risks and improving overall working conditions, training in 2024 focused on fire prevention and management, safety when working at height, organising production environments according to the 5S method, cleaning probes, and managing ergonomics in the workplace.

In 2024, Coel launched a **new training programme** for 2025, which includes the children of employees, who will be provided with meals and transport to attend an external training day. The topics covered will include quality, digital reading, the "green belt" methodology, as well as method and time management.

Training at **Reckmann** is governed by a formal procedure, which defines the methods, responsibilities, and tools for staff qualification. Training needs are identified by considering:

- the instructions of the department managers;
- interviews with personnel;
- developments in production processes;
- regulatory requirements;
- any requirements arising from quality and environmental management systems.

The proposals are approved by management and included in an "open" training programme, which can be updated during the year. All activities are tracked and documented in a dedicated digital platform. Training activities can be internal or external and cover several areas, including onboarding of new hires, technical updates, retraining, operational instructions, and courses focused on quality. In the event of a change in job role, a new onboarding plan is arranged. Training is followed by an evaluation of its effectiveness through observations, interviews, practical assessments or audits.

The company management is responsible for **staff development**, with the support of department heads and the quality manager. Employees are expected to actively participate, contributing to their own professional development.
In 2024, Reckmann conducted a total of **45 training courses**, including 31 internal and 14 external courses. Internally, the focus has been on export, customs, and management of Certificates 3.1; externally, the courses have covered topics such as control technique and ATEX legislation. Cross-cutting initiatives also include English language courses.

Tunital adopts an **annual training plan**, broken down by role and activity, with the aim of responding in a targeted manner to the internal and external needs of departments. Training needs are defined by gathering input from department heads, which is then reviewed and screened to develop a list of courses consistent with business priorities. Internal training is planned based on an analysis of organisational gaps and focuses on strengthening technical and operational skills. In parallel, at the start of the year an external training programme is set out, which is approved and supported by the Tunisian State.

Health and Safety Training

The Italcoppie Group has a health and safety training programme in place that includes both mandatory training required by law and regular updates for employees during their employment. Every new employee receives initial safety training at the time of recruitment, delivered by designated internal staff whose qualifications are continuously updated through ongoing training courses to ensure compliance with current regulations.
In 2024, topics covered in health and safety training courses included first aid, fire fighting and ergonomics in the workplace. The Group is committed to promoting a cross-functional culture of prevention, involving both operational and management personnel across all facilities, including non-employee workers.

Performance reviews

Within the Italcoppie Group, periodic performance evaluations are organised for Italcoppie Sensori S.r.l., Tunital SARL, and Italcoppie GmbH.

Specifically, 27.8% of the Group's total employees were evaluated (13.6% of women and 46.6% of men), including 25% of executives, 28.6% of middle managers, 33% of white-collar workers and 26.1% of blue-collar workers.

Employees who received periodic performance reviews (%)	**2024**			**2023**		
	Women	Men	**Total**	Women	Men	**Total**
Managers		25.0%	25.0%		0.0%	0.0%
Middle managers	14.3%	42.9%	28.6%	6.7%	43.8%	25.8%
White collars	32.6%	33.3%	33.0%	40.0%	32.9%	35.2%
Blue collars	10.1%	54.5%	26.1%	8.3%	51.1%	22.1%

Employees evaluated / by gender (%)	**13.6%**	**46.6%**	**27.8%**	**11.5%**	**43.9%**	**24.5%**

At **Italcoppie Sensori**, a performance evaluation process involving all personnel, regardless of their role, is implemented annually. The results are then shared and discussed in a collegial meeting involving the operations manager, company management, human resources manager, and owners.

The assessment is based on a standardised form, divided into five areas of observation (including availability, professionalism and skills). Starting in 2024, the process has been enhanced with the addition of a **self-assessment** form, enabling each staff member to independently consider their performance. The questions and evaluation criteria are aligned with those used in the form filled out by the managers, with the aim of encouraging discussion and enhancing individual awareness.

In **Tunital**, staff performance evaluation takes place on a daily basis. At the end of each working day, every manager assigns each worker a score from 0 to 2, considering three main criteria: quality of work performed, efficiency, and organisational skills in the workplace. Daily scores are recorded and aggregated on a monthly basis. At the end of each month, the employee with the highest score receives formal recognition as "Best Employee of the Month", validated by a certificate. The data collected are then used to determine the individual annual bonus.

While lacking a structured evaluation process, the other Companies in the Group are committed to providing feedback and discussing performance results with employees.

Health and safety metrics

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-14

Safeguarding the health and safety of the workforce is a **priority** for the Italcoppie Group and is regarded as a critical condition to guarantee the continuity of operating activities. With this in mind, all Group companies have implemented specific procedures in this regard, in compliance with local regulations and the characteristics of their respective production processes.

The table below shows data on work-related injuries of employees and non-employee workers. In particular, there was a decrease in the severity index of Group employees' injuries, in line with a decrease in the number of injuries recorded during the year; on the other hand, there was an increase in the severity index of non-employee workers' injuries due to the only injury recorded in 2024, which resulted in 42 days of absence.

