



2025 SUSTAINABILITY REPORT

**BONDIOLI
& PAVESI**



Make
it
green



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Letter to Stakeholders

Dear Stakeholders,

We are pleased to present the **2025 Sustainability Report**, a document that describes the Bondioli & Pavesi Group's journey towards increasingly responsible and conscious growth, in continuity with the values that have guided the way we do business for 75 years.

Following the first experiences of voluntary reporting, 2025 represents another step forward for the Group in consolidating a **structured approach** to sustainability. The expansion and strengthening of the contents reflect the intention to provide an increasingly clear and complete view of our business model, the results achieved and the challenges ahead, in a constantly evolving industrial and international context.

During the year, the Group continued **the integration of environmental, social and governance topics** into its operating and decision-making activities, strengthening the initiatives already launched and developing new tools to support responsible management along the entire value chain. In particular, we continued to invest in the efficiency of production processes, product quality and safety, the protection of people and dialogue with the communities in which we operate.

Our commitment focuses on three closely interconnected dimensions: **environment, people and corporate culture**. Reducing the environmental impact of operations, enhancing human capital and promoting practices based on ethics, transparency and fairness are not only stated objectives for us, but concrete elements of day-to-day management.

Also in 2025, the Sustainability Committee played an important role in coordinating initiatives and promoting the dissemination of a **sustainability-oriented culture**, supporting the Group on a path of progressive alignment with international best practices. For the Bondioli & Pavesi Group, sustainability is an ongoing journey that requires listening skills, long-term vision and continuous improvement.

The preparation of this Report represents an important moment of **dialogue and transparency** towards all of you: customers, employees, partners, suppliers, institutions and local communities. Sharing the results achieved and future development areas is an integral part of our commitment to building relationships based on trust and collaboration.

We are aware that the challenges ahead require commitment, innovation and responsibility. For this reason, we intend to continue with determination in **strengthening our sustainability practices**, confident that only a reliable industrial approach that is people and environment focused can generate lasting value.

We would like to express our **heartfelt thanks** to all the people of the Bondioli & Pavesi Group who, with expertise, passion and a sense of belonging, contribute every day to making this journey possible, and to all stakeholders who accompany and support us on our path of responsible growth.

The Directors

Carlo Bondioli

Claudio Bondioli

Giovanni Pavesi






HIGHLIGHTS 2025

Awards and Ratings

ITALY'S BEST EMPLOYERS 2025

In 2025, Bondioli & Pavesi S.p.A. was recognized for the third consecutive year in the **"Italy's Best Employers 2025"** ranking prepared by Corriere della Sera and Statista, further strengthening its reputation as one of Italy's leading employers.

The survey, conducted anonymously and on a voluntary basis, involved **more than 20,000 employees** from companies with at least 250 employees in Italy, with the objective of measuring employee satisfaction with their organizations.



DAVIDSON PRIZE

The awards and recognitions received during the year highlighted not only the Group's focus on employee well-being, but also the quality of its products.

As evidence of this commitment, the E.D.I. (Electronic Data Interchange) driveshaft received the Davidson Prize.

Presented by ASABE (American Society of Agricultural and Biological Engineers) in partnership with AEM (Association of Equipment Manufacturers), the award is one of the most significant recognitions in the field of agricultural engineering.



Alcuni colleghi della BP Inc. ricevono il Davidson Prize (Milwaukee, marzo 2025)



CRIBIS PRIME COMPANY

Bondioli & Pavesi S.p.A. and Finsuge S.p.A. were awarded CRIBIS Prime Company status.

This recognition is assigned to companies that maintain a high level of economic and commercial reliability and demonstrate sound payment practices toward suppliers, confirming the solidity and reliability of those who have chosen us as business partners.

RATING ESG

In 2024, Bondioli & Pavesi S.p.A. and BP Componentes Hidráulicos e Mecânicos LTDA took part for the first time in the EcoVadis assessment, an international platform that evaluates corporate sustainability across four areas: environment, labor and human rights, ethics, and sustainable procurement.

The questionnaire, based on documented evidence, enables companies to benchmark themselves against globally recognized standards, while the overall score reflects the quality of the corporate social responsibility management system at the time of the assessment.



In 2025, Bondioli & Pavesi S.p.A. was awarded the **Silver Medal**, placing it among the top 15% of companies globally for sustainability performance.

The EcoVadis assessment was also extended to the Group's Italian and international manufacturing companies¹, with the aim of ensuring consistent oversight of sustainability performance across the organization.

In continuity with the previous year, Bondioli & Pavesi S.p.A. also participated in the **Carbon Disclosure Project (CDP)** rating in 2025.

¹ With the exception of Siboni S.p.A., which will be included in the rating assessment for the year 2026.

GENERAL DISCLOSURE

ESRS 2 – GENERAL DISCLOSURES

Methodological note

[BP-1; BP-2]

This Sustainability Report has been prepared by the Bondioli & Pavesi Group (hereinafter, the “Group”) on a **voluntary basis**, with the aim of transparently communicating the Group’s policies, actions, and performance to stakeholders in relation to the main environmental, social, and governance topics.

Although the Group is not subject to the reporting requirements set out by the **Corporate Sustainability Reporting Directive (CSRD)**, this Report has been prepared taking into account, where relevant, the guidance and principles introduced by the **European Sustainability Reporting Standards (ESRS)**, as a reference framework for the progressive enhancement of the quality and structure of sustainability disclosure.

