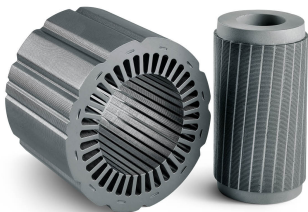
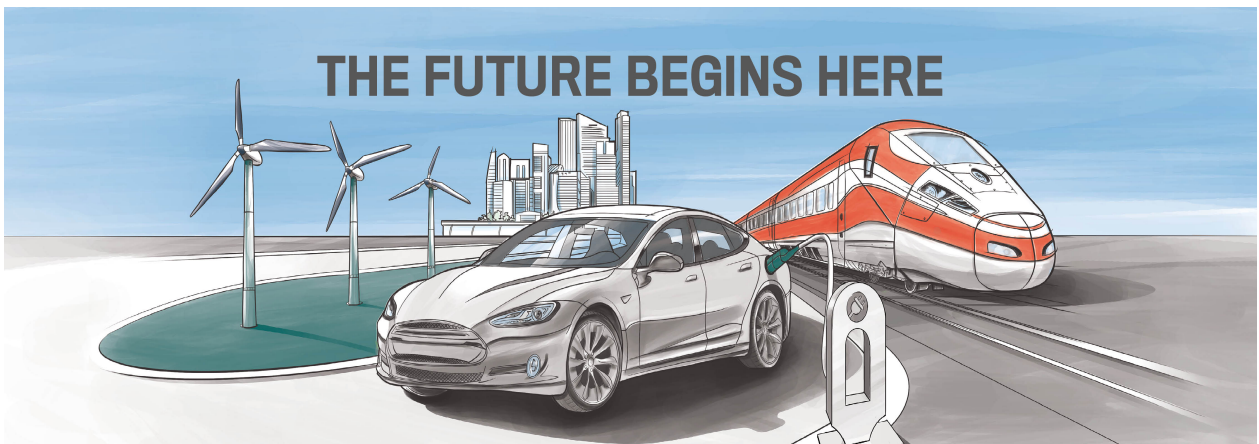


EUROGROUP[®]

LAMINATIONS

- SUSTAINABILITY HANDBOOK -



LEADER IN THE PRODUCTION
OF HIGH TECH STATORS
AND ROTORS FOR ELECTRIC
MOTORS AND GENERATORS.



Introduction

Following company Mission and the principles stated in the Code of Ethics, in 2020 Eurogroup decided to define a Sustainability path in order to embed the themes of sustainability in our business operations, planning and behaviours, setting target for future.

In order to make our commitment to corporate social responsibility alive and evident to employees and to all Eurotranciaturo S.p.A. stakeholders as a Company of EuroGroup, the Management appoints Mr. Massimo Barbato as Social Sustainability Manager and Attorney at Law, Mr. Giuseppe Strano as Business Conduct and Compliance Manager.

Massimo Barbato, degree in law, Master in HRM, in our company for over ten years, today covers the role of HR Manager.

Giuseppe Strano, partner of the A.L.I. & Partner, has international experience in civil, commercial and international contract law and Labor law.

With this handbook we want to be sure that our sustainability values are shared with all Company's Employees, Collaborators and Company Representatives, and be part of our daily behaviour at work. With simple actions and concrete effort, together we can achieve the Sustainability targets set by Eurogroup and look forward to the future.

This Sustainability Handbook highlights actionable sustainability practices for Eurogroup staff members and collaborators. The guidelines are suggested courses of action developed by the Company for use in Group Offices and in all the relationships with stakeholders, both personal and professional.

The principles of the Sustainability Handbook apply to Suppliers and commercial counterparties. EuroGroup expects its suppliers to accept and observe the principles of the Sustainability Handbook together with all applicable laws in accordance to what is established in the "Code of Ethics of EuroGroup".

They are designed to illustrate the principles of correct ethics and behaviour at work, the respect of Company's values and other sustainable ways in which business should be implemented.

This handbook is mainly designed as a guide for new employees to meet Company sustainability standards in terms of Business Ethics, Working Conditions and Environmental protection but it's also a good guide for all the employees and business partners as a reminder of our values.

This document represents the first release of the Sustainability Handbook that will be reviewed at least annually and implemented in the future with all the commitments and concrete actions that the company will make following the Sustainability best practices and macro trends.

This Handbook together with the Company Code of Ethics is a point of reference for all the employees of EuroGroup, some principles refers only to Eurotranciaturo S.p.A. based on local specific law and provisions, those will be marked with an (). Please use this handbook as a tool to implement and reinforce sustainable practices in day to day operations and planning.*

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1. MISSION STATEMENT AND VALUES

Mission

EuroGroup's mission is to be recognized as a highly reputable company capable of attracting valuable resources and a reference partner for users of stamped magnetic sheet metal.

At the same time EuroGroup believes its employees are its greatest asset and recognises its responsibility to ensure they are afforded appropriate development throughout their employment. This development begins at the Induction stage when a new employee joins and continues with all the training programs.

Our aim is to support and develop employees in their role so that they feel confident to undertake the responsibilities placed upon them and ultimately are able to contribute to the success of the organisation.

Our Values are:

- Open, fair and ethical conduct
- Initiative and determination
- Passion for business
- Independence and results focused
- Value People

The Group Values and principles of the Sustainability Handbook apply to Company's Employees, Collaborators and Company Representatives and also to Suppliers and commercial counterparties. EuroGroup expects its suppliers to accept and observe the principles of the Sustainability Handbook together with all applicable laws in accordance to what is established in the "Code of Ethics of EuroGroup".

BUSINESS ETHICS

“Business opportunities only exist if these are based on honesty and legality”

This Code was adapted to the new legislative requirements and is based on international treaties on human rights, corruption and sustainability. Its aim is to promote awareness of the laws and moral principles as an integral part of our business conduct. The key message is that as far as EuroGroup is concerned,

Based on these principles and in line with its values and with what is defined in the Code of Ethics, the Company is committed to operating through the world in all its activities with integrity and in full compliance with the highest ethical, professional and legal standards.

Sustainability, in terms of economic, social and environmental is an integral part of its decision making and control processes. No form of discrimination based on ethnicity, race, skin colour, gender, sexual orientation, religion, nationality, age, political opinion, and any other social status or personal characteristic is tolerated.

The provisions of the Code of Ethics, together with the Company Values apply to the Company's Employees, Collaborators and Company Representatives,

Principles expressed in the Code of ethics are to the highest standards of ethical behaviour and follow applicable laws and regulations. It contains the fundamental principles and regulations of business conduct that each of the companies of the Group must draw guidance from, both internally and in relations with external counterparties and the public in general. It's based on international treaties on human rights, corruption and sustainability.

Its aim is to promote awareness of the laws and moral principles as an integral part of our business conduct.

The Company promotes the application of its ethic principles with training for all employees and collaborators, including through the addition of, within the respective contracts with the Company, specific clauses requiring them to observe the provisions of this Code.

The Company supervises so that the selection of candidates to the role of Employees, Collaborators and Company Representatives is also conducted in order to assess the consistency of candidates' personal and professional qualities to the provisions of its ethics principles and the provision of the Code.

Below are detailed the main principles that reflect our approach to Business Ethics for the Group and Eurotranciatura S.p.A.

Bribery and other Corrupt Behaviour

The EuroGroup has a strict anti-bribery and corruption policy.

A bribe is defined as: giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

If you bribe (or attempt to bribe) another person, intending either to obtain or retain business for the Group, or to obtain or retain an advantage in the conduct of the Group's business this will be considered gross misconduct. Similarly accepting or allowing another person to accept a bribe will be considered gross misconduct. In these circumstances you will be subject to formal investigation under the Eurotranciatura S.p.A.'s disciplinary procedures, and disciplinary action up to and including dismissal may be applied.

Confidentiality

It is a condition of your employment that you have a duty of confidentiality with regards to EuroGroup.

During the course of your employment you may find yourself in possession of sensitive information, the disclosure of which could be construed as a breach of confidentiality. It is a condition of your employment that you have a duty of confidentiality to the EuroGroup, and you must not discuss any EuroGroup sensitive or confidential matter whatsoever with any outside organisation including the media.

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.

Data Protection and Access to Information (*)

Eurotranciatu S.p.A. will comply with all statutory requirements of the GDPR by registering all personal data held on its computer and/or related electronic equipment and by taking all reasonable steps to ensure the accuracy and confidentiality of such information.

The GDPR rights concerning information about them held on computer. Anyone processing personal data must comply with the eight principles of good practice. Data must be:

- fairly and lawfully processed
- processed for limited purposes
- adequate, relevant and not excessive
- accurate
- not kept longer than necessary
- processed in accordance with the data subject's rights
- secure
- not transferred to countries without adequate protection

Employees can request access to the information held on them by the Eurotranciatu S.p.A. All requests by employees to gain access to their personnel records should be made in writing.

Computer, email and Internet use

If you have access to the EuroGroup computers including email and access to the internet as part of your job, you must not abuse this by using these facilities for purposes unrelated to EuroGroup business.

Limited personal use of the internet is permitted during your formal breaks. Accessing pornographic or other unsuitable material, including auction or certain social networking sites is strictly prohibited and would be considered a serious disciplinary offence which may result in dismissal.

Only software packages properly authorised and installed by the EuroGroup may be used on EuroGroup equipment, you must therefore not load any unauthorised software onto EuroGroup computers.

If you have a Eurotranciatu S.p.A. email address, this is provided for responsible use on Eurotranciatu S.p.A. business and should not be used in any other way whatsoever.

All staff must make themselves familiar with the Eurotranciatu S.p.A.'s Internet & Email Policy available from IT Dept..

Receipt of Gifts

Your working relationships may bring you into contact with outside organisations where it is normal business practice or social convention to offer hospitality, and sometimes gifts. Offers of this kind to you or your family

can place you in a difficult position. Therefore no employee or any member of his or her immediate family should accept from a supplier, customer or other person doing business with EuroGroup, payments of money under any circumstances, or special considerations, such as discounts or gifts of materials, equipment, services, facilities or anything else of value unless:

- They are in each instance of a very minor nature usually associated with accepted business practice.
- They do not improperly interfere with your independence of judgement or action in the performance of your employment.

In every circumstance where a gift is offered, the advice of your line manager must be sought.

Please refer to the full Code of Ethics in <https://euro-group.it/download/>

WORKING CONDITIONS AND HUMAN RIGHTS

The company is committed to respect the international labor and human rights standards. Is committed to supporting the adoption of the principles reported below along its value chain, considering all the stakeholders. Every employee should take into consideration the content of this handbook and the working principles in it.

Our main principles are in line with the highest international standards in terms of labor condition and respect of human rights, we work constantly to create a sustainable workplace where every employee, collaborator and company representative could be at ease and express her/his ideas and behaviour without any concern.

The principles below are considered fundamental values for EuroGroup and should be respected and applied but all employees, collaborator and company representatives. Also the suppliers should consider those principles in dealing with us.

Child labor

The Company shall not engage in or support the use of child labour in its activities and along the supply chain, and shall not expose children or young workers to any situations in or outside of the workplace that are hazardous or unsafe to their physical and mental health and development.

Health and Safety*

The Company ensure that the workplace is safe and healthy. All the legal requirements are met in all the country where the company operates. The Company minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment, based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards. The Company operates under OHSAS 18.001 management system.

Freedom of Association and Right to Collective Bargaining

The employment is voluntary with contracts that must have written agreements on employment, containing terms and conditions. All the employees and works have the right to join and organise trade unions of their choice and to bargain collectively on their behalf with the organisation. The Company, according to the applicable laws does not interfere in any way with the establishment, functioning or administration of workers' organisations or collective bargaining.

Trade Union Membership*

It is your choice as to whether you wish to belong to a Trade Union. This is one way in which you will be able to make your views known on all issues affecting staff within the Eurotranciatra S.p.A. and have a recognised route to resolve issues affecting groups of staff where other methods have not been effective. In addition, the unions can provide personal representation for you if you experience difficulties at work via their accredited representative system. In Eurotranciatra S.p.A. operate the following Trade Unions:

FIM CISL
FIOM CGIL

Discrimination

We recognize people as the most important resource for carrying out our activities and undertakes to guarantee, at every stage of the employment relationship, from the selection process to the assignment of roles, from professional growth to the end of the relationship, equal opportunities, avoiding any form of discrimination in terms of employment or occupation and promoting a culture in which people recognize the value that a diverse and inclusive workforce brings. Directing the conduct of multinational companies and their employees. EuroGroup observes the provisions of treaties and recommendations.

Valuing Diversity

EuroGroup is committed to valuing diversity and seeks to provide all staff with the opportunity for employment, career and personal development on the basis of ability, qualifications and suitability for the work as well as their potential to be developed into the job.

We believe that people from different backgrounds can bring fresh ideas, thinking and approaches which make the way work is undertaken more effective and efficient.

The EuroGroup 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, decisions and behaviour to endeavour to promote these concepts, to comply with all relevant legislation and to ensure that they do not discriminate against colleagues, customers, suppliers or any other person associated with the EuroGroup.

Key Actions

In adopting these principles EuroGroup:

1. Will not tolerate acts that breach this policy and all such breaches or alleged breaches will be taken seriously, be fully investigated and may be subject to disciplinary action where appropriate.
2. Fully recognises its legal obligations under all relevant legislation and codes of practice.
3. Will allow staff to pursue any matter through the internal procedures which they believe has exposed them to inequitable treatment within the scope of this policy.
4. Will ensure that all managers understand and maintain their responsibilities and those of their team under this policy.
5. Will offer opportunities for flexible working patterns, wherever operationally feasible, to help employees to combine a career with their domestic responsibilities.
6. Will provide equal opportunity to all who apply for vacancies through open competition.
7. Will select candidates only on the basis of their ability to carry out the job, using a clear and open process.
8. Will provide all employees with the training and development that they need to carry out their job effectively.
9. Will provide all reasonable assistance to employees who are or who become disabled, making reasonable adjustments wherever possible to provide continued employment. We will ensure an appropriate risk assessment is carried out and that appropriate specialist advice is obtained when necessary.
10. Will distribute and publicise this policy statement throughout the EuroGroup

Dignity at Work

The EuroGroup 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.

What and How of Harassment

Harassment can be defined as conduct, which is unwanted and offensive and affects the dignity of an individual or group of individuals.

Sexual harassment is defined as “unwanted conduct of a sexual nature, or other conduct based on sex, affecting the dignity of women and men at work”. This can include unwelcome physical, verbal or non-verbal conduct.

People can be subject to harassment on a wide variety of grounds including:

- race, ethnic origin, nationality or skin colour
- sex or sexual orientation
- religious or political convictions
- willingness to challenge harassment, leading to victimisation
- disabilities, sensory impairments or learning difficulties
- status as ex-offenders
- age
- real or suspected infection with a blood borne virus (eg AIDS/HIV)
- membership of a trade union or activities associated with membership

Forms may include:

- physical contact ranging from touching to serious assault
- verbal and written harassment through jokes, offensive language, gossip and slander, sectarian songs, letters and so on
- visual display of posters, graffiti, obscene gestures, flags and emblems
- isolation or non-cooperation at work, exclusion from social activities
- coercion ranging from pressure for sexual favours to pressure to participate in political/religious groups
- intrusion by pestering, spying, following someone
- bullying

What should I do if subject to Harassment?

If you feel you are being harassed you are strongly encouraged to seek early advice/support from your line manager or HR Dept. If you feel your line manager is harassing you, then you should contact HR Dept that will investigate on your claim.

You should also keep a written record detailing the incidents of harassment and any requests made to the harasser to stop. This written record should be made as soon as possible after the events giving rise to concern and should include dates, times, places and the circumstances of what happened.

Pay, Benefits & Pensions*

a. Salary Arrangements

Your salary will be paid monthly by direct credit transfer to your designated bank account.

Your basic pay was outlined in your letter of appointment / statement of terms and conditions. Any subsequent amendments to your basic pay will be notified to you in writing by the Eurotranciaturo S.p.A.

Part-time employees will be paid on a pro rata basis based on the hours they work. In all other aspects, their salaries will be paid in accordance with the pay arrangements for full-time employees of the Eurotranciaturo S.p.A.

If any queries arise with regard to pay, or if it looks as if a mistake has been made, speak to HR Dept. immediately so that they can take appropriate action. Unless agreed otherwise, any pay errors, whether of over or underpayment, will be rectified in the next salary payment.

Appropriate deductions will be made from pay including income tax and National Insurance contributions (NICs), which are subject to each employee's earning level, family status and the number of hours worked.

Any other provision in National Collective Contracts and Internal Agreement you can ask to HR Dept.

Overtime *

Overtime is defined as all hours worked in excess of your full time contracted hours, which has the prior explicit approval of your manager.

Overtime is payable to posts which have been specifically designated as qualifying for overtime payment

For overtime paying rules you can ask for details to HR Dept. and periods worked between Monday and Saturday inclusively, overtime is payable at time and a half. For periods worked on Sundays or designated bank holidays double time is payable.

Income Tax*

If there are any changes in your personal circumstances which will affect your tax status, you should notify HR Dept.

Business Travel

You will be reimbursed for any expenditure necessarily incurred in order to do your job when working away from your normal place of work. Public Transport and accommodation costs will be reimbursed at actual cost – appropriate receipts must be submitted to our Accountancy Dept..

Leave Arrangements*

Annual Leave-Maternity and Paternity Leave/Parental Leave/Study Leave/Health Leave

Employees of Eurotranciatuura S.p.A. whether part-time or full-time are entitled to annual, maternity and special leave according to National law and National Collective Contract for our sector.

Holidays must be agreed with your manager as early as possible. The Eurotranciatuura S.p.A. will where possible try to accommodate individual preferences for holiday dates but the needs of the business may have to take precedence, particularly where short or inadequate notice is given.

Training and Development Policy*

Eurotranciatuura S.p.A. aims to provide training opportunities which will provide:

- An induction programme which all staff will be required to undertake and will assist staff settling into their new role/job.
- A progressive training and development scheme to enable staff to develop, relevant skills and acquire knowledge to underpin their current role and career aspirations through internal and external trainings.

A specific training on “Sustainability Handbook” and its content will be held to all new hired within December 2020, with a specific session for each module. For further details please refer to “Sustainability training agenda”

Moreover, EuroGroup therefore requires that its employees, suppliers and commercial counterparties all around the world acknowledge and observe together with the principles of Code of Ethics and of the Sustainability Handbook, in particular the principles of the following conventions:

- Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950);
- ILO (International Labour Organisation) Tripartite Declaration on Multinational Enterprises and Social Policy (1997) and ILO Declaration on the Fundamental Principles and Rights at Work (1998) (with particular regard to the following issues: abolition of child labour, ending of the practice of forced labour, non- discrimination, freedom of association and right to collective-bargaining);
- OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises (2000);
- "Agenda 21" on sustainable development (Final document of the United Nations Conference on the environment and development, Rio de Janeiro 1992);
- UN Convention on combating corruption (2005).

ENVIRONMENTAL PROTECTION

Innovative products of the highest quality, as contribution to sustainability and environmental well-being with the aim to create a better world for future generations.

Our Vision is the lifestyle of our global family, to preserve the planet we love.

The Group adopts technical and organizational measures to mitigate any potential harm to the environment. We believe in sustainability and in how people can change their behavior in relation to that. The Company operates under UNI ISO 14.001 management system and since 1997 operates under different management systems which details and attachment you can find at: <https://euro-group.it/download/>

The Company aims at reducing its impact in all the environments where we operate, trying to reduce its carbon footprint with use of renewable energy and sustainable materials.

The following tips and instructions will help us to achieve our commitments in terms of environmental sustainability, the Health & Safety and Environmental Policy at company level is another instrument within to company to define common rules to manage those topics, all the employees should behave according to its prescription.

This process starts with small actions that every employee can do, helping us in reaching higher sustainability targets at Group level. We believe that for our business the use of resources, the circular economy and the carbon footprint are the milestones on which we will build our environmental strategy.

Energy and Water conservation and savings

- Put your computer to sleep during lunch and during the day when it is not in use
- Close window shades on hot summer days, and do not open window when heating is on
- Use the air conditioner only when it is necessary and try to keep a temperature around 25°
- Shut down electronics and turn off your power strip at the end of the day
- Do not forget to turn on the lighting of the common areas.
- Report all leaking faucets/fixtures
- Prefer tap water instead of bottled water

Recycling and Waste reduction in operations and purchasing

- - The company is committed in the use of material that, when available, respect the planet
- - Dispose/recycle of hazardous waste properly according to the law and ISO 14.001
- - Recycle and compost waste whenever possible
- - Respect the rules of the plant for recycling: recycling bins are available in every plant and office.

Transportation

- To reduce its environmental impact, the company favors the use of green vehicles wherever possible
- the group promotes environmentally friendly driving styles (ecodriving)

*Smoking and Other Substances at Work**

Legislation now exist which makes it illegal to smoke in enclosed public spaces. Smoking is therefore strictly prohibited on all Eurotranciatra S.p.A. premises (including entrances and exits) and vehicles.

Bringing alcohol or any unlawful drugs to the workplace, and / or imbibing them there is strictly prohibited both during work time or during a period prior to work where the effects carry over to the workplace. Any such instances will be dealt with under the disciplinary procedure and may lead to your summary dismissal.

ANNEXES

Please refer to the “Manuale del neoassunto”, “Regolamento aziendale” and National Collective bargaining