



Efficient stator and rotor solution for energy transition

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Letter to Stakeholders

Dear Stakeholders of EuroGroup Laminations,

In EuroGroup Laminations we want to create new opportunities in a world of changing and urgencies.

Without a second thought, we faced the new circumstances as a challenge that could give us opportunities to make steps in the right direction, starting from the energy transition.

As a global presence, with facilities present from Asia to the Americas, the work we provide has never withered. The consistency of our production has led us to join the growth of demand for zero-impact mobility in the automotive sector.

We managed to reach a consolidated turnover of 556.9 million euros in 2021 compared to 373.2 million euros in 2020.

In the publication of this disclosure, we renew our commitment towards Sustainability-related global standards. More specifically, our presence in the market has led us to focus on internal development: the adoption of best practices consistent with ESG criteria, a growing paradigm on which we shape every aspect of our activities, which falls in line with the expectations of our customers and the social context in which we operate.

We are therefore very happy to present our first Group Sustainability Report in occasion of the year 2021, we want to prove our commitment to being responsible for the well-being of the world in which we live and to give our active contribution.

Thank you very much to all of you for your support.

The Chief Executive Officer

Marco Arduini

Methodological Note

This document constitutes the 2021 Sustainability Report of *EuroGroup Laminations* (hereinafter also the “Report”). The name “EuroGroup Laminations S.p.A” has been established on November 18th 2022, replacing the previous name EuroGroup S.P.A.

The Sustainability Report covers - to the extent necessary to ensure the understanding of the business activity, its trends, performance and related impacts - the environmental, social, personnel-related issues, respect for human rights and the fight against active and passive corruption that are relevant taking into account the Group's activities and characteristics, as illustrated in the materiality matrix included in this document.

The document has been prepared with reference to the “Global Reporting Standards” defined by the Global Reporting Initiative (GRI).

The data and information of the Report refer to all the companies belonging to the EuroGroup Laminations S.p.A. (formerly Euro Group S.p.A.) at 31 December 2021, consolidated on a line-by-line basis (any exception is expressly indicated in the text). Environmental data and information only take into consideration EuroGroup Laminations’s production plants since offices are not considered material. The perimeter of the economic-financial data coincides with that of the Group's 2021 Consolidated Financial Statement, IFRS principles.

Within this document, for clarity purposes, the data and information linked to the wording “*EuroGroup Laminations*” or “Group” refer to all the companies of the Group. Any changes in the scope have been appropriately indicated in the document. Whereas the data and information related to a particular entity will be referred to as with the name of the specific company (e.g., “*Eurotranciatura*”).

The use of estimates has been reduced as much as possible and, if used, have been based on the best available methodologies and appropriately disclosed.

Deloitte & Touche S.p.A. issues an external assurance (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised principle) on this document. The audit was carried out according to the procedures indicated in the “Report of the Independent Auditing Firm”, included in this document.

The Sustainability Report will be published annually. If any further information is required. For more information about the Group, please visit the website: <https://euro-group.it/download/>.

The Group

EuroGroup Laminations is a leading global supplier of key components for electric motors and generators including rotors, stators, laminations, and moulds, leveraging a footprint of 12 plants worldwide. *EuroGroup Laminations* products and services are developed for applications in the automotive (in particular traction motors for electric vehicles), industrial, energy, and domestic appliances markets. *EuroGroup Laminations* assists its customers during the development of their products, recommending the technologies most appropriate to their requirements.

EuroGroup Laminations S.p.A. is the industrial Holding Company that coordinates and controls several companies placed around the world and manufacturing electric motors and generators.

Vision and Mission

EuroGroup Laminations promotes stakeholders' adherence to its values and mission, in compliance with all applicable regulations, standards, and its Code of Ethics.

Our values

Only by sharing common values with our employees and our customers, we can strengthen and motivate our continuous business improvement. Our customers choose us due to our capacity to innovate with efficiency, reliability, transparency, and quality. Our values were set over 50 years ago by our founders: they have guided our success and will continue to be the foundations upon which we will build *EuroGroup Laminations* for the next 50 years. We base our activity on reciprocal correctness, respect, honesty and transparency in all our business relationships.

Our Vision

"Efficient stator and rotor solution for green energy transition"

EuroGroup Laminations vision is to preserve the well-being of our global family and the planet by:

- Promoting open, fair, and ethical conduct;
- Pursuing sustainable development with a global focus;
- Growing with initiative and determination;
- Embracing passion for our business;
- Working with independence and results-focused;
- Valuing our people;
- Building excellence in manufacturing and technology.

EuroGroup Laminations provides to its clients innovative products of the highest quality that contribute to a sustainable future. As a family company and a company of families, our Vision is founded on the idea of creating a better world for our children. Our employees are conscious of their daily commitments towards both our clients and towards building a sustainable future. Our engineers understand that only by developing our products and services with the highest standards, we can achieve our vision.

Our Mission

EuroGroup Laminations is in motion around you. Our mission is to provide solutions, products, and services that exceed our clients' expectations and to be a global leader of the electrical steel market. Our employees, collaborators, representatives, suppliers and commercial counterparties all contribute to the achievement of this mission. We strive to achieve this:

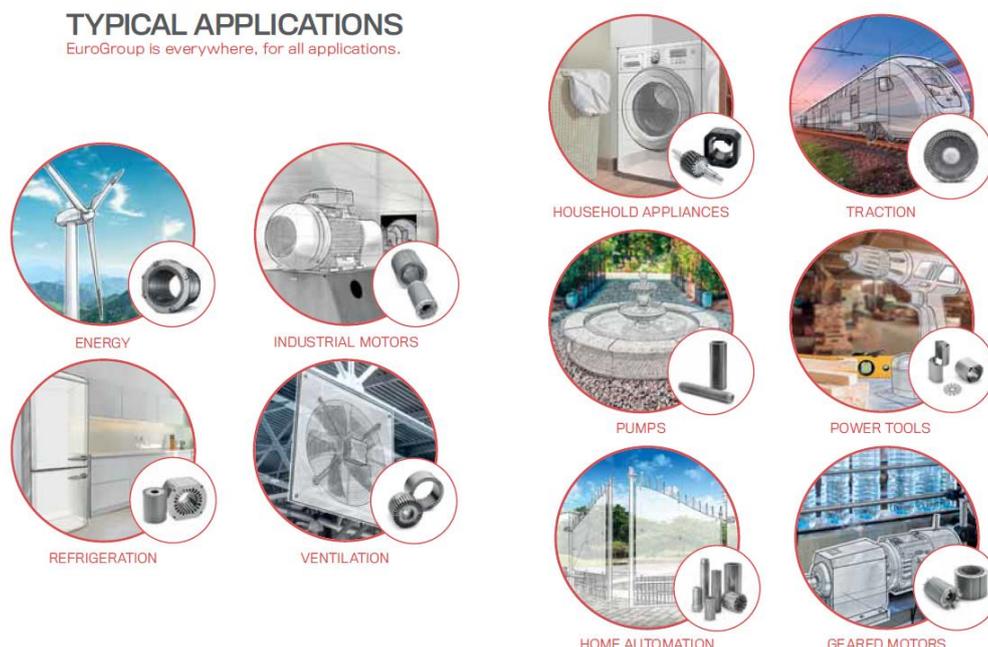
- For every solution, product, or service requiring motion by electrical rotation.
- From a global network of *EuroGroup Laminations* facilities supporting our international, high technology partners.
- Proactively because, for *EuroGroup Laminations*, motion is life.

Global presence

Our global production footprint is strategically located close to key customers. In its industry *EuroGroup Laminations* has a solid presence with 12 production plants across 4 continents and a sales network active in Europe, China, North America and South America.



Production process overview



The Group processes the highest quality raw materials. The electrical steel processed by *EuroGroup Laminations* can be subdivided into the following areas:

- Steel slitting;
- Blanking;
- Assembly and additional processes.

The product portfolio for all sectors consists of:

- Stator and rotor laminations;
- Stator and rotor packs;
- Die-cast rotors;
- Rotors with shaft;
- Stators and rotors produced with slinky technology;
- Components for electric motors.