Work-related injuries - employees	**Unit**	**2024**	**2023**
Occupational accidents	No.		
Fatal		-	-
Serious accidents		-	-
Other accidents		2	4
Commuting accidents		-	-
Total accidents recorded		**2**	**4**
Total hours worked	h	823,910	816,989
Days of absence due to accidents	No.	12	27
Accident indices			
Accident Frequency Index (No. of accidents/hours worked x 1,000,000)		2.43	4.90
Fatal		-	-
Serious accidents		-	-
Other accidents		2.43	4.90
Total accidents recorded			

Accident Severity Index (days of absence due to accidents / hours worked x 1,000) Average number of days lost due to injury per 1000 days worked	0.01	0.03

Work-related injuries – other workers	**Unit**	**2024**	**2023**
Occupational accidents	No.		
Fatal		-	-
Serious accidents		-	-
Other accidents		1	2
Commuting accidents		-	-
Total accidents recorded		**1**	**2**
Total hours worked	h	15,642	17,672
Days of absence due to accidents	No.	42	14
Accident indices			
Accident Frequency Index (No. of accidents/hours worked x 1,000,000)		63.93	113.17
Fatal		-	-
Serious accidents		-	-
Other accidents		63.93	113.17
Total accidents recorded			
Accident Severity Index (days of absence due to accidents / hours worked x 1,000) Average number of days lost due to injury per 1000 days worked		2.69	0.79

No cases of occupational diseases were recorded among employees and non-employed workers.

Work-life balance metrics

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-15

100% of the Group's employees are entitled to family leave, in accordance with specific national regulations. Maternity leave, paternity leave, parental leave, and caregiver leave were assessed.

Family leave (HC)	**2024**		
	Women	**Men**	**Total**
Number of employees entitled to family leave / by gender	294	221	**515**
Number of employees who took family leave / by gender	17	12	**29**
Percentage of employees who took family leave out of eligible employees and out of total employees	**5.8%**	**5.4%**	**5.6%**

Incidents, complaints and severe human rights impacts

ESRS Standards	ESRS 2 MDR-M, ESRS S1 S1-17

During the reporting period, no incidents of discrimination, including harassment, occurred or were reported, nor were any cases reported through the company channels established to allow workers to raise concerns. Therefore, no fines, penalties, or compensation were paid for damages resulting from human rights incidents or complaints during the reporting period, including serious incidents.

Workers in the value chain

Topic	Sub-topic	Sub-subtopic
S2 Workers in the value chain	Working conditions	Secure employment
		Adequate wages
		Work-life balance
		Health and Safety
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value
		Training and skills development
		Measures against violence and harassment in the workplace
		Diversity
	Other work-related rights	Child labour
		Forced labour

Policies related to value chain workers

ESRS Standards	ESRS 2 MDR-P, ESRS S2 S2-1, ESRS S2 S2-2

The Italcoppie Group recognises that its social impacts can emerge within the value chain, especially concerning working conditions and the respect for fundamental rights among its suppliers and subcontractors. Therefore, the Group has implemented specialised mechanisms for managing the risks and impacts related to workers involved in upstream production processes.

Supplier Code of Conduct
The Italcoppie Group advocates for an ethical and responsible management of its value chain, demanding that its suppliers comply with high social, environmental and governance standards. The **Supplier Codes of Conduct** adopted by Italcoppie Sensori and Reckmann share a consistent approach aimed at preventing and mitigating the main risks and negative impacts on workers in the value chain, while also seizing opportunities for improvement throughout the supply chain.

Supplier Codes of Conduct set binding minimum standards to ensure **respect for human and labour rights** along the entire **value chain**. Key provisions include the prohibition of forced and child labour, respect for freedom of association and collective bargaining, a commitment to non-discrimination, and the promotion of decent working conditions, including fair wages, regulated working hours, and healthy and safe working environments.

Suppliers are also required to adopt behaviours aimed at responsible **environmental management**, which includes proper management of waste, hazardous substances, and wastewater, monitoring of emissions, and compliance with local and international environmental regulations; they are also required to minimise the consumption of natural resources and to promote the use of renewable sources and energy efficiency practices.

The policies **promote honesty and integrity** in all business and financial operations, from respecting intellectual property and stakeholder privacy to responsible sourcing of raw materials. To prevent unlawful behaviour, the Code encourages the use of accessible **grievance** mechanisms and mandates the extension of these standards to subcontractors.

The Supplier Codes of Conduct apply to **all direct suppliers** of Italcoppie Sensori and Reckmann, without distinction as to geography or products, and include a commitment to transfer such requirements to **subcontractors**, ensuring coverage extends throughout the upstream value chain. The codes therefore refer to all workers in the value chain.

The **management** of the Codes of Conduct is entrusted to the corporate Management of each Company, with the support of the Procurement function. These structures are responsible for disseminating the codes and monitoring their implementation.

These Codes are intended to comply with recognised international instruments concerning human rights and working conditions. In particular, they align with the founding principles of international and European law conventions and declarations, including the United Nations (UN) International Bill of Human Rights, the Universal Declaration of Human Rights, and the fundamental conventions of the International Labour Organisation (ILO).

As of the date of this reporting, no instances of non-compliance with the United Nations Guiding Principles, the ILO Declaration or the OECD Guidelines concerning workers in the value chain have been reported, either upstream or downstream in the production process.

Italcoppie Sensori provides for **active engagement** of suppliers through audits, evaluation processes, and targeted communications.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

ESRS Standards	ESRS S2 S2-3

The Italcoppie Group promotes principles of transparency and responsibility throughout its value chain. In this context, Italcoppie Sensori and Reckmann have set up a **whistleblowing system**, also accessible by external individuals, enabling confidential reports of any non-compliant conduct, including situations potentially infringing workers' rights in the value chain. Although Coel and Tunital do not currently have a similar channel, they maintain an ongoing relationship with their suppliers, encouraging dialogue as a tool for preventing and addressing any critical issues.

Actions taken towards workers in the value chain

ESRS Standards	ESRS 2 MDR-A, ESRS S2 S2-4

The Italcoppie Group recognises the importance of protecting working conditions along its value chain, with particular attention to respecting fundamental human rights and promoting safe and decent working environments. While the Group has not yet established a structured programme, individual companies have implemented certain measures to prevent, mitigate, and remediate negative material impacts on workers in the value chain, in line with the principles expressed in the Code of Ethics and corporate policies.