The information and data included in the Sustainability Report refer to:

- **ESRS 1**, which provides the general guidelines for sustainability reporting;
- **ESRS 2**, which includes cross-cutting elements applicable to all material topics, particularly those concerning policies, actions, and targets;
- **Topical standards** (E1, E2, E3, E5, S1, S2, S3, S4, G1), relating to the material topics identified through the double materiality assessment.

Basis for preparation of the sustainability statements

This Sustainability Report, prepared on a consolidated basis for fiscal year 2025, includes all subsidiaries controlled by the Parent Company and fully consolidated.

The document presents, in aggregate form, information relating to the Italian and international companies listed below:

- **Finsuge S.p.A.**
- **Bondioli & Pavesi S.p.A.**
- **Bondioli & Pavesi Sales & Logistics S.p.A.**
- **HP Hydraulic S.p.A.**



*Make it green
is more than a
motto!*

*It is the very
philosophy
that guides
the actions of
the Bondioli
& Pavesi
Group in its
daily choices
towards a zero-
impact future.*

- **Dinoil S.p.A.**
- **Tecnomek S.p.A.**
- **Fira S.p.A.**
- **Siboni S.p.A.**
- **OM Protivín A.S.**
- **BP Componentes Hidráulicos e Mecânicos LTDA.**
- **Bondioli & Pavesi Hydraulic and Mechanical Components LTD.**
- **Hangzhou Bondioli & Pavesi Commercial & Trade Co. LTD.**
- **Bondioli & Pavesi GMBH Deutschland**
- **Bondioli & Pavesi France S.A.**
- **Bondioli y Pavesi Ibérica S.A.**
- **Bondioli & Pavesi Inc.**
- **Bondioli & Pavesi Spolka ZO.O.**
- **Bondioli & Pavesi Ukraine L.L.C.**
- **Bondioli & Pavesi India Pvt. Ltd.**

Where certain content in the document refers exclusively to a subset of the companies considered, this will be separately indicated.

The reporting period for the information included in this document covers the period from **January 1 to December 31, 2025**.

Coverage of own operations and the value chain

In line with the approach introduced by the ESRS, in addition to the full coverage of its own operations, the Group also considered the **upstream and downstream value chain** as part of the process for identifying impacts, risks, and opportunities (IROs), with particular reference to suppliers of relevant materials, components, and services, as well as customers and end users of the Group’s products.

This Report does not include quantitative metrics that incorporate specific value chain data, while qualitative and assessment-based information is used for sustainability analysis purposes.

[SBM-1]

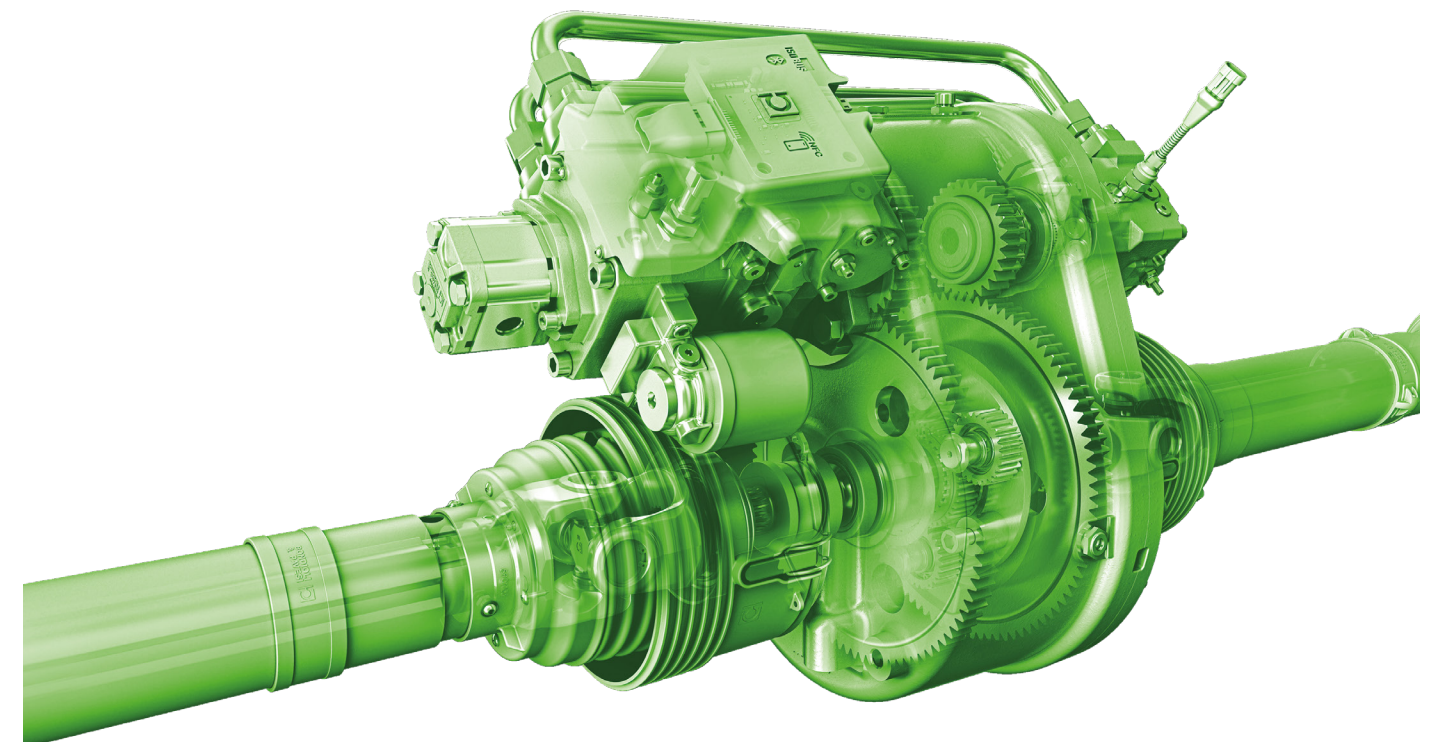
Strategy, business model, and value chain