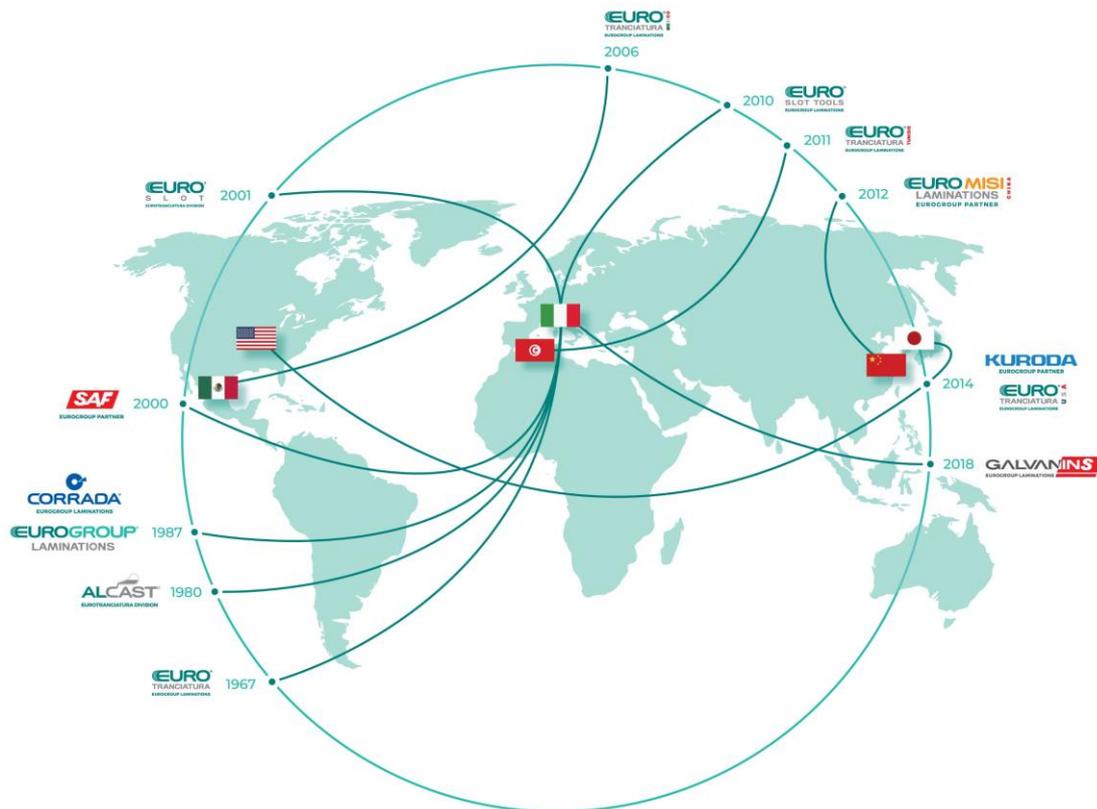
Our Company Profile

Founded in Baranzate, Italy in 1967 the business started as an entrepreneurship of three cousins with three local workers. The Group's ultimate controlling party is Euro Management Services S.p.A, also referred to as E.M.S.

Nowadays, *EuroGroup Laminations* represents one of the most dynamic and innovative global suppliers developing high-tech components for rotating electrical machines. With a global staff of around 2,000 employees, production facilities present in Italy and internationally (Mexico, United States, China and Tunisia), a consolidated turnover of € 556.9 million in 2021. *EuroGroup Laminations's* core values of reciprocal correctness and transparency have driven the development of multinational partnerships and alliances, to guarantee the continuous growth and technological innovation in our business operations.

EuroGroup Laminations is organized in two operating and reportable segments, based on a brand perspective:

- EV & AUTOMOTIVE: the Business Unit is introduced in recent years, operates mainly in the electric automotive sector and in general utilities regarding automotive;
- INDUSTRIAL: is the historical Business Unit of the Group and produces components mainly for the following product lines: home, logistic, energy, pumps HVAC, tools and diversified industrial.



Our business model

EuroGroup Laminations has a virtuous and innovative business model:

1. *Size*
 - Global leadership in stators and rotors manufacturing;
 - Largest invested asset base in the sector, which is extremely difficult to replicate;
 - Economies of scale in procurement.
2. *Global reach*
 - 12 plants across 4 continents;
 - Opportunity to serve global customers in multiple geographies;
 - Sharing of best practices.

3. *Technological capabilities*

- Strong know-how in the production of innovative dies;
- Comprehensive portfolio of assembling technologies and added value operations allowing to offer tailor-made solutions to customers.

4. *Reputation*

- Lasting commercial relationships with several top customers;
- Supplier of choice for complex and innovative products involving co-design phases;
- Best in class reputation increasingly allows to directly serve EV OEMs.

EuroGroup Sustainability

Sustainability is core to *EuroGroup Laminations* business, it drives its capacity to innovate with efficiency, reliability, integrity, and quality. *EuroGroup Laminations* delivers innovative products of the highest quality, as a contribution to sustainability and environmental well-being to create a better world for future generations. For the first year, *EuroGroup Laminations* is giving disclosure of the performance in the Environmental, Social and Governance (ESG) areas for the whole Group, as a response to the expectations and needs of its stakeholders, according to the limitation of scope highlighted in the “Methodological Note” of this document. By increasing its commitment of integrating sustainability issues into its corporate strategy, the Group aims at creating value for its stakeholders that can be sustained over time.

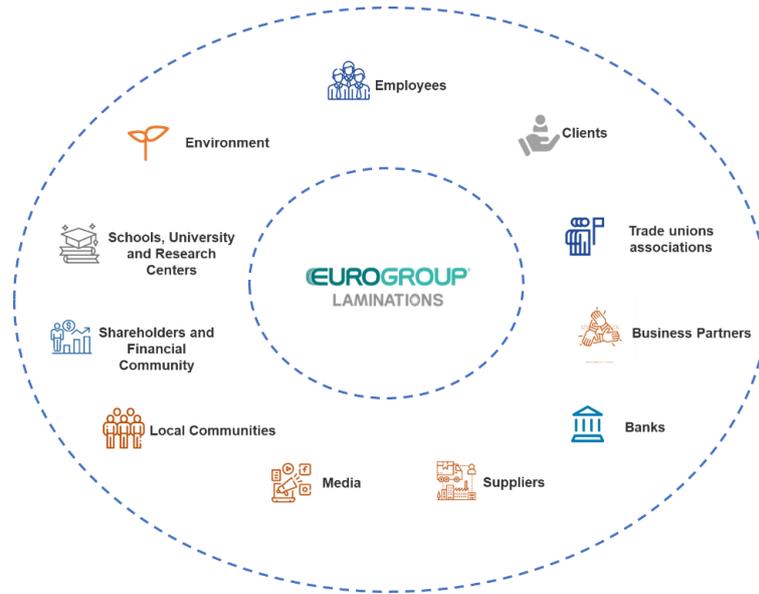
Key stakeholders

EuroGroup Laminations believes that doing business sustainably creates more value for all its stakeholders, namely all parties that directly affect or are affected by its business activities. For *EuroGroup Laminations* it is critical to connect and communicate with its stakeholders, with the purpose of identifying and prioritizing their concerns. Therefore, the Group pushes towards the creation of an active and constant dialogue with all its stakeholders, aiming at promoting stable and long-lasting relationships, based on values of transparency, trust and consensus in decisions. This is based on the belief that a constant dialogue with all stakeholders ensures a continuous feedback mechanism that enables the Group to control the impacts of the company activities on the environment and society.

Moreover, stakeholder engagement provides opportunities to further align *EuroGroup Laminations* business practices with societal needs and expectations, helping to drive long-term sustainability.

For consolidating a mutually beneficial dialogue *EuroGroup Laminations* promotes two key activities: the identification of key stakeholders with whom to promote regular engagement initiatives and the definition of the most appropriate methods for involvement.