Specifically, Italcoppie Sensori has **incorporated** its Supplier Code of Conduct into its supplier evaluation system: adherence to the Code is an essential requirement for maintaining and renewing business relationships. As described above, the code emphasises the respect for workers' rights, the prohibition of forced or child labour, and the obligation to ensure health and safety conditions that comply with current legislation.

Furthermore, supplier **audits** include checks on social and work safety aspects, with the aim of preventing risk situations and promoting correct and transparent behaviour throughout the supply chain. The areas assessed include:

- the regularity of employment contracts for the employed personnel;
- the absence of forced or non-voluntary labour;
- the existence of company policies aimed at protecting the workforce;
- the administration of employee satisfaction questionnaires;
- the adequacy and healthiness of any canteen facilities;
- the protection of the health and safety of workers performing special tasks.

Reckmann likewise shares its Supplier Code of Conduct with its business partners. Compliance with the Code is regarded as an essential prerequisite for starting or continuing collaboration.

Consumers and end-users

Topic	Sub-topic	Sub-subtopic
S3 Consumers and end-users	Information-related impacts for consumers and/or end-users	Confidentiality
	Personal safety of consumers and/or end-users	Health and Safety Security of a person

Policies related to the personal safety of consumers and/or end-users

ESRS Standards	ESRS 2 MDR-P, ESRS S4 S4-1

The Italcoppie Group promotes a **culture of quality** as a key element for customer satisfaction, the safe use of its products and the continuous improvement of company processes. This commitment is demonstrated by the adoption of a quality management system certified according to ISO 9001 by all Group Companies.

The quality policies implemented apply to the whole customer and end-user base, without any limitations or differentiations for specific groups, and are designed to prevent and mitigate negative impacts, as well as to seize opportunities for innovation, reliability, and transparency in market relations.

These policies reflect a commitment to respecting consumers' human rights, in line with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises, particularly with regard to access to clear information, safe use of products, and the ability to report concerns or complaints.

The Group Companies actively monitor the quality of the products and services offered, and adopt structured mechanisms for hearing and engaging with customers by way of satisfaction surveys, audits, direct feedback, and timely management of non-conformities.

As of today, no documented incidents of breaches of the United Nations Global Compact principles or the OECD guidelines have been reported in the downstream value chain.

Continuous efforts to ensure that products are safe, compliant, and respectful of end-users' rights remain central, promoting transparency, accessibility, and responsiveness by the organisation.

Quality policy and management system

The quality policies adopted by the Group companies, aligned with the requirements of the UNI EN ISO 9001 standard, though tailored to their respective production contexts, share common fundamental principles, such as the commitment to delivering reliable, safe, and regulation-compliant products and services, as well as the widespread empowerment of staff in quality management. The main objectives of the Quality Policy include:

The quality policy is applied to **all business activities**, along **the entire chain** of design, production, testing and delivery, without exclusions. It also applies to **all functional areas** and involves internal staff, external collaborators and, indirectly, suppliers, through contractual quality requirements and selection processes.

Responsibility for the quality system lies with the Corporate Management of each Group Company, which ensures the planning of objectives, the provision of the necessary resources and the monitoring of the effectiveness of the system. Furthermore, each employee is directly involved in the implementation of the policy, following an approach based on shared responsibility.

Quality management procedures

The quality management system is based on a structured framework of **integrated procedures**, aimed at ensuring standards of excellence along the entire value chain. The procedures cover strategic areas of the organisation and are geared towards preventing non-conformities, customer satisfaction, and continuous improvement. The main procedures are outlined below, broken down by subject area.

Document management and design	The **Document Control Procedure** governs the issuance, approval, review, and archiving of all documented information, ensuring traceability and compliance with technical, commercial, and regulatory requirements, including ATEX documents, user manuals, customer specifications, and certificates. **Technical drawings** are managed according to a procedure that regulates their issuance, modification, and approval, distinguishing between standard products, custom products, and those designed for potentially explosive atmospheres. The **design** is organised and managed through a procedure that regulates the entire product development cycle, from requirements gathering and feasibility analysis to technical documentation, validation, and commercial release. It also governs special projects and technical modifications, with a specific focus on traceability, risk assessment, and the quality of the final outcome.
Product quality and safety management	The quality system provides for **internal audits** carried out by qualified and independent personnel, with collection of evidence, identification of non-conformities and implementation of corrective action plans. The **Procedure for handling non-conforming products** is structured based on the stage of detection of non-conformity, specifically: • non-conformity upon receipt; • internal non-conformity, divided between ATEX and non-ATEX products. It also regulates the recording and archiving of non-conformities. Following the analysis of non-conformities, **corrective action** requests are initiated, involving the identification of the cause, the definition of a solution plan by the person in charge of the affected area, the modification of processes or procedures, and the subsequent verification of effectiveness, with documentation on designated forms. Special focus is placed on **FCM products management** via a well-structured set of integrated procedures, which ensures compliance with key European and national regulatory guidelines. The procedure outlines roles and responsibilities, criteria for the