Group Identity, History, and Positioning

Founded in 1950, the Group has built a solid industrial identity over time, evolving from a local entrepreneurial business into an international group active in the design and production of power transmission solutions. Since the early stages of its history, the Group's **growth path** has been characterized by a continuous focus on technological innovation, the expansion of production capacity, and the development of a direct presence in foreign markets.

The international expansion launched in the **1960s**, the gradual introduction of new specialized divisions—**hydraulics, electronics, and electric systems**—and investments in logistics and process digitalization have helped consolidate an integrated industrial model, now structured across multiple production, commercial, and logistics entities worldwide.

This historical path forms the foundation of the Group's current positioning within technologically advanced industrial value chains, which are characterized by high requirements for efficiency, reliability, and operational continuity.



Our History



We have come a long way since 1950, but some points have remained the same:

A passion for innovation

A firm belief in things “done right”

The link with the People

Mission and values

The Group and all its companies share the mission of providing **excellent products and services**, responding to customer needs with **expertise and innovation** and contributing to the **economic and social development** of the communities in which they operate.

The Group's strategy is based on key values, formalized in the **Code of Ethics** and shared at all organizational levels. These include loyalty and transparency in relationships with stakeholders, recognition of the central value of people, fairness and respect for diversity, a sense of belonging to the corporate community, and the constant pursuit of excellence in products and services.

These principles are complemented by teamwork, the enhancement of skills, open communication and ongoing dialogue, as well as a constant commitment to social and environmental matters, understood as an integral part of the Group's responsibility toward local communities and future generations.

THE VALUES



The Group's fundamental values, set out in the **Code of Ethics** and shared by the entire corporate community, serve as an essential reference point in guiding decisions and addressing daily challenges.

Rooted in the company culture, they underpin a model of growth that is both profound and sustainable, designed to generate economic, social and environmental value.

LOYALTY AND TRANSPARENCY



Company representatives and employees are committed to maintaining personal conduct that is honest, balanced, and respectful of others, basing their behavior on principles of integrity, fairness, transparency, and good faith.

PERSONAL VALUE



People are an essential value for the Group. Each individual contribution supports the Group's market position and strengthens its credibility.

EQUITY



The Group is committed to eliminating all forms of discrimination, respecting differences related to gender, age, race, religion, political and union affiliation, sexual orientation, language, or disability.

SENSE OF BELONGING



A sense of belonging to the company means sharing common goals. Employees are proud to be part of both their individual company and the broader family of companies, supporting one another, especially in times of difficulty.

PRODUCT AND SERVICE EXCELLENCE



The Group's companies are distinguished by an inherent drive for continuous improvement: looking to the future, anticipating challenges, fostering the creativity of people across the organization, and recognizing merit, with product and service excellence embedded in the company's DNA.

TEAMWORK AND EXPERTISE



Being and feeling part of a team is a principle shared by everyone. Building a successful team is a responsibility of the managers of the Group's companies, who are expected to encourage teamwork among employees by motivating and engaging them.

COMMUNICATION AND DIALOGUE



Communication and dialogue are the foundation of relationships within the Group's companies. All managers are expected to promote mutual discussion, ongoing information sharing, and collaboration both within their own function and across the organization.

SOCIAL AND ENVIRONMENTAL COMMITMENT



Supporting social, humanitarian, environmental protection, and sustainable local development initiatives is a priority for the Group. All employees are encouraged to contribute with professionalism and collaboration, adopting behaviors that respect the environment and safeguard health.



Strategy and business model

The Group's business model integrates **design, production, sales, and technical support** within a highly specialized international industrial structure. The production companies operate autonomously but in a coordinated manner, each focused on specific technological expertise and manufacturing processes, enabling the Group to directly oversee the main stages of the value chain.

This structure combines **operational flexibility and strategic integration**, ensuring high-quality standards and effective control of production processes. The Group's position as a supplier of integrated power transmission solutions places it in sectors characterized by increasing requirements for performance, safety, and sustainability throughout the product life cycle.

Sectors, products, services, and markets

The Group operates as a global provider of **power transmission** solutions, offering an integrated portfolio of **mechanical, hydraulic, electronic, and electric products**. Its main product groups include driveshafts, gearboxes, hydraulic pumps and motors, control valves, heat exchangers, precision mechanical components, electronic and mechatronic motion control systems, and electric motors.

These products are complemented by **services** including technical assistance, commercial support, and the distribution of genuine spare parts, made possible through an international sales and logistics network.