In 2020, the top management of *EuroGroup Laminations* has been involved in a stakeholder evaluation process. According to this first evaluation, the following stakeholder categories were identified to be relevant for *EuroGroup Laminations*.

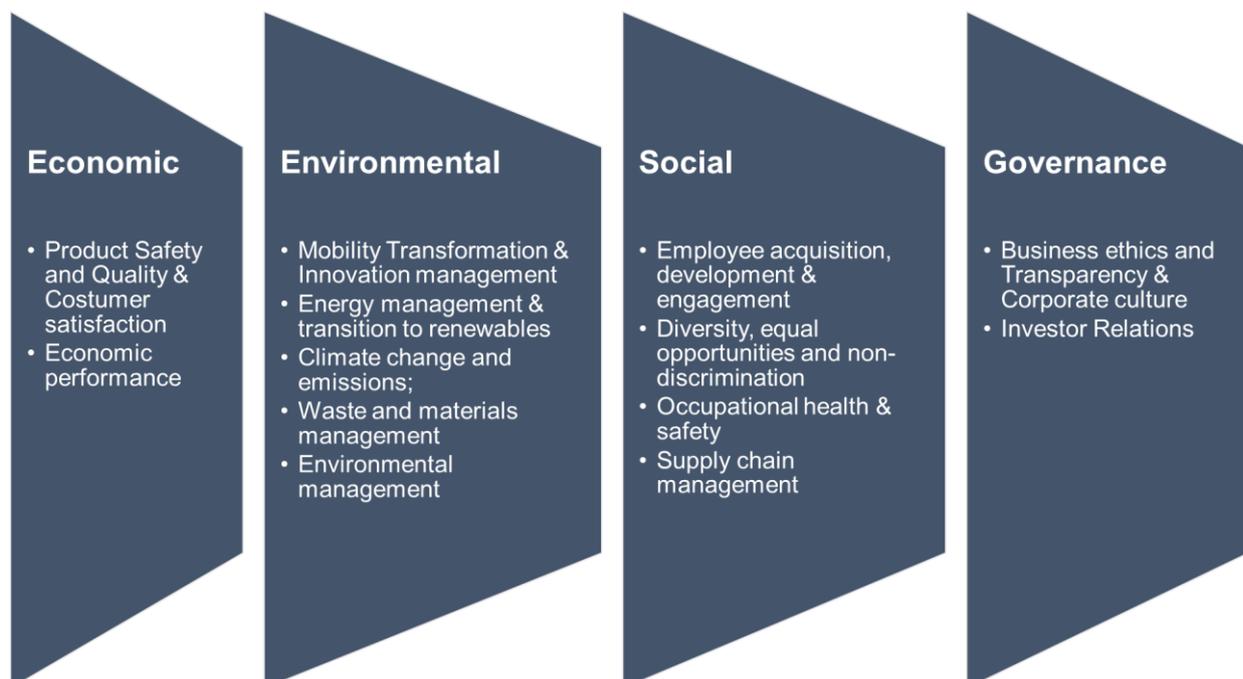


Materiality Analysis

EuroGroup Laminations considers the materiality analysis as a critical process to identify the sustainability-related priorities and to define accordingly the topics that should be a matter of disclosure.

In terms of sustainability reporting, the topics deemed as material (or relevant) are those that reflect a significant impact of the economic, social, environmental, and governance performances of the Group or that may substantially influence stakeholders’ perceptions and decisions. The analysis has been performed this year for the first time and will be updated on an annual basis. In 2020, the top management of *EuroGroup Laminations* voted a list of topics that will be integrated in the next years with the evaluation of other stakeholders, in order to be more representative of a two-fold vision.

The analysis carried out resulted in a final list of 13 material topics listed in the figure below:



For 2021, the materiality analysis has remained unchanged. The updated materiality will be published in the Sustainability Report of 2022.

In the following chapters, each area of commitment identified by *EuroGroup Laminations* has been correlated to the correspondent Sustainable Development Goal (SDG) defined by the United Nations, in order to prove the Group's active contribution to the achievement of the UN Agenda.

Group Management Systems

EuroGroup Laminations is committed to the continuous improvement of its environmental and health & safety management systems in line with the highest technical standards and certifications. Accordingly, some Group companies have defined a management system for health, safety and environment, certified with the related ISO and, therefore, have set their own *Environmental, Health, and Safety Policy*. Those policies have been implemented through management procedures and shared with all employees, suppliers, and all external firms.

Moreover, since 1997 *Eurotranciatura S.p.A.* was certified ISO 9001 and since 2006 was certified ISO/TS, a certification that meets all the requirements from the International Automotive Task Force (IATF) 16949:2016, the International Standard for Automotive Qualitative Management Systems Manufacturing of magnetic steel laminations and components for electrical motors and alternators.

Below is reported a summary of main companies certified with relevant certifications:

	ISO 9001	ISO 14001	ISO 45001	IATF16949
Eurotranciatura S.p.A.	x	x	x	x
Corrada S.p.A.	x			
SAF S.p.A.	x			x
Eurotranciatura Mexico S.A. de C.V.	x	x		x
Eurotranciatura USA L.L.C.	x			
Euro Misi Laminations Jiaying Co. Ltd.		x		x

For more information please visit our website: <https://euro-group.it/download/>

Group Management Systems undergo a voluntary periodical audit by independent third parties, to ensure its full compliance with international standards. In particular, the application of these rules entails the following advantages:

- control and maintenance of legislative compliance and performance monitoring;
- support in investment decisions or technological change;
- involvement and awareness of employees;
- better working environment;
- better internal communication;
- creation and safeguarding of corporate assets and transparency in acquisitions/mergers (risk management);
- control of the efficiency of production processes.

In addition to improving its Management Systems, the human factor is a decisive element for guaranteeing the effective protection of the environment and people in everyday corporate activities. Accordingly, *Eurotranciatura* invests in training activities including how to manage environmental and health and safety issues. Special technical training is provided to employees operating in the lines of production and for new hires participating in induction programs. In 2021, hours of training on health and safety provided across all sites were 8,606. In addition, *Eurotranciatura* USA mandates at least 4 hours of training regarding the health and safety of workers around plant machines, prior to the first day of work on site.

Strategy: Innovation and mobility transformation



Innovation: Every new challenge is a new goal

The global *electric motors and generators* market is going to grow at an accelerating rate during the next 10 years, with a widespread demand for products and solutions that are energy efficient, high quality, priced competitively, digitally manufactured, and have short time-to-market (TTM) designs. In this context, *EuroGroup Laminations's* competitive advantage is driven by its culture of innovation, which has characterized *EuroGroup Laminations* since its foundation, and continues to guide all its business processes for developing and supplying products in compliance with the technological and quality required by the market.

EuroGroup Laminations is a leading global supplier of key components for electric motors and generators, with a flexible vertical manufacturing capacity across its value chain. For example, *EuroGroup Laminations* is capable of offering its customers with all potential assembly solutions for lamellar packs (press pack, gluing, laser welding, TIG and MIG welding, thermal self-bonding, in-die gluing) and most of the processes to accompany the cutting and die-casting of the rotors accessories for engine assembly (heat treatment, shaft insertion, mechanical machining, balancing, painting, co-molding, magnet insertion, etc.). With its advanced digital manufacturing capabilities of its processes, plants and products ("Industry 4.0"), *EuroGroup Laminations* is able to efficiently assisting its customers during the development and assembling of their products, recommending the most appropriate technologies to their requirements.

The innovation of its production processes is supported by the intensive work of the Research and Development (R&D) teams, which represent one of the strategic levers for *EuroGroup Laminations's* market leader position. Within the Group there are three R&D global centers, located in Italy, Mexico and China, that function in strong partnerships with local universities, research institutes, customers and suppliers. In order to monitor the success of new projects launched by the R&D department of the Group and measure their impacts, a series of R&D KPIs are constantly monitored on the company KPI portal.

Box 1: Automatization of production process

EuroGroup Laminations is constantly working towards the development of innovative solutions for its customers. A recent innovation project aimed at increasing the automatization of specific production processes, to the point that the innovative machinery developed by *Eurotranciatura* is able to produce rotors and stators without manual labor. As a result, employees have reduced their workload on repetitive and risk-prone activities, now focusing on supervising the production process as efficiency as well as verifying the quality of the products.