	design, production, control, and traceability of food contact articles, whilst also governing the selection and qualification of suppliers, supporting documentation, process environmental conditions, the declaration of conformity, corrective actions, and product recalls from the market, fully adhering to good manufacturing practices and applicable hygiene requirements. Specific **cleaning and disinfection** procedures are also in place, covering production facilities, warehouses, common areas, and toilets, with routine and extraordinary actions performed by both internal staff and external companies. A plan for the prevention and control of pests is also in place. Any non-conformities are managed with corrective actions and, if necessary, training activities. The **manufacturing service** is regulated throughout the entire production cycle, from order planning to delivery, ensuring compliance with technical, quality, and contractual requirements. The procedure establishes the operational methods for the initiation and control of orders, the handling of materials and semi-finished items, the testing activities, the intermediate and final inspections, and the product traceability. It also includes specific instructions for special processes (welding, moulding, spot welding), non-conformity management, plant and equipment maintenance, packaging and shipping.
Product and customer life cycle management	The **Procedure for the Handling of Customer Returns** governs the handling of returned products, including ATEX products, following non-conformities found after delivery. The process begins with the receipt, identification, and segregation of returned material, followed by the collection of information for complaint analysis. Complaints are logged using a form and assessed to identify the cause of the defects, potential corrective actions, and the methods of closure, which include reworking, discarding, or replacing. Management provides a formal response to the customer within 5 working days from the receipt of the complaint. The **Sales Service Organisation and Management Procedure** governs all stages of the sales process, from the first contact with the customer to the archiving of contractual documents. The activities of sales staff include promoting products through direct and indirect channels, collecting information during customer visits, verifying technical and financial details of offers, analysing and confirming orders, and managing any changes.
Procurement management	The organisation of the **purchasing department** involves a strict classification and evaluation of suppliers by product groups. Suppliers are qualified based on criteria of quality, punctuality, and collaboration, and are subjected to regular monitoring via ratings and inspections. Order management, including sampling and outsourcing, is carried out according to detailed procedures, with particular attention to the compliance of critical materials and products intended for use in potentially explosive atmospheres. For further information on this topic, please refer to sections *Purchasing procedure and evaluation criteria* and *Management of relationships with suppliers*.

Declarations of conformity

The Italcoppie Group issues various declarations of conformity to certify compliance with applicable regulations for its products. The main declarations are listed below.

Certification		Description	Boundaries
RoHS COMPLIANT	**RoHS** - Restriction of Hazardous Substances	The RoHS Declaration of Conformity certifies that products placed on the market comply with Directive 2011/65/EU - as amended and supplemented - which restricts he use of hazardous substances in electrical and electronic equipment.	Italcoppie Sensori S.r.l. Reckmann GmbH
REACH COMPLIANT	**REACH** - Registration, Evaluation, Authorisation and	The REACH declaration of conformity confirms that products placed on the market comply with Regulation (EC) 1907/2006, as amended and supplemented, concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals.	Italcoppie Sensori S.r.l. Reckmann GmbH

	Restriction of Chemicals		
	Conflict Minerals	Although not subject to Regulation (EU) 2017/821, Italcoppie opposes the use of minerals from conflict zones. Tin and gold are sourced in minimal quantities from European suppliers in compliance with responsible supply chain regulations.	Italcoppie Sensori S.r.l. Reckmann GmbH
	FCM - Food Contact Materials	The declaration of conformity pursuant to Regulation (EC) 1935/2004 and Regulation (EC) 2023/2006 confirms that correctly labelled products are suitable for food contact.	Italcoppie Sensori S.r.l.
	Proposition 65	Through compliance with California's Proposition 65, known as the Safe Drinking Water and Toxic Enforcement Act of 1986, Italcoppie Sensori S.r.l. certifies that products placed on the market are not intended for ingestion, inhalation, or skin absorption under normal conditions of use.	Italcoppie Sensori S.r.l.
	TSCA - Toxic Substances Control Act	Italcoppie Sensori's TSCA compliance statement certifies that products placed on the market do not contain persistent, bioaccumulative and toxic (PBT) chemicals banned under Section 6(h) of the US Toxic Substances Control Act.	Italcoppie Sensori S.r.l.
PFAS	Restrictions on **PFAS** substances	Italcoppie Sensori S.r.l. monitors the evolution of European legislation on perfluoroalkyl substances (PFAS). Although the Group does not use short-chain PFAS in its materials, it does use long-chain fluorinated polymers—potential precursors—where technically necessary, and is actively seeking more sustainable alternatives.	Italcoppie Sensori S.r.l.
POP	**POP** Declaration – Persistent Organic Pollutants	Italcoppie Sensori S.r.l.'s declaration under Regulation (EU) 2019/1021 on Persistent Organic Pollutants (POPs) confirms that the products placed on the market are free of hazardous and persistent organic chemicals that pose a threat to the environment and health.	Italcoppie Sensori S.r.l.

Processes for engaging with consumers and end-users about impacts

ESRS Standards	ESRS S4 S4-2

The Group Companies maintain ongoing relationships with direct customers, who serve as the main point of contact with the market, with varying engagement approaches among the different companies.

Italcoppie Sensori is periodically rated by some of its clients, and these **ratings** are analysed by the commercial representatives. Such assessments, although not structured by an internal procedure, serve as a useful tool to identify potential critical issues, typically associated with exogenous factors like procurement delays and costs. Any negative feedback is discussed with the relevant departments with a view to implementing improvements. In addition, during product design, specific customer requirements can be assessed, for example in terms of materials and safety, particularly when related to compliance with industry regulations.

Coel implements a structured approach to monitoring customer satisfaction by means of **semi-annual qualitative questionnaires** and **weekly internal meetings** focused on analysing the feedback received. The collected data is utilised to enhance the quality of products and services.

Lastly, Reckmann performs an **annual systematic assessment of risks and opportunities** associated with stakeholders, including clients, as an integral part of its strategic analysis. The discussion takes place through the sales manager and can be conducted either directly or through internal considerations regarding the implicit expectations of stakeholders. **Customer engagement** is usually **direct**.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS Standards	ESRS S4 S4-3

Within the Italcoppie Group, the mechanisms for receiving, analysing and handling reports from customers and end users are based on **direct, operational and easily accessible channels**, which prioritise **timeliness in resolving issues** and **technical dialogue** with stakeholders.