The Group operates primarily in **the agricultural machinery, mobile machinery**, and industrial machinery sectors, serving customers that require technologically advanced, reliable solutions increasingly focused on energy efficiency and the reduction of environmental impacts. At present, there are no products or services subject to bans in specific geographic markets.



Value chain

The Group's **value chain** is structured around three interconnected macro-phases.

Upstream, the Group relies on a network of suppliers of raw materials, semi-finished products, consumables, and services, including logistics and consulting services.

This phase is relevant for the management of risks and opportunities related to supply continuity, material quality, and procurement practices.

Own operations are the core of the value chain and include design activities, machining, component assembly, warehouse management, and logistics coordination.

This phase is where investments in technology, digitalization, and improvements in production efficiency are concentrated, with direct effects on the Group's environmental and social impacts.

Downstream, the Group operates through an international sales network that includes sales subsidiaries, distributors, dealers, and end customers.

This structure enables the Group to provide technical support and services close to customers, strengthening long-term relationships with manufacturers of agricultural and industrial machinery.

Production, Sales, and Logistics Presence

The Group has an **extensive network of production, sales, and logistics sites** located across Italy, Europe, Asia, and the Americas. Production sites specialize in the development and manufacturing of specific components and systems, while sales locations ensure a direct presence in the Group's main reference markets.

The **Suzzara** logistics hub, through B&P Sales & Logistics, plays a central role in coordinating product distribution and providing customer support, contributing to the efficiency and reliability of the value chain at the global level.



PRODUCTION



Italy

BONDIOLI & PAVESI | Suzzara (MN)
HP HYDRAULIC | Pieve di Cento (BO)
DINOIL | Montecchio Maggiore (VI)
FIRA | Dosso Terre del Reno (FE)
TECNOMEK | Lestans di Sequals (PN)
SIBONI | San Martino in Villafranca (FC)

World

O.M. PROTIVÍN | Protivín, Czech Republic
BP COMPONENTES HIDRÁULICOS E MECÂNICOS | Caxias do Sul, Brazil
B&P HYDRAULIC AND MECHANICAL COMPONENTS | Hangzhou, China
BONDIOLI & PAVESI INDIA | Chakan Pune, India

COMMERCIAL



World

BONDIOLI & PAVESI FRANCE | Mennecey, France
BONDIOLI & PAVESI DEUTSCHLAND | Gross Gerau, Germany
BONDIOLI & PAVESI IBÉRICA | Zaragoza, Spain
BONDIOLI & PAVESI INC. | Ashland, USA
BONDIOLI & PAVESI POLSKA | Slupsk, Poland
BONDIOLI & PAVESI UKRAINE | Velyki Birky, Ukraine

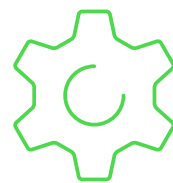
LOGISTICS



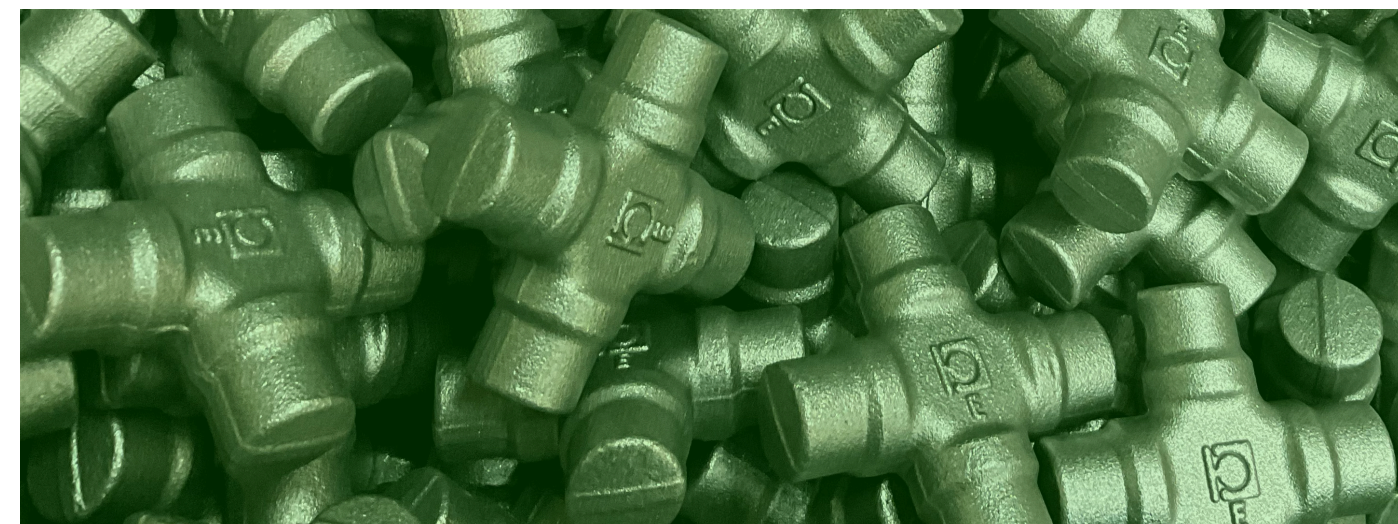
B&P SALES & LOGISTICS | Suzzara (MN)

PRODUCTION

Design/Production



The **ten** Bondioli & Pavesi Group **production companies**, each specialising in the design and manufacture of specific components, operate independently to ensure maximum customer benefit.



BONDIOLI & PAVESI | Suzzara (Mantova)

Building on the credibility gained over more than seventy years of activity and market presence, Bondioli & Pavesi is now a leader in the production of power transmission components.

As the parent company of a continuously growing Group, the company is a global benchmark in the manufacture of driveshafts for agriculture and gearboxes used in all types of industrial and agricultural applications, meeting customer needs around the world.



HP HYDRAULIC | Pieve di Cento (Bologna)

Part of the Bondioli & Pavesi Group for more than thirty years, HP Hydraulic specializes in the production of axial piston pumps and motors, gear pumps and motors, pump-motor coupling systems, and servo controls used in numerous industrial and agricultural mechanization applications.



DINOIL | Montecchio Maggiore (Vicenza)

DINOIL joined the Bondioli & Pavesi Group in 1986 and designs and manufactures directional control valves used in a wide range of applications in the agricultural, construction, and earthmoving sectors.

Fully aligned with the Group's operating philosophy, these products are offered either as a standard range or developed in close collaboration with customers for specific applications.



FIRA | Dosso Terre del Reno (Ferrara)

FIRA specializes in the production of high-quality heat exchangers, supported by the use of advanced technologies for aluminum cooling element manufacturing and by the ability to provide the market with standard and customized heat exchangers, including traditional, combined, and large-size models.

Part of the Group since 1987, FIRA is a highly valued partner for applications in mobile machinery and industrial installations.



TECNOMEK | Lestans di Sequals (Pordenone)

Tecnomek is a modern facility dedicated to manufacturing high-precision components used in the pumps and valves produced across the Group's plants.

This production unit demonstrates the importance of a strategy focused on technology investments to manufacture increasingly innovative and reliable components used directly in the production processes of Bondioli & Pavesi Group companies.



SIBONI | San Martino in Villafranca (Forlì)

Siboni S.p.A., founded in 1957 in Forlì by brothers Enzo and Ivo Siboni, became part of the Bondioli & Pavesi Group in September 2023.

Originally specialized in appliance repair, the company evolved its business toward the production of electric motors, planetary gearboxes, and DC gearmotors. In the new millennium, it expanded its focus on motor control electronics, becoming a benchmark for mechatronic solutions.

The acquisition by Bondioli & Pavesi strengthened Siboni's presence in the industrial, agricultural, robotics, and intralogistics sectors, enhancing the Group's offering in electric and hybrid power transmission.



O.M. PROTIVÍN | Protivín, Czech Republic

With a history spanning more than one hundred years, the company began as a division specialized in machining complete gearboxes and components for the motorcycle industry.

Today it specializes in the production of precision gears and remains a benchmark in this sector, as well as in gearboxes used in both agriculture and industry.

Maintaining its headquarters in the Czech Republic, the company became part of the Bondioli & Pavesi Group in 2007.



BP COMPONENTES HIDRÁULICOS E MECÂNICOS | Caxias do Sul, Brazil

Founded in 2002, the company manufactures driveshafts and directional control valves, while also marketing hydraulic products in the Brazilian and Latin American markets.

Bondioli & Pavesi's decision to open a production plant directly in the region proved successful, allowing the Group to fully capture the potential offered by Brazil's economic growth and the broader South American market.



BONDIOLI & PAVESI INDIA | Chakan Pune, India

Operating since 2012, Bondioli & Pavesi India manufactures pumps, axial piston motors, and directional control valves for leading local manufacturers of agricultural machinery, mobile construction equipment, and public works machinery.

At the Chakan Pune plant, key components sourced from Europe are assembled together with parts machined directly in India, ensuring the highest quality standards.

Each component manufactured is tested on dedicated test benches to ensure maximum reliability and cost-effectiveness.



B&P HYDRAULIC AND MECHANICAL COMPONENTS | Hangzhou, China

Founded in 2000 as a representative office, the Chinese company has developed into a purchasing center, managing all representation activities in the Chinese market.

Today, the sales organization is complemented by a production facility dedicated to the manufacture of driveshafts and directional control valves for the Chinese and international markets.

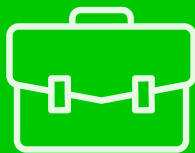


To encourage dialogue and cooperation among UTE and Logistics operators, the Group decided to create a dedicated meeting space directly within each production plant: the PEM Arena.



COMMERCIAL

Sales/Service



The **commercial strength** is a key strategic premise, evidenced by the establishment of sales and logistics companies in the world's major markets since 1967.



LOGISTICS

Distribution

The Terminal **logistics hub** in Suzzara (MN) is designed to optimize product distribution and provide high-quality technical support to customers, strengthening the Bondioli & Pavesi Group's global presence and the supply of original components and spare parts internationally.



Interests and views of stakeholders

The Group places great importance on structured and ongoing dialogue with its **stakeholders**, recognizing it as an essential element for guiding strategic decisions, supporting the business model, and consolidating a long-term path of sustainable growth.

Stakeholder engagement is developed first and foremost through daily interactions between the various corporate functions and the parties with whom the Group operates along its value chain.

This ongoing dialogue makes it possible to directly collect needs, expectations, and feedback, contributing to an up-to-date understanding of the main topics relevant to the Group and its stakeholders.

The **Sustainability Committee** plays an important role in overseeing these dynamics by coordinating the collection of internal information and promoting the dissemination of a sustainability culture within the organization. Through the Committee, input from internal stakeholders is systematized and considered in the evolution of corporate actions.

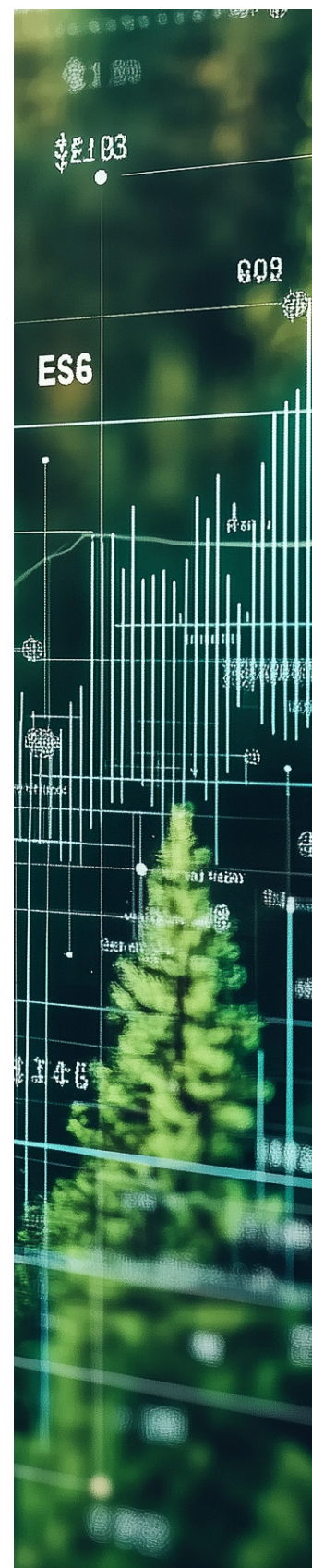
The **materiality assessment process** is one of the main tools used to integrate stakeholder interests and views into the Group's strategic decisions.

The involvement of corporate functions enables the Group to identify, assess, and prioritize the most relevant topics in terms of economic, social, and environmental impacts, ensuring that strategic priorities consistently reflect stakeholder expectations and the relevant operating context.

Stakeholder engagement is also expressed through dedicated initiatives addressed to employees, customers, and local communities, aimed at strengthening a sense of belonging, transparency, and shared responsibility.

In this context, the annual publication of the **Sustainability Report** represents a structured moment of reporting and communication, through which the Group clearly and accessibly shares its results, main challenges, and future commitments with all stakeholders.

[SBM-2]



Stakeholder categories and main interests

As part of its activities, the Group interacts with different categories of stakeholders whose expectations and concerns are considered relevant in relation to its strategy and business model:

- **Employees and collaborators**, with reference to health and safety, skills development, organizational well-being, equity, and growth opportunities;
- **Customers**, interested in quality, product reliability, technological innovation, and the Group's ability to provide increasingly efficient and sustainable solutions;
- **Suppliers**, involved in relationships focused on continuity, quality, compliance with ethical, social, and environmental standards, and responsible supply chain management;
- **Local communities**, attentive to the economic and social impacts of the Group's activities in the areas where it operates, as well as to its contribution to local development;
- **Institutions and certification bodies**, key counterparts for compliance with applicable regulations and quality, environmental, energy, and occupational health and safety standards.



Double materiality assessment [IRO-1]

The Group carried out the **double materiality assessment** to identify and evaluate, in a structured manner, the main **impacts, risks, and opportunities (IROs)** connected with its activities and value chain, using the ESRS as the methodological reference framework.

The process integrated qualitative and quantitative analyses and was applied to the Group's own operations as well as, where significant, to upstream and downstream value chain activities, in order to provide the most complete possible representation of the potential effects generated or experienced by the Group.

General Process Approach

The assessment was preceded by a phase of **internal and external context analysis**, aimed at building a consistent and up-to-date information base to support the subsequent materiality evaluations.

This phase considered the Group's organizational and operating scope, the characteristics of its value chain, its sectors of activity, and the thematic areas most relevant to the business.

To support this preliminary activity, the Group conducted a **benchmarking analysis** of the reporting practices adopted by companies operating in similar sectors and assessed the main sustainability topics recognized as relevant at sector level.

This analysis helped strengthen the understanding of potentially relevant topics, reducing the risk of overlooking significant aspects in relation to the reference context.

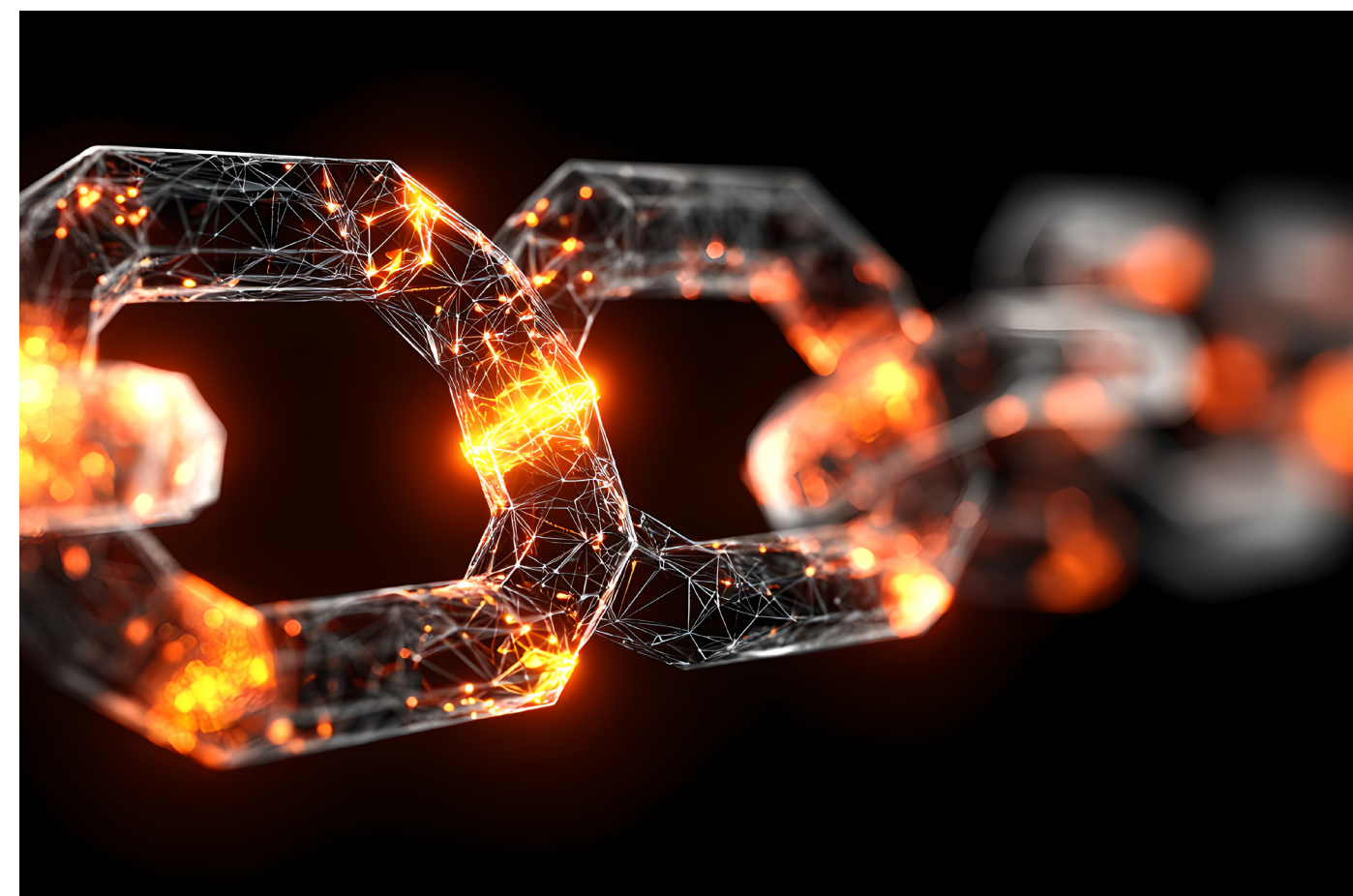
At the same time, the **value chain mapping** was updated, distinguishing between upstream activities, internal operations, and downstream activities, with the objective of identifying the stages and actors in relation to which the Group could generate or experience material impacts, risks, or opportunities, including where it does not exercise direct control.

Identification of Impacts, Risks, and Opportunities

Based on the information gathered through the context analysis and the requirements set out by the ESRS, the Group proceeded with the identification of potentially material **impacts, risks, and opportunities**.

The **long lists** of impacts, risks, and opportunities were developed in continuity with the previous reporting exercise, through a systematic alignment of the topics already monitored with the areas and topics provided for by the ESRS. This activity included a rationalization and terminology review process aimed at improving clarity, avoiding overlaps, and ensuring greater methodological consistency.

The identification of IROs involved the relevant **corporate functions**, in order to integrate the organization's operational, technical, and strategic knowledge into the assessment process and ensure that the evaluations reflected the specific characteristics of the Group's activities and relationships along the value chain.



Assessment of Impacts, Risks, and Opportunities

The **assessment** of impacts, risks, and opportunities was conducted by jointly considering the perspectives of **impact materiality** and **financial materiality**, in order to obtain an integrated and consistent view of the main sustainability matters relevant to the Group.

With regard to **impacts**, the Group considered actual or potential, positive and negative effects generated directly by its own activities or indirectly through the value chain. The assessment of negative impacts was based on an analysis of their severity, considering the scale of the effects produced, the scope in terms of affected people or geographic area, and the irremediable character of the impact, understood as the possibility — or lack thereof — of remedying the consequences generated. These dimensions were complemented by an assessment of likelihood, particularly for potential impacts. For positive impacts, the assessment considered the nature of the benefits that could be generated and the likelihood that such benefits would materialize.

The assessment of **risks** and **opportunities** addressed the potential financial implications of sustainability matters, considering likelihood of occurrence and the magnitude of expected economic and financial effects over the short, medium, and long term. In this context, potential impacts on cash flows, operating costs, overall performance, and the Group’s competitive positioning were analyzed, including with reference to factors that may arise through the value chain.



Determination of Material Topics

The outcomes of the assessment of impacts, risks, and opportunities were then integrated to determine the **material sustainability topics**, in line with the double materiality approach. A topic was considered material when it was relevant from the perspective of the impacts generated or sustained by the Group, potential financial effects, or both perspectives.

The material topics identified in this way form the basis for defining the contents of the Sustainability Report and guiding the Group’s strategic and operational priorities. The following table presents the material topics, organized by sub-topic, type of IRO, brief description, value chain phase affected, and time horizon.

Sub-topic	IRO	Description	Value chain	Time horizon
ESRS E1 – Climate change				
Climate change adaptation	Physical risk	Damage to company assets and increased operating costs due to extreme weather events	Own operations	Long-term
Climate change mitigation	Current negative impact	Generation of direct and indirect energy-related GHG emissions (Scope 1 and 2)	Own operations	Short-term
	Current negative impact	Generation of indirect GHG emissions (Scope 3)	Upstream, Downstream	Short-term
	Transition risk	Increase in operating costs due to regulatory changes related to direct and indirect emissions	Own operations	Medium-term
Energy	Current negative impact	Use of energy from fossil sources for production	Own operations	Short-term
	Transition risk	Increase in operating costs due to energy price volatility	Own operations	Medium-term
	Opportunity	Adoption of advanced technological solutions to improve energy efficiency and promote sustainability	Own operations	Medium-term
ESRS E3 – Water and marine resources				
Water	Current negative impact	Water withdrawal and consumption for production processes, contributing to water-related impacts	Upstream, Own operations	Short-term
ESRS E5 – Circular economy				
Resource inflows, including resource use	Current negative impact	Use of virgin resources and raw materials for production	Upstream, Own operations	Short-term
	Risk	Increase in operating costs due to raw material scarcity and rising production costs	Upstream, Own operations	Medium-term
Resource outflows related to products and services	Current negative impact	Design of products with limited recyclability	Own operations	Medium-term
Waste	Current negative impact	Generation of industrial waste	Own operations	Short-term

Sub-topic	IRO	Description	Value chain	Time horizon
ESRS S1 – Own workforce				
Working conditions	Current positive impact	Job stability for all employees	Own operations	Short-term
	Current positive impact	Improved quality of life for employees thanks to the introduction of flexible working arrangements in the management of working hours	Own operations	Short-term
	Current positive impact	Economic security thanks to transparency in remuneration policies	Own operations	Short-term
	Current positive impact	Presence of second-level collective agreements aimed at regulating working conditions	Own operations	Short-term
	Current negative impact	Employee dissatisfaction due to the lack of additional tools for flexibility to support work-life balance	Own operations	Short-term
	Current negative impact	Injuries and occupational diseases leading to harm to employees	Own operations	Short-term
	Risk	Reputational damage and recruitment difficulties due to inadequate pay policies and work-life balance	Own operations	Medium-term
Equal treatment and opportunities for all	Current negative impact	Limited access for women to senior positions and/or professional development processes within the company	Own operations	Short-term
	Current positive impact	Development of employees' skills thanks to the success of training and development programmes	Own operations	Short-term
	Opportunity	Improved attraction and retention of talent, engagement and productivity through the enhancement of all resources, ensuring inclusiveness in HR processes	Own operations	Medium-term
ESRS S2 – Workers in the value chain				
Working conditions	Potential negative impact	Lack of decent working conditions for workers in the value chain	Upstream, Downstream	Long-term
	Potential negative impact	Harm to value chain workers resulting from accidents and occupational diseases	Upstream, Downstream	Medium-term
Equal treatment and opportunities for all	Potential negative impact	Discrimination with regard to opportunities and treatment of workers in the value chain	Upstream, Downstream	Long-term
Other work-related rights	Potential negative impact	Violation of other workers' rights in the value chain, such as the use of child labour, forced labour, and lack of adequate housing, water and sanitation facilities	Upstream, Downstream	Short-term
ESRS S3 – Affected communities				
Economic, social and cultural rights of communities	Current positive impact	Socio-economic development of communities, including through the support of local associations, charitable, sports and cultural activities	Own operations	Short-term

ESRS S4 – Consumers and end-users				
Impacts related to information for consumers and/or end-users	Current positive impact	Consistency between the information provided and the product's features	Own operations	Short-term
Personal safety of consumers and/or end-users	Potential negative impact	Harm to consumers resulting from lack of product safety	Downstream	Short-term
ESRS G1 – Business conduct				
Corporate culture	Current positive impact	Increased awareness regarding values, correct behaviour and ethics among employees and towards the market	Upstream, Own operations, Downstream	Short-term
	Opportunity	Greater business opportunities through the strengthening of ESG governance and regulatory compliance	Own operations	Medium-term
Cybersecurity [entity specific ²]	Risk	Possibility of cyber attacks that compromise the confidentiality, integrity or availability of company data and systems, with potential operational, economic and reputational impacts	Own operations	Short-term
Protection of whistleblowers	Current positive impact	Promotion of a safe and inclusive environment for whistleblowers through the implementation of adequate reporting channels	Upstream, Own operations, Downstream	Short-term
Management of supplier relationships, including payment practices	Current positive impact	Improvement of suppliers' ESG performance through selection criteria that consider social and environmental aspects	Own operations	Short-term
	Opportunity	Strengthening of relationships with suppliers through sustainable development initiatives and collaboration on ESG topics	Own operations	Short-term
Active and passive corruption	Current positive impact	Prevention of corruption offences through the implementation of management systems and targeted training