EuroGroup Laminations: Protagonists of the 4th industrial revolution

The development and articulation of *EuroGroup Laminations's* Information Systems and digitalization plan follow 4 main guidelines:

Use of data, computing power, and connectivity

All the presses of *Eurotranciatura Italia*, *Eurotranciatura United States*, *Eurotranciatura Mexico*, *Eurotranciatura Tunisie* and *Euro-Misi* in China have been connected through devices for real-time acquisition of the main production data, to create a MES (Manufacturing Execution System), an automated production management and control system capable of maximizing collaboration between operator, machines, and tools, a project that involved qualified external suppliers and the most advanced technologies. Cloud computing is the backbone architecture that *EuroGroup Laminations* has used for the implementation of the international business plan management system, budgeting and reporting, Group consolidated financial statements, and CPM (Corporate Performance Management).

Analytics

The Microsoft technologies of SQL Server Reporting Services (SSRS), Data Ware House, and Business Intelligence are used by *EuroGroup Laminations* to collect large volumes of integrated and extended data over time-related to the functioning of the critical and support processes of the companies of the Group to systematically manage the performance indicators of effectiveness and efficiency (KPIs) and extract value through the analysis of the causes of deviations from the targets. A similar system, again based on Microsoft technologies, was developed to digitalize the maintenance management process in production.

Human-machine interaction (touch interface)

The optimization of man-machine interfaces is one of the guiding principles that have always inspired the use of the most advanced production automation systems present in *EuroGroup Laminations* plants. Interactive touch terminals with advanced graphic interfaces are present on many machining centres and production measuring and control machines/systems, especially for the automotive sector.

Use of robotics and 3D printers, the transition from digital to real, and optimization of energy use (smart energy)

Industrial robotics through the development and use of advanced software systems is used specifically in *EuroGroup Laminations* plants in different departments such as packaging and co-molding for the handling, welding, and assembly of semi-finished and finished products in more innovative products lines. 3D printing has been used for several years for the construction and testing of prototypes and spare parts and allows for a significant reduction in time to market. A highly innovative project concerns the dynamic 2D / 3D simulation of each phase of the production processes for the optimization of the factory layout and the ergonomics of the working areas, the handling of semi-finished and finished products. The objectives of the project consist in the optimization of times and logistic flows of materials, operators and in the reduction of investments and costs connected to new production islands through virtual simulation and comparison of different alternatives before starting with real production.

The ISO 14001 environmental quality certification of the *Eurotranciaturo* plants in Italy contributes, among other things, to the optimization of the energy consumption of the work centres also through networked IOT devices for real-time detection of electricity consumption.

Green Mobility

Electric vehicles (EV), the landmark breakthrough

In recent years energy efficiency market and regulatory requirements have created the need for new electric motors capable of supporting power steering, air conditioning, ABS, cooling water circulation, acceleration and brake control among other functions.

In the past, the automotive market primarily required electric steel with greater thickness (approximately 1 mm) and lower value, now it's demanding higher quality, efficiency, and frequency steel and with lower thicknesses. The standard for traction today is between 0,20 - 0,35 mm to push down to the technological frontiers of the steel thicknesses 0,15- 0,10 typical of racing applications. The global plug-in electric vehicle (BEV + PHEV) population reached 8,1 million units (including light commercial vehicles) by the end of 2019, supported by roughly five million charging outlets. There will be over 111 million plug-in EVs in-use globally by 2031: a massive driver for the wide-spread deployment of charging infrastructure. In addition to consumer-driven demand, regulatory support is also gaining momentum.

We are at the dawn of a new era of green mobility and only the most innovative companies will be able to seize the opportunities that the EV market will present. *EuroGroup Laminations* is amongst the first leading global suppliers of key components for electric motors and generators to enter the competitive EV market, which has guided *EuroGroup Laminations's* technological developments and innovations in recent years.

Business Ethics



Compliance & transparency

The *EuroGroup Laminations Code of Ethics*¹ applies to *EuroGroup Laminations* and its subsidiaries and reflects the Group's highest commitments to ethical behavior, as well as the core company values that are applied to all employees, collaborators, and external workers. The Code of Ethics is available online and applies to all *EuroGroup Laminations* companies. These values are applied and communicated through training programs and are contained in specific contractual clauses requiring everyone that engages with the Group to observe the Code provisions. In 2020, the Group has updated its Code of Ethics adding new sections addressing Diversity, Cybersecurity, and Environmental and Health and Safety issues.

The Code of Ethics, together with the Sustainability Handbook, represents a framework that shall be used to operate with integrity and in full compliance with the highest ethical, professional, and legal standards, through which the Group promotes law's awareness and moral principles as a vital part of its business conduct. To guarantee an adequate and efficient enforcement of these business ethics policies, *EuroGroup Laminations* has established structured mechanisms of strict procedures aimed at administering eventual investigations and sanctions for policy violations' events. Each company of *EuroGroup Laminations* is therefore bounded to the fundamental values when managing internal and external relations with third parties. Both documents are reviewed regularly with any formal change in legislative requirements, including international treaties on human rights, corruption, and sustainability.

In 2021, *EuroGroup Laminations* confirmed that there were no significant cases of non-compliance with laws and regulations.

The main principles that show EuroGroup Laminations approach to Business Ethics are listed below:

Anti-corruption & bribery issues

EuroGroup Laminations bases the entire relationships with investors, collaborators, customers, and business partners, on transparency and accuracy.

Confidentiality

Internal information or data, that is owned by *EuroGroup Laminations* and its subsidiaries that have not been shared to the public, must be kept confidential. Any such breach of confidentiality would be deemed as gross misconduct except as otherwise provided or as permitted by any current legislation and could lead to your dismissal. The obligation remains in force after the termination of the employment relationship.

¹ For more details refer to the following link: <https://euro-group.it/download/>.

Data Protection and Access to Information

To guarantee data protection and easy access to information, all mechanisms and policies related to information security, are regularly audited. *EuroGroup Laminations* complies with all statutory requirements of the GDPR (General Data Protection Regulation). The Group carries out internal controls to monitor the effective implementation of actions and guarantees that all personal data are registered in a way that ensures the accuracy and confidentiality of such information.

Computer, email, and Internet use

All staff must engage with the *EuroGroup Laminations* Internet & Email Policy available from IT Department. Employees who have access to *EuroGroup Laminations* computers, must not abuse this by using these facilities for purposes outside the scope of business activities.

Receipt of Gifts

No employee or any member of his or her immediate family should accept from a supplier, customer, or other person doing business with *EuroGroup Laminations*, payments of money under any circumstance, or special considerations, such as discounts or gifts of materials, equipment, services, facilities or anything else of value.

Supply Chain management

EuroGroup Laminations's globalization strategy is based on the principle of *local-to-local supply chain*, its global production footprint is strategically located close to key customers to guarantee the highest efficiency and quality in manufacturing processes and delivery.

In order to achieve the highest product quality and customer satisfaction levels, while increasing production volumes, *Eurotranciatura* requires the design and implementation of robust supply chain management aimed at the optimization of all the processes related to planning, programming, and warehouse. *Eurotranciatura*, starting from the demand planning phase, selects its suppliers on the basis of quality, competitive pricing, digitally manufactured products, time-to-market (TTM) periods, and delivery. Although the company has not yet implemented a specific sustainable supply chain policy for the screening and selection of suppliers, the assessment of specific social and environmental criteria is taken into account indirectly in the quality assessment in accordance with ISO 14001 and 45001 certifications. In recent years, a gradual implementation of sustainability improvements have been implemented across the *Eurotranciatura* value chain.

Economic Performance and Investor Relations



Investor Relations

Over the years, *EuroGroup Laminations* has established a close and constant relationship with its investors, who are a pivotal part of its business and actively contribute to its development.