At **Italcoppie Sensori**, discussions with customers mainly take place during the **product design phase**, when specific requirements can be assessed, and functional or safety elements can be integrated. Customers engage directly with the technical-sales department, which acts as the primary reference channel. After the product is defined and validated, no further requests are generally made. **Tunital** manages critical issues through **audits** and **online meetings** with customers. At **Reckmann**, any problems are reported directly to the **quality department**, which is the designated point of contact for customers. **Coel** provides a **technical and after-sales service**, accessible by phone, e-mail, or in person. Additionally, **weekly meetings** are held with key customers to immediately address any potential issues. At present, there are no formal complaints from customers.

In addition to direct channels, Italcoppie Sensori and Reckmann have implemented a **whistleblowing system** that is also accessible to external stakeholders, including the Group's customers. For further information on this topic, please refer to section *The Whistleblowing System*.

Actions taken towards consumers and end-users

ESRS Standards	ESRS 2 MDR-A, ESRS S4 S4-4

The Italcoppie Group acknowledges the importance of its clients and end-users, focusing especially on the quality, safety, and reliability of its products. Consistent with this commitment, Group Companies implement actions and projects to enhance the technical performance of products, respond proactively to customers' application needs, and aid in the creation of safer and more functional solutions. Such initiatives are primarily realised through investments in research and development, optimisation of technical processes, and direct collaboration with customers to adapt products to specific usage contexts.

In 2024, **Italcoppie Sensori** undertook several **research and development projects**, aimed at improving the technical reliability and suitability for use of its sensors in critical or highly specific environments. The first project concerns the development of a **flow sensor** intended for environments where **food** may pass. The project demanded significant engineering complexity to satisfy both the performance criteria and the safety and hygiene standards required by industry regulations.

A second development concerns the design of an **IO-Link-compliant temperature data collection system**, intended to become a UL certified product. This innovation, developed in-house by Italcoppie Sensori, is designed to ensure full compatibility with advanced automation architectures, improving the efficiency of thermal monitoring in industrial environments.

The third project involved the design and supply of around **50,000 sensors** for temperature control in the production lines of a customer operating in the **industrial automation** sector. Even though the project was designed as a one-off initiative, it provided a significant innovation opportunity for Italcoppie, resulting in the development of a bespoke solution that can potentially be replicated in related industries.

Similarly, **Coel** has initiated **joint product development actions** to address specific customer requests. Specifically, an existing product is currently being **reviewed**, in partnership with the customer's sales and technical department, in order to adapt it to changing market conditions. The goal is to enhance the product's performance and application compatibility, while at the same time strengthening the relationship with the customer.

In 2024, **Reckmann** established a **new R&D technical department** with the aim of improving the quality and consistency of technical drawings and production documentation. This reorganisation has resulted in an optimisation of internal workflows, streamlining project stages and reducing processing times. The initiative has already delivered tangible benefits regarding project accuracy and information consistency to support the end customer.

Concurrently, the German Company has commenced the development of a new type of **thermocouple for the glass industry**, intended for use both in direct measurement inside the glass and in the furnace vault. The new design, previewed at the Glasstec trade fair, has attracted considerable interest from customers, whose feedback is aiding in the enhancement of the prototype, scheduled for 2025.

In addition, a **project is underway to standardise price lists**, including the automatic creation of technical drawings for components. This initiative seeks to enhance transparency and efficiency in communication with customers, enabling more streamlined and traceable order management.

As of the date of this report, no serious human rights issues or incidents have been reported in relation to consumers or end users of the Group's products.

4. Governance disclosure

Business Conduct

Topic	Sub-topic	Sub-subtopic
G1 Business Conduct	Corruption and bribery	Prevention and detection including training Incidents
	Management of relationships with suppliers, including payment practices	
	Protection of whistleblowers	

Corporate culture and business conduct policies

ESRS Standards	ESRS 2 MDR-P, ESRS G1 G1-1

The Italcoppie Group promotes a corporate culture based on integrity, responsibility, and compliance with regulations, resulting in ethical conduct and a constant pursuit of quality, safety, and sustainability across all operations. The corporate culture is strengthened by adopting clear internal policies, ongoing communication of corporate values, and direct engagement of all employees and material stakeholders.

The Italcoppie Group pursues a holistic corporate culture, based on fundamental values such as **legality**, **integrity**, **respect for human rights**, **safety at work**, **environmental protection, privacy safeguarding**, and **individual responsibility**.

The Code of Conduct

The Code of Conduct adopted by Italcoppie Sensori, Coel, and Rekmann serves as the main instrument for conveying and strengthening the corporate culture. As described in section *Policies related to own workforce*, the code establishes fundamental principles on legality, fairness, respect for individuals, prevention of conflicts of interest, anti-corruption, and data protection.

The Code provides mechanisms for reporting unlawful conduct or breaches of internal rules, which are accessible to both own workers and external stakeholders, and serves as a guide for managing ethical risks, including the risks of corruption and bribery.

Procedure for materials sourcing and qualification of external suppliers

In compliance with the requirements of the ISO 9001:2015 certified quality management system, the Group Companies have established purchasing management procedures aimed at ensuring the selection and retention of qualified suppliers. More information on the management process can be found in section *Management of relationships with suppliers*.

The Whistleblowing System

Within the Group, Italcoppie Sensori and Reckmann have established **dedicated reporting channels** via secure digital platforms that are accessible to employees, collaborators and external stakeholders directly from the corporate websites. The platforms, operated via the **Whistleblower Software**, enable whistleblowers to submit reports confidentially and, if desired, fully anonymously. The platforms are designed to be easily accessible from any device and ensure the traceability and security of the information flow, in line with the requirements of European regulations.

The digital whistleblowing platform guarantees the secure, independent, and confidential handling of reports. Through this tool, the Group has established procedures to investigate business conduct incidents, including potential incidents of corruption and bribery or breaches of the Code of Conduct, promptly, independently and objectively. The investigations are entrusted to personnel who are competent and independent of the operational areas concerned.

Besides the online platform, Italcoppie Sensori has set up additional internal reporting channels:

Sending a **registered letter** via post, addressed to the Reporting Managers at the Company's registered office;

Request for a **direct meeting with the Reporting Managers**.

It is noted that, regardless of the channel selected for submitting a report, the Company and the Reporting Managers guarantee compliance with the obligation of confidentiality of the identity of the reporting person and the prohibition of retaliation, in accordance with Legislative Decree no. 24/2023 ("Whistleblowing Decree") and Directive (EU) 2019/1937.

Pursuant to the Whistleblowing Decree, whistleblowers can, when certain conditions are met, also use the **external reporting channel** managed by the Italian Anticorruption Authority (ANAC).

The procedures for using the reporting channels are available in English, Italian, and German on the Italcoppie Sensori and Reckmann website in the "Whistleblowing" section.

In accordance with the applicable legislation implementing Directive (EU) 2019/1937, the staff members responsible for handling reports have received specific **training** on the principles of independence, impartiality, and protection of confidentiality.

In order to encourage a corporate culture among its own workforce, Italcoppie Sensori's **training programme** includes an in-house course on the Code of Conduct, ethics, occupational health and safety, and the whistleblowing system, delivered by the Head of Human Resources. This training programme serves as a tool to enhance employees' awareness of corporate principles and to encourage behaviour consistent with the corporate culture in all everyday tasks.

Management of relations with suppliers

ESRS Standards	ESRS G1 G1-2

The **Purchasing procedure and evaluation criteria** govern the Group's resource procurement process. This process starts with the **identification of a need** by company departments and the documentation of a purchase request. Priority is given to suppliers who are already qualified and included in specific **Vendor Lists**. Supplier qualification is based on criteria such as:

- possession of quality **certifications** issued by recognised bodies (e.g. ISO 9001);
- technical capability and **reliability** in adhering to technical specifications and applicable regulations;
- quality **outcomes** of previous supplies (absence of defects, compliance with delivery deadlines);
- for regulated supplies, availability of **mandatory documentation** (e.g. EC declarations of conformity, safety instructions).

Currently, environmental and social criteria are considered in the supplier selection process through the voluntary adherence to the Supplier Code of Conduct or a preference for suppliers holding environmental certifications, in particular ISO 14001-certified environmental management systems, although these criteria are not binding.

The Companies **periodically monitor suppliers** through checks upon receipt of materials, quality inspections and, where applicable, audits or inspections. For newly qualified or occasional suppliers, purchase orders include detailed technical specifications and product sector requirements.

Vendor List management and supplier monitoring involve **periodic reviews** to confirm, update, or remove suppliers based on the results achieved. Performance **evaluation** systems are applied that take into account quality, timeliness of deliveries, and responsiveness. In particular, Italcoppie Sensori uses a rating system that requires suppliers to meet minimum reliability thresholds, while Coel and Reckmann conduct technical assessments and document checks.

The Group primarily uses long-standing, established suppliers, while new suppliers are selected mainly to meet specific customer demands or to mitigate logistical risks. For a general description of the Group's suppliers, please refer to the section on *Suppliers*.

Audit and monitoring of the supply chain

Italcoppie Sensori has established a **monitoring process** that includes audits of the most significant suppliers in terms of revenue, product type, and regulatory risk profile, with a specific focus on suppliers of FCM products. Audits are conducted directly by Group personnel and focus on product quality, regulatory compliance, and safety. The audit findings are documented via an Inspection Report, objectively detailing the situations observed and any corrective actions required.

The main areas to be audited include:

- process and product quality;
- materials management;
- technical documentation;
- management of measuring instruments and equipment;
- corrective actions for suppliers and customers;
- health, safety and environment.

In terms of environmental parameters, audits review the healthiness, cleanliness, and appropriate lighting of workplaces, alongside the proper handling of fumes and dust emissions generated in production areas. The presence of containment systems for any tanks is also assessed, along with the management of the waste produced. Lastly, the adoption of systems for the production of energy from renewable sources and reuse systems, such as water recovery, is considered. Social criteria are described in section *Actions taken towards workers in the value chain*.

Suppliers achieving a rating below 65% (in terms of reliability and quality with respect to delivered lots, detected non-conformities and delays) for two consecutive years are supported in achieving the objective through corrective actions. In 2024, Italcoppie Sensori set the goal of achieving an average supplier quality level (LQA) of ≥ 75 and a supplier non-conformity rate on the total number of supplier order documents (BOF) < 2.5%.

From 2025, Italcoppie Sensori will implement a new **management system** for dynamically evaluating suppliers, focusing on environmental sustainability and governance criteria. Periodic reports, either quarterly or every four months, will be provided to indicate scores and performance-affecting parameters, aiming to achieve real-time feedback and encourage ongoing enhancement.

Supply chain resilience

Risk monitoring in the supply chain is primarily related to business continuity and logistics factors. The Group has implemented actions to reduce its dependence on suppliers based in regions more exposed to supply risks, prioritising, where possible, local suppliers in Italy or Europe for European companies and in Brazil for Coel, to ensure shorter delivery times and stability of supplies.

Prevention and detection of corruption and bribery

ESRS Standards	ESRS G1 G1-3

The Group has adopted an **integrated approach** that combines formal documentation, training, and direct communication, establishing an extensive network that involves all corporate levels:

- The Codes of Conduct are made available to employees via the corporate website and are also available in hard copy upon request;
- Anti-corruption training within the Italcoppie Group is tailored according to the size of the Companies and the level of risk associated with different activities.

Italcoppie Sensori has established a structured pathway for the prevention of corruption. During the reporting period, the Company provided a total of **37.5 hours of in-class training to 34 recipients**, with a specific focus on personnel identified as at risk, i.e. employees who engage with customers and suppliers (clerks, managers, and department heads). The training covered the Code of Conduct and the whistleblowing system. For staff members who have already undergone training, the training is updated when there are amendments to the reference documentation, whereas from 2025 onwards, new hires will receive their training upon joining the company. To ensure that training is delivered to all employees, Italcoppie issues a communication aimed at informing personnel who have not yet participated in specific training sessions

on the matter. During the reporting period, training programmes covered **58.6% of at-risk functions**, prioritising function managers and key figures frequently in contact with external entities. For the remaining staff, information training has been planned, provided by the relevant managers.

Although the other Group companies do not have a structured training process on these matters, the topic of anti-corruption is addressed through **awareness-raising** sessions managed internally by managers, on an annual basis or as needed.

Incidents of corruption and bribery

ESRS Standards	ESRS 2 MDR-A, ESRS 2 MDR-M, ESRS G1 G1-4

During the reporting period, as in previous periods, no incidents of corruption or bribery involving Directors or employees of the Italcoppie Group were recorded. In particular, there have been no convictions nor have any penalties been imposed for breaches of anti-corruption and anti-money laundering regulations.

No confirmed instances of corruption have been identified, nor have there been any disciplinary measures or dismissals related to such matters. Likewise, there are no reported instances where contracts with business partners have been terminated or not renewed because of such breaches.

Finally, there are no pending or concluded public legal proceedings against the Italcoppie Group or its employees regarding corruption issues.

Payment practices

ESRS Standards	ESRS 2 MDR-M, ESRS G1 G1-6

The Italcoppie Group employs payment practices based on fairness, transparency, and consistency, applying uniform conditions to all suppliers, regardless of their size.

Payment terms are mostly within 30-90 days from the invoice date, with a negligible percentage of cases exceeding 90 days. The conditions are defined based on the type of supply. European suppliers typically have payment terms averaging up to 60 days, whereas for supplies of significant economic importance, like machinery, payment terms may be longer.

The Group also adopts virtuous practices, such as making **payments in advance** of the agreed deadline or within 14 days from the invoice date, in order to benefit from any possible discounts. The Group's Management has established regular monthly deadlines to ensure timeliness and continuity in relationships with suppliers.

During the fiscal year 2024, no legal actions were initiated due to late payments.

Appendix 1 – ESRS Contents Index

ESRS standards	Disclosure	ESRS Indicator	References Chapter
General disclosures			
BP-1	General basis for preparation of sustainability statements	DR 3, DR 5	General disclosures / Basis for preparation
BP-2	Disclosures in relation to specific circumstances	DR 6, DR 9, DR 10, DR 11, DR 13, DR 14, DR 15, DR 16	General disclosures / Basis for preparation
GOV-1	The role of the administrative, management and supervisory bodies	DR 19, DR 21a, DR 21b, DR 21d, DR 21e, DR 22a	General disclosures / Sustainability governance / Governance model and corporate bodies
		DR 22c, DR 22d, DR 23a, AR 4	General disclosures / Sustainability governance / Sustainability governance
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	DR 24, DR 26a, DR 26c	General disclosures / Sustainability governance / Sustainability governance
SBM-1	Strategy, business model and value chain	DR 38	General disclosures / Strategy and business model / The industry: scenarios, market trends and regulatory framework
		DR 40e, DR 40f, DR 40g	General disclosures / Strategy and business model / Italcoppie's commitment to sustainable development
		DR 40ai, DR 40aii, DR 40aiii, DR 42b, DR 42c, AR 14a, AR 14b	General disclosures / Strategy and business model / Business model
SBM-2	Interests and views of stakeholders	DR 43, DR 45a, DR 45b	General disclosures / Strategy and business model / The stakeholders: interests and expectations
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	DR 46, DR 48a, DR 48c, AR 17	General disclosures / Material matters / The material matters
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	DR 51, DR 53a, DR 53b, DR 53c, DR 53g	General disclosures / Material matters / The process to identify and assess material impacts, risks and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	DR 54, DR 56, DR 59	General disclosures / Material matters / Material matters and ESRS reporting
Environmental information			
ESRS E1 - Climate Change			
E1-2	Policies related to climate change mitigation and adaptation	DR 22, DR 25, AR 18	Environmental information / Climate Change / Policies related to climate change mitigation and adaptation
E1-3	Actions and resources in relation to climate change policies	DR 26, DR 29a	Environmental disclosures / Climate change / Actions in relation to climate change
E1-4	Targets related to climate change mitigation and adaptation	DR 30, DR 33	General disclosures / Material matters / Material matters - Targets and actions
E1-5	Energy consumption and mix	DR 35, DR 37, DR 39, DR 40, DR 41, DR 43, AR 32, AR 34, AR 36	Environmental disclosures / Climate change / Energy consumption and mix
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	DR 44a, DR 44b, DR 48a, DR 49, DR 53, DR 54, AR 39a, AR 39b, AR 43a, AR 43b, AR 43c, AR 43d, AR 45, AR 53	Environmental disclosures / Climate change / GHG emissions
ESRS E2 - Pollution			
E2-1	Policies related to pollution	DR 12, DR 15, AR 11	Environmental disclosures / Pollution / Policies related to pollution
E2-2	Actions and resources related to pollution	DR 16, AR 15	Environmental disclosures / Pollution / Pollution actions
E2-5	Substances of concern and substances of very high concern	DR 32, AR 28	Environmental disclosures / Pollution / Substances of concern and substances of very high concern
ESRS E5 - Resource use and circular economy			
E5-1	Policies related to resource use and circular economy	DR 12, DR 14, DR 15, AR 8	Environmental disclosures / Resource use and circular economy / Policies related to resource use and circular economy

E5-2	Actions and resources related to resource use and circular economy	DR 17, DR 19, DR 20	Environmental disclosures / Resource use and circular economy / Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy	DR 21, DR 24	General disclosures / Material matters / Material matters - Targets and actions
E5-4	Resource inflows	DR 28, DR 30, DR 31a, DR 32, AR 21	Environmental disclosures / Resource use and circular economy / Resource inflows
E5-5	Resource outflows	DR 33, DR 35, DR 36, DR 37, DR 38, DR 39, DR 40, AR 26, AR 33	Environmental disclosures / Resource use and circular economy / Resource outflows
Social information			
ESRS S1 - Own workforce			
S1-1	Policies related to own workforce	DR 17, DR 19, DR 20a, DR 20b, DR 21, DR 22, DR 23, DR 24, AR 12, AR 15, AR 16	Social disclosures / Own workforce / Policies related to own workforce
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	DR 25, DR 27, AR 21, AR 23, AR 24	Social disclosures / Own workforce / Processes for engaging with own workforce and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	DR 30, DR 32a, DR 32b, DR 33	Social disclosures / Own workforce / Processes to remediate negative impacts and channels for own workforce to raise concerns
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	DR 35, DR 38c, DR 40b	Social disclosures / Own workforce / Actions taken towards own workforce
S1-5	Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities	DR 44, DR 46	General disclosures / Material matters / Material matters - Targets and actions
S1-6	Characteristics of the undertaking's employees	DR 48, DR 50a, DR 50b, DR 50c, DR 50d, DR 50e, DR 50f, DR 51, AR 55, AR 58, AR 59	Social disclosures / Own workforce / Characteristics of the employees
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	DR 53, DR 55a, DR 55b	Social disclosures / Own workforce / Characteristics of non-employees in the own workforce
S1-8	Collective bargaining coverage and social dialogue	DR 58, DR 60, DR 63a, DR 63b, AR 66, AR 69	Social disclosures / Own workforce / Collective bargaining and social dialogue
S1-9	Diversity metrics	DR 64, DR 66	Social disclosures / Own workforce / Diversity metrics
S1-10	Adequate wages	DR 67, DR 69	Social disclosures / Own workforce / Fair wages
S1-11	Social protection	DR 72, DR 74, DR 75, AR 75	Social disclosures / Own workforce / Social protection
S1-12	Persons with disabilities	DR 77, DR 79, DR 80, AR 76	Social disclosures / Own workforce / Persons with disabilities
S1-13	Training and skills development metrics	DR 81, DR 83, AR 77, AR 78	Social disclosures / Own workforce / Training and skills development
S1-14	Health and safety metrics	DR 88a, AR 80	Social disclosures / Own workforce / Policies related to own workforce
		DR 86, DR 88b, DR 88c, DR 88e, DR 89	Social disclosures / Own Workforce / Health and safety metrics
S1-15	Work-life balance metrics	DR 91, DR 93, AR 96	Social issues / Own workforce / Work-life balance metrics
S1-17	Incidents, complaints and severe human rights impacts	DR 100, DR 103a, DR 103b, DR 104a, AR 106	Social disclosures / Own workforce / Incidents, complaints and severe human rights impacts
ESRS S2 - Workers in the value chain			
S2-1	Policies related to value chain workers	DR 14, DR 16, DR 17, DR 19, AR 13	Social disclosures / Workers in the value chain / Policies related to value chain workers
S2-2	Processes for engaging with value chain workers about impacts	DR 20, DR 22, AR 17, AR 20	Social disclosures / Workers in the value chain / Policies related to value chain workers
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	DR 25, DR 27, DR 28, AR 25	Social disclosures / Workers in the value chain / Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	DR 30, DR 32	Social disclosures / Workers in the value chain / Actions taken towards workers in the value chain
ESRS S4 - Consumers and end-users			
S4-1	Policies related to consumers and end-users	DR 13, DR 15, DR 16, DR 17, AR 11	Social disclosures / Consumers and end-users / Policies related to the personal safety of consumers and/or end-users
S4-2	Processes for engaging with consumers and end-users about impacts	DR 18	Social disclosures / Consumers and end-users / Processes for engaging with consumers and end-users about impacts
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	DR 23, DR 25, DR 26, AR 19	Social disclosures / Consumers and end-users / Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	DR 28, DR 31a, DR 31b, DR 31c, DR 32b, DR 33b, DR 35, AR 37	Social disclosures / Consumers and end-users / Actions taken towards consumers and end-users
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	DR 38, DR 40	General disclosures / Material matters / Material matters - Targets and actions
Governance information			
ESRS G1 - Business Conduct			
G1-1	Business conduct policies and corporate culture	DR 7, DR 10a, DR 10c, DR 10e, DR 10g, AR 1b, AR 1d	Governance disclosures / Business Conduct / Corporate culture and business conduct policies
G1-2	Management of relationships with suppliers	DR 15a, DR 15b, AR 2g	Governance disclosures / Business Conduct / Management of relationships with suppliers
G1-3	Prevention and detection of corruption and bribery	DR 16, DR 18a, DR 20	Governance disclosures / Business conduct / Prevention and detection of corruption and bribery
G1-4	Incidents of corruption or bribery	DR 22, DR 24	Governance disclosures / Business conduct / Incidents of corruption or bribery
G1-6	Payment practices	DR 31, DR 33a, DR 33b, DR 33c, AR 17	Governance disclosures / Business Conduct / Payment practices