Tikehau Investment Management S.p.A. is an independent alternative asset management and investment group of the T2 Energy Transition Fund, listed on the Paris Stock Exchange. In 2021, It holds 30% of EuroGroup Laminations S.p.A, ex EuroGroup S.p.A., capital. This has been the first Tikehau transaction in Italy carried out through the Energy Transition Fund, dedicated to investments towards companies that are deeply involved in the energy transition. Thanks to this, *EuroGroup Laminations* will further strengthen its leadership in the specific sub-sector of stators and rotors for traction motors for electric vehicles. The Group has thus intensified its presence in North America and Europe thanks to a continuous and ambitious development plan, which confirms its strong focus on innovation technologies, energy transition processes and its environmental sustainability policies.

The front-line position and commitment of *EuroGroup Laminations* in the electric vehicles and green mobility, was certainly a key factor that attracted Tikehau. The engagement of *EuroGroup Laminations* in this fund, therefore, reassures its maximum respect and commitment for sustainable issues, including the management and creation of added, shared, and distributed value; to ensure the well-being of both its community and of the environment.

The value generated and distributed

The Statement of Economic Value is a reclassification of the Consolidated Income Statement and represents the wealth generated and redistributed by *EuroGroup Laminations* to all its Stakeholders. In particular, this statement presents the financial performance of operations, the wealth distributed to parties deemed to be Stakeholders for the Group, or the ability of the organization to create value for them. IFRS principles have been applied in the perimeter of the economic-financial data.

In 2021, *EuroGroup Laminations S.p.A.* registered a total economic value generated of € 561 million.

Direct economic value generated – GRI 201-1

	Thousands	2021
Revenues		556,904 €
Other income		2,211 €
Financial income and charges		849 €
Income from equity investments		- €
Exchange rate differences		1,081 €
(A) Total Direct economic value generated		561,045 €

Economic value distributed – GRI 201-1

	Thousands	2021
Operating costs (Costs of raw materials; services; third-party assets; change in inventories; internal construction and different management charges)		414,722 €
Payments to collaborators		85,705 €
Payments to providers of capital		7,676 €
Payments to government		8,982 €
(B) Total Economic value distributed		517,085 €

The value retained by *EuroGroup* in 2021, given by the difference between the value generated and the value distributed, amounts to € 43.9 millions.

Thousands	2021
Economic value retained (A-B)	43,359 €

(C) Retained value – GRI 201-1

Thousands		2021
Profit/Loss of the Group		20,691 €
Depreciations/leas	Tangible and intangible assets depreciation	23,269 €
Devaluations	loans devaluation; inventories devaluation and other devaluation	- €
Provisions	Other provisions for risks and miscellaneous	- €
(C) Retained value		43,960 €

Environment



The Environmental Management System is applied to all processes and activities carried out by *EuroGroup Laminations*. The sections below describe the environmental material issues that were considered to be relevant for *EuroGroup Laminations* business activities and stakeholders.

Energy management and energy transition

EuroGroup Laminations's goal is to produce in compliance with the highest environmental standards for the automotive, industrial, energy, and home appliances markets. *EuroGroup Laminations* is committed to a gradual reduction of its energy intensity and working towards an increased transition to renewable energy in the upcoming years.

The Group keeps track of its annual energy consumption using an internal reporting system, where the total energy consumption in terms of total CO₂ emissions are monitored. Among the existing energy efficiency initiatives, *Eurotranciatura* is gradually replacing old illumination systems with led lighting with the aim of implementing that in all its facilities located in Italy. These efforts are the starting point to develop more structured and all-encompassing energy efficiency initiatives in the upcoming years. Furthermore, *EuroGroup Laminations*'s effort to adhere to environmentally friendly initiatives can be shown by *Eurotranciatura USA*'s project to replace regular lightbulbs with LED ones.

Box 2: New production facilities and installations capacity

Between 2020 and 2021, with the goal of continuous expansion of its production plants, Eurotranciatura has purchased 90,000 square meters on which it will build about 23,000 square meters of warehouses. Moreover, it purchased near Baranzate two warehouses for a total of 2,800 square meters, and Euroslot has purchased a warehouse in Melzo (already previously occupied by the company) of about 3,200 square meters. Euroslot warehouse already took important steps towards the process of self-produced electricity and have invested in photovoltaic installations to generate self-generated electricity.

Energy Consumption– GRI 302-1

Source of energy	Unit of measurement	2021	
		Consumption	GJ
Natural Gas	m ³	11,716,821	465,332
LPG (Liquified Petroleum Gas)	l	203,020	5,306
Diesel (for heating or productive process)	l	9,170	350
Diesel (for company's owned vehicles or in long-term leasing/rent)	l	931,549	35,571
Gasoline (for company's owned vehicles or in long-term leasing/rent)	l	33,526	1,152
Total fuel consumption			507,711
Electricity self-produced	kWh	995,470	3,584
of which, from renewable	kWh	995,470	3,584
Electricity sold	kWh	29,700	107
of which, from renewable energy sources	kWh	29,700	107
Electricity purchased from national grid	kWh	47,562,553	171,225
of which, from renewable energy sources (certified)	kWh	9,034,544	32,524
Total Electricity	kWh	48,528,323	174,702
Total energy consumed			682,413
Of which from renewable			36,001

Energy intensity– GRI 302-3

Energy intensity, which provides a measure of its operational efficiency, is measured based on the total amount of steel consumed during the year. Steel consumption is considered a good proxy of *EuroGroup Laminations* production activity during the year.

Energy intensity	Unit of measure	2021
Consumption overall of steel	tonne	403,910
Energy consumed within the organization	GJ	682,413
Energy intensity	GJ/tonne	1,69

Climate Change and carbon emissions

EuroGroup Laminations recognizes that the fight against climate change is one of the key challenges companies are facing today. As a leading global supplier of key components for electric motors and generators, the Group understands the potential impacts and risks of climate change posed to the automotive, industrial, energy, and home appliances markets, where products are utilized. Therefore, *EuroGroup Laminations* is willing to take the necessary actions to reduce and mitigate the impacts that climate change can have across its value chain, communities, and territories where it operates. In this context, *EuroGroup Laminations* is in the process of defining specific objectives to reduce emissions of greenhouse gases (GHG), focusing on the growth of renewable energy consumption and developing innovative products that enable and enhance clean energy solutions.

EuroGroup Laminations is designing its greenhouse gases emission reduction targets in the near future, in compliance with international standards and value chain partners' requirements. Following the 'United Nations Framework Convention on Climate Change, 'Kyoto Protocol', Paris Agreements, and the GHG protocol, the Group discloses its data related to the 2 possible scopes of GHG emissions:

- **Scope 1:** direct GHG emissions occur from sites that are owned or controlled by the company and are released into the atmosphere.
- **Scope 2:** Indirect GHG emissions account for emissions caused by purchased or acquired electricity used by the company. In compliance with the GHG Protocol and GRI Standards, the estimation of Scope 2 emissions should be based on two different approaches: "Location-based" and "Market-based ". The first approach takes into account the energy conversion factor of the country where energy was purchased. Therefore comparing the performance a national average emission factor and national energy mix for the production of electricity. On the other hand, the "Market-based" approach is based on its contractual instruments defined with the electricity supplier.

EuroGroup Laminations data on Scope 1 and Scope 2 emissions is reported in the following table. namely energy indirect GHG emissions account for indirect emissions are those that are caused by assets that are not owned by the company.

Direct (Scope 1) GHG emissions and Energy indirect (Scope 2) GHG emissions– GRI 305-1 & 305-2

GHG Emissions - tonneCO2eq		2021
Scope 1	Direct emissions from combustion	48,459
	Emissions from refrigerant gas leaks	40
	Total Scope 1	48,499
Scope 2	Location-based	17,154
	Market-based	7,673
Total	Scope I and Scope II (Location-Based)	65,653
	Scope I and Scope II (Market-Based)	56,172

For Scope 2, emissions are expressed in tonneCO2eq although some of the sources used report emission factors expressed in tonneCO2. These sources (AIB and TERNA) do not report the emission factors of other gases other than CO2 (methane and nitrous oxide) as they are considered negligible.

The Group also monitors its emission intensity, defined as the ratio calculated by dividing the absolute GHG emissions by the organization-specific metric. Steel consumption is considered a good proxy of EuroGroup Laminations production activity during the year.

GHG Emission Intensity– GRI 305-4

Intensity of emissions	Unit of measure	2021
Consumption overall of steel	tonne	403,910
Emissions (Scope 1 + Scope 2 Location Based)	tonneCO ₂ eq	65,653
Emissions intensity	tonneCO ₂ eq/tonne	0.16
Emissions (Scope 1 + Scope 2 Market Based)	tonneCO ₂ eq	56,172
Emissions intensity	tonneCO ₂ eq/tonne	0.14

Waste and Materials Management

EuroGroup Laminations improves its waste management by optimizing the use of source materials in its production processes and implementing responsible disposal practices. *Eurotranciatura* monitors waste management through an annual report for waste produced, in which it is weighed and cataloged with the correspondent European Waste code (CER code) from approximately 40 different categories of waste, ranging between occasional waste and waste from production processes. To increase awareness among its employees on the responsible management of waste, *Eurotranciatura* has adopted an internal policy and a periodical communication program for all employees, which includes a list of recommended behaviors to adopt to reduce waste production. This policy is applicable to both office and production site.

For the future, *Eurotranciatura* is developing several waste reduction targets and identifying opportunities to adopt reuse and recycling practices. However, it should be considered that this would only affect a small part of the waste production as the biggest part of waste is already recycled through the selling steel scraps. This should be seen as a concrete implementation of a circular economy model.

Waste Management–Recycled waste GRI 306-4

Recovery operation [tonne]	2021			Percentage
	Onsite	Offsite	Total	%
Hazardous waste				
Reuse	0	10	10	0%
Recycle	1,386	343	1,729	4%
Destroyed	40,447		40,447	96%
Total hazardous waste	41,833	353	42,186	100%
Non-hazardous waste				
Reuse	0	0	0	0%
Recycle	201,838	68,678	270,517	99%
Destroyed	2,540	0	2,540	1%
Total non-hazardous waste	204,378	68,678	273,057	100%
Total	246,211	69,031	315,243	100%

Waste Management–Waste sent to disposal waste GRI 306-5

Disposal [tonne]	2021			Percentage
	Onsite	Offsite	Total	%
Hazardous waste				
Disposal	40,975	0	40,975	100%
Total hazardous waste	40,975	0	40,975	100%
Non-hazardous waste				
Disposal	7,538	113	7,651	100%
Total non-hazardous waste	7,538	113	7,651	100%
Total	48,513	113	48,626	100%

Most *Eurotranciatura* customers require materials management certifications linked to the Reach, Rohs, and Conflict Mineral regulations and other standards to prove the company's commitment to responsible and ethical purchasing practices as well as responsible material management.

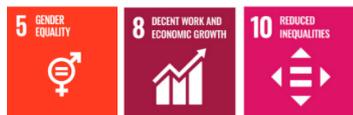
All *Eurotranciatura* residual metallic materials are collected and sold, and for this reason, their correct management and disposal also represents an important economic opportunity.

Box3: EuroGroup Laminations Sustainability Handbook

EuroGroup Laminations Sustainability Handbook is an official document containing guidelines and instructions that define common rules to manage those sustainability topics. All employees are encouraged to behave according to its recommendations. These guidelines are based on small actions that every employee can do, contributing to reaching higher sustainability targets for *EuroGroup Laminations*. Inside the Handbook the main guidelines are listed, divided according to their environmental impact:

- *Energy and Water conservation and savings;*
- *Recycling and Waste Reduction in operations and purchasing;*
- *Transportation;*
- *Smoking and Other Substances at Work.*

People



The heart and the strength of *EuroGroup Laminations* is its people. The Group values their well-being, their continuous professional development, and constantly strives for building a safe, stimulating, and inclusive work environment for them. For this reason, over the years *EuroGroup Laminations* has implemented several policies and procedures that all employees are bound to respect, to build and maintain a safe environment for its people.

In everyday activities, the Group promotes and practices its shared values of guaranteeing respect for diversity, protecting freedom of association, and ensuring fair working conditions. *EuroGroup Laminations* people operate in full awareness of their responsibilities towards society, following working practices that respect human rights and protect the environment. Shared values and responsibility towards society are constantly strengthened through *ad-hoc* training programs and the promotion of Code of Ethics principles.

Corporate culture and human rights

EuroGroup Laminations expresses its responsibility to ensure an equal and sustainable workplace, following the International labor and human rights standards. As a contribution to the respect of human rights, *EuroGroup Laminations* has directed its commitment within the Sustainability Handbook towards the areas listed below.

Child labor

EuroGroup Laminations does not expose children or young workers to any situations inside or outside of the workplace that is hazardous to their physical and mental health and development. *EuroGroup Laminations* declares to not engage in or ask child support in its activities and throughout the supply chain.

Freedom of Association and Right to Collective Bargaining

EuroGroup Laminations promotes an atmosphere in which there is maximum freedom, among employees, to participate and organize trade unions. The Group does not interfere in any way with the establishment, functioning, or administration of workers' organizations or collective bargaining.

Discrimination

People are at the center of its activities and represent an important resource for the *Group's* business. *EuroGroup Laminations* commits to offer equal opportunities, at every stage of relationships, avoiding any kind of discrimination and to promote a culture in which people recognize the value that a diverse and inclusive workforce brings.

Valuing Diversity

EuroGroup Laminations values diversity and seeks to provide all staff with the opportunity for employment, career, and personal development based on ability, qualifications, and suitability for the work as well as their potential to grow.

The Group believes that people from different backgrounds can bring fresh ideas and approaches that make the way work is carried out more effective and efficient.

EuroGroup Laminations will not tolerate direct or indirect discrimination against any person on grounds of age, disability, gender/gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex, or sexual orientation whether in the field of recruitment, terms and conditions of employment, career progression, training, transfer or dismissal.

It is also the responsibility of all staff in their daily actions to promote openness and to ensure that no form of discrimination takes place.

Dignity at Work

EuroGroup Laminations believes that the working environment should at all times be supportive of the dignity and respect of individuals. If a complaint of harassment is brought to the attention of management, it will be investigated promptly, and appropriate action will be taken.

Diversity and inclusion

In 2021 the total workforce was 2.113 employees, including 346 external workers, mostly composed of male blue-collar (78%) employees. In recent years, the female personnel is relevant in the blue-collar (22%) and white-collar (35%) categories, including in accounting, treasury, and industrial portfolio-level management roles, the total female workforce is composed by 511 women.

EuroGroup Laminations's commitment is to value diversity and provide all employees with equal opportunities for professional and personal development, based on their abilities, qualifications, and suitability for the company. *Each entity within EuroGroup Laminations* is working towards developing and hiring more female talent in top management and white-collar positions.

In 2021 the 53% of workforce of *EuroGroup Laminations* was covered by Collective Bargaining Agreements. All employees are protected with a grievances system for both internal employees and external workers for reporting any actions that opposed the shared values expressed in the Code of Ethics. In 2021, no claims from internal employees and external workers system have been reported.

Total number of employees by contract type and gender - GRI 2-7

Type of employment contract	2021 as of December, 31 st		
	Male	Female	Total
Permanent	1,440	431	1,871
Temporary	173	54	227
Total	1,613	485	2,098

Total number of employees by employment type and gender - GRI 2-7

Full-time / Part-time	2021 as of December, 31 st		
	Male	Female	Total
Full-time	1,566	456	2,022
Part-time	27	29	56
Non-guaranteed hours employees	20	0	20
Total	1,613	485	2,098

Total number of workers who are not employees and whose work is controlled by the organization– GRI 2-8

External workers	2021 as of December, 31 st
	Total
Agency workers	260
Apprentices	0
Contractors, self-employed persons, sub-contractors	73
Home-workers	0
Interns	12
Others (specify)	0
Total	345

Initiatives promoted by EuroGroup Laminations

EuroGroup Laminations prides itself in investing in new initiatives that serve to integrate the company in its local community. An example of this principle is seen in *Eurotranciatura*'s program to include hearing-impaired workers in its entity in Milan, Italy. From 2004, *Eurotranciatura* Italy has continuously worked on the program to ensure its success, by implementing interpreters during trainings and classes for employees to take to learn Sign language. To ensure the safety of hearing-impaired workers, some measures were adopted, like the use of visible orange shirts or the use of luminous signals. Another example of how EuroGroup Laminations engages with its local community, is *Eurotranciatura USA*'s program to employ prisoners for social reintegration programs. *Eurotranciatura USA* saw an opportunity post-Covid-19 to hire more workers with less experience, thoroughly training its new hires (with at least 4 hours before starting). This collaboration was fruitful in reshaping these prisoners' attitude and to allow them to save some money and keep a job once they completed their sentence. Although these two programs have had the most significant impact on the relative local communities, other initiatives by *Eurotranciatura USA* are worth mentioning: sponsored activities in local high school, sponsored the "Fish Fry", donated engines to Tennessee College.

Percentage of employees by employment category, by gender - GRI 405-1

Percentage	2021 as of December, 31 st		
	Male	Female	Total
Top management	92%	8%	100%
Middle management	71%	29%	100%
White collar	72%	28%	100%
Blue collar	78%	22%	100%
Total	77%	23%	100%

Percentage of employees by employment category, by age range – GRI 405-1

Percentage	2021 as of December, 31 st			
	<30 years	30-50 years	>50 years	Total
Top management	0%	47%	53%	100%
Middle management	0%	71%	29%	100%
White collar	32%	53%	15%	100%
Blue collar	21%	54%	26%	100%
Total	22%	54%	24%	100%

Employees belonging to vulnerable groups within Eurogroup – GRI 405-1

Number of employees	2021 as of December, 31 st		
	Male	Female	Total
Top management	0	0	0
Middle management	1	2	3
White collar	1	1	2
Blue-collar	4	4	8
Total	6	7	13

Employees with disabilities within Eurogroup – GRI 405-1

Number of employees	2021 as of December, 31 st		
	Male	Female	Total
Top management	0	0	0
Middle management	1	0	1
White collar	5	4	9
Blue-collar	34	3	37
Total	40	7	47

Employee acquisition, development, and retention

EuroGroup Laminations values the professional development of all its employees as an important instrument to improve the overall business performance and enhance employee retention.

Eurotranciatura has developed Euro Academy, an employee training program created in 2018. From 2018 Euro Academy has:

- organized training and refreshment courses, with qualified external teaching on different activities related to different business functions also on issues such as managing environmental emergency and fire prevention;
- developed a project with an external supplier for the implementation of the new human resources ERP "HR Infinity", which will bring new tools and facilities.

Around 18% of *EuroGroup Laminations* training programs are focused on health and safety issues, including specialized training on unloading, loading, handling, and management of dangerous goods, first aid, fire emergency, forklift driving, among others. Training programs are also offered to new hires, including information on the Code of Ethics to which the Group is expected to be complied.

EuroGroup Laminations is constantly working towards the improvement of training programs and monitors a set of key performance indicators (KPIs) related to hours of training, upon which it sets targets for the future improvements both in quality and frequency of training programs offered.

Number and rate of new hire– GRI 401-1

Number of employees	2021				
	<30	30-50	>50	Total	New hired rate
Male	133	154	24	311	19%
Female	39	45	3	87	18%
Total	172	199	27	398	19%
New hired Rate	36%	18%	5%	19%	

Number and rate of turnover – GRI 401-1

Number of employees	2021				
	<30	30-50	>50	Total	Turnover rate
Male	250	194	24	468	29%
Female	130	87	3	220	45%
Total	380	281	27	688	33%
Turnover Rate	81%	25%	5%	33%	

Training hours by type of training

Number of training hours	2021	
	N. Hours	%
Health and safety	8,606	18%
Code of Ethics	1,383	3%
Skill management	11,304	24%
Other	25,873	55%
Total	47,165	100%

Training Hours per gender and employee category - GRI 404-1

Number of training hours	2021		
	N. Hours Male	N. Hours Female	N. Hours Total
Top management	501	28	529
Middle management	1,149	1,048	2,197
White collars	6,129	2,992	9,121
Blue collars	28,073	7,249	35,322
Total	35,851	11,316	47,168

Employee engagement and satisfaction

EuroGroup Laminations continuously seeks to improve its employee engagement and satisfaction, by offering a stimulating working environment to engage in. It is on the basis of this commitment that *EuroGroup Laminations* promotes a welfare platform that can be used by all employees for all kind of purposes, from leisure to sports or travel. The services and products available on the platform cover a wide range of needs, from pensions and healthcare, refunds for school costs, to language courses, gym subscription as well as spas or cultural centres.

Employee health benefits such as life insurance and health care assistance are guaranteed by collective bargaining agreements, additional forms of private insurance options are also

available to expatriate employees. In terms of basic benefits, the Group makes no distinctions between Temporary, Unlimited, Part-Time contracts.

Following the trade union agreement concluded recently, in accordance with the regulations laid down by the CCNL of category, employees are expected to receive a performance premium based on the objectives achieved. The identification of objectives is aimed at promoting a mind-set based on proactiveness and engagement of all personnel. The determination of the premium is agreed collectively and every year each worker is able to decide how much of the premium share can be converted into assets, goods or services. Each employee will be therefore provided with appropriate documentation with the methods and welfare services offered. The Managing Director sets up regular meetings to inform and comment with employees on the economic performance and results achieved. These meetings are not only to consider an occasion for engagement, but also an opportunity to update all employees with the company's short to medium-term objectives. Furthermore, the Group focuses on initiatives to develop their workers abilities; besides training *Eurotranciatura USA* collaborated with a local College whereby the company paid full tuition for a select couple of employees to take classes and get a degree, with the aim to improve their skill set. More initiatives to boost the employee's morale can be seen in *Euro Misi's* yearly Activity Calendar. This outlines activities such as sports events, women's day, English sitcom competition and team building events to help engage employees and boost their satisfaction.

Health and safety

EuroGroup Laminations considers the health and safety (HSE) of people to be one of its main priorities. The Group is focusing on the reduction of injuries, occupational diseases and other accidental events through the implementation of suitable preventive measures and checking of the adequacy and effectiveness supported by the internal policies and management systems. *EuroGroup Laminations* constantly identifies and updates internal procedures and requirements applicable to health and safety aspects.

EuroGroup Laminations has adopted an internal policy and has created, implemented, and continuously improved its Occupational Health and Safety (HSE) Management System in compliance with the international standard ISO 45001, applicable to the specific requirements of all its production facilities. Each entity's top Management, through this HSE management system, has the primary goal and responsibility to define and inform its staff and all parties involved about the goal of implementing and maintaining the above-mentioned safety standards.

The commitment of *EuroGroup Laminations* is to identify all the legal requirements or in any case signed by the company applicable to each environmental and health and safety aspect, providing adequate management and economic resources to maintain full compliance with the legal requirements and the signed rules over time, provide safe and healthy working conditions, eliminating dangers and/or reducing the risks related to carrying out one's activities. The commitment of *EuroGroup Laminations* it is also aimed at the constant consultation and participation of workers. Furthermore, EuroGroup Laminations assumes the responsibility of informing, educating and training its staff and the employees of external companies present on the site, regarding the consequences for the health and safety and for the environmental impact caused by any deviations from what is expected by the rules and procedures defined.

To monitor the progress of health and safety management processes, an annual report with the HSE key performance indicators, including the 'near miss incidents', is generated. On an

annual basis the Board of Directors performs a comprehensive management review, of *EuroGroup Laminations's* HSE performance, identifies areas for improvements, and develops corrective operational plans for each relevant site. Moreover, *Eurotranciatura* performs annual HSE risk assessments for each relevant site and production processes, with the latest assessment performed in November 2020 which evidenced a general decrease in the number of work-related injuries and in the injuries frequency rates.

The most common type of minor incident consists of wounds, cuts, contusion and crushing.

Employees – Work-related injuries GRI 403-9

Number of incidents	2021
Total number of recordable work-related injuries	44
of which: Total number of high consequence work-related injuries (excluding fatalities)	4
of which: Total number of fatalities as a result of work-related injuries	0
of which: Other injuries	40

Type of injury	2021
Wound/Cut	13
Contusion/Crushing	19
Strain injury: muscle injury, hernias, etc.	4
Other injuries	8
Total	44

With regards to the work-related injuries of external workers, only *Eurotranciatura* monitored this information. The data provided indicates a total of 26 recordable work-related injuries, with no high consequence injuries or fatalities. The type of injuries reported mainly include: 13 wounds, 5 contusions, 2 strain injuries (muscle injuries, hernias, etc.) and 6 minor other injuries.

Quality

Product quality and customer satisfaction

EuroGroup Laminations is committed to guarantee the highest product quality and customer satisfaction levels. To achieve this *EuroGroup Laminations* rigorously adopts certifications and internal policies. In addition to the UNI EN ISO 9001:2015, *Eurotranciatura S.p.A.* is also certified IATF 16949:2016, which establishes the requirements for a Quality Management System (QMS), specific for the automotive industry.

Eurotranciatura has established a structured internal and external quality monitoring process, which also involves customers and suppliers. Product quality and safety is monitored at all the Group's plants, by using specific indicators. These KPIs are set annually by the Quality Plan, which also establishes yearly quality objectives. In addition, *Eurotranciatura S.p.A.* has implemented a Quality Policy to define a reference framework that serves as a guide in the achievement of the quality objectives listed in the table below.

Focus on customers	Better quality levels for products and services
<ul style="list-style-type: none"> - Becoming “TIER 1 supplier” in the automotive sector - Becoming “preferred supplier” of <i>EuroGroup Laminations</i> customers 	<ul style="list-style-type: none"> - Minimizing the costs of non-quality - Improving the level of service - Improving production processes - Optimizing logistics and the supply - Optimizing logistics and the supply of raw materials and products.

The Lean Manufacturing Approach (MUDA) is the method chosen by *Eurotranciatura* to achieve these results. It is performed by multifunctional groups (Engineering, Production, Quality, and Logistics) which systematically analyze the root-causes of process output variations whenever they occur to reduce the defect rate and any form of potential waste. This applies equally to the commercial products and services.

In identifying its strategic guidelines, *Eurotranciatura* also identifies several factors and relative requirements that are considered to be necessary to ensure good overall quality standards:

Factors	Requirements
Data Analysis	<ul style="list-style-type: none"> - Ensure the correct collection and analysis of data using an integrated management system in all stages of the production process.
Supplies	<ul style="list-style-type: none"> - Comply with the quality requirements agreed with the customer for the product; - Ensure the purchase of packaging material and raw material (sheet metal) of sufficient quality and quantity; - Develop new suppliers by improving performance (quality and delivery time) and at the same time reducing the cost of purchasing products.
Communication	<ul style="list-style-type: none"> - Being able to communicate the requirements customers defined and validated during the planning phase.
Organization	<ul style="list-style-type: none"> - Ensure continuity of production and expected quality through proper execution and management of scheduled maintenance;

	<ul style="list-style-type: none"> - Encourage research and development of new technologies and production methods to improve the performance of production processes.
Facilities	<ul style="list-style-type: none"> - Have at disposal the most modern equipment and systems for process improvement.
Technology	<ul style="list-style-type: none"> - Have available new and modern machines and moulds to meet the requirements of delivery, quality, and production.
Human resources	<ul style="list-style-type: none"> - Have within the Group qualified personnel to meet the skills and experience required by the market; - Ensure within the organization the development of new technologies and the improvement of production processes and methods providing the correct training to people.
Good transport	<ul style="list-style-type: none"> - Ensure the preservation of products, raw materials, and the safety of transport between the different warehouses, production sites, and customer plants.

During the stages of development and technical approval, each product is subject to rigorous tests, performed in different operating conditions. These are tests designed to evaluate the product quality, efficiency, and endurance. This process follows a rigorous sequence that includes R&D tests and dynamic test cycles. These steps are needed to ensure that the products meet the relevant safety requirements and to look for any discrepancies with the quality standards identified during the design phase.

Customer satisfaction is one of the key factors considered when evaluating the success of *Eurotranciatura* products and services. Customer expectations are increasingly demanding in terms of product quality, information confidentiality, transparency, and timing of delivery. In particular, for customers in the automotive sector there is a growing need to comply with customers' expectations and regulatory requirements. For this reason, *Eurotranciatura* conducts periodical external and independent audits to ensure that these Customer Specific Requirements (CSR) and supply specifications for all products and services are satisfied.

Any potential complaints received on the customer portal, that are related to customer satisfaction are duly reported and monitored by *Eurotranciatura* using a Customer Scorecard. These scorecards are based on the received communications and are tracked on the customers portal. This system allows *Eurotranciatura* to trace and monitor the degree of satisfaction of each customer in order to guarantee a transparent and ad-hoc treatment of each case from complaint registration to resolution.

Starting in 2021, on a monthly basis, the Steering committee will meet to: evaluate the most critical customer complaints received, plan the adequate resources and corrective actions needed, and inform the business functions concerned. After a detailed technical assessment and agreement with a customer, a Supplier Quality Engineer (SQE) is temporarily employed to evaluate and improve the specific production processes quality issues. The SQE, is becoming a permanent position meant to help *Eurotranciatura* suppliers in achieving sustainable growth. This function also verifies suppliers' quality standards and compliance to the existing business codes and ethics.

GRI Content Index

GRI CONTENT INDEX			
Statement of use	EuroGroup Laminations has reported the information cited in this GRI content index for the period 1st January 2021-31 December 2021, with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI Standards	Disclosure	Page number and notes	Omissions
GRI 2: GENERAL DISCLOSURES (2021)			
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Statement of use	EuroGroup Laminations has reported the information cited in this GRI content index for the period 1st January 2021-31 December 2021, with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI Standards	Disclosure	Page number and notes	Omissions
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GRI 3: Material topics (2021)			
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GRI CONTENT INDEX			
Statement of use	EuroGroup Laminations has reported the information cited in this GRI content index for the period 1st January 2021-31 December 2021, with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI Standards	Disclosure	Page number and notes	Omissions
GRI 404-1: Training and education			
404-1	Average hours of training per year per employee	35	
Occupational Health & Safety			
GRI 3: Material topics (2021)			
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GRI 403: Occupational Health and Safety (2018)			
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Independent Auditor Report



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INDEPENDENT AUDITOR'S REPORT ON SUSTAINABILITY REPORT

To the Board of Directors of
EuroGroup Laminations S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of EuroGroup Laminations S.p.A. (hereinafter also the "Group") as of December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of EuroGroup Laminations S.p.A. are responsible for the preparation of the Sustainability Report using a selection of the "Global Reporting Initiative Sustainability Reporting Standards" established by the GRI – Global Reporting Initiative (hereinafter "GRI Standards"), as stated in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or material error.

The Directors are also responsible for the identification of the objectives of the Group related to the sustainability performance and for identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards, with reference to the selection of GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. Analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
2. Comparison between the financial data and information included in the chapter "*Economic Performance and Investor Relations*" of the Sustainability Report with those included in the Group consolidated financial statements;
3. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of EuroGroup Laminations S.p.A. and with the personnel of Eurotranciatura S.p.A. and Eurotranciatura Mexico S.A. de C.V., and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainability Report.

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In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's level:
 - with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidences;
 - with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- At and subsidiaries' level, with regard to the Baranzate site of Eurotranciatura S.p.A. and to the Santiago de Querétaro (Santa Rosa Jaureguís site) production plant for Eurotranciatura Mexico S.A. de C.V., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of EuroGroup Laminations S.p.A. as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards, with reference to the Selection of GRI Standards, as stated in the paragraph "*Methodological Note*" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.



Lorenzo Rossi
Partner

Milan, Italy
December 6, 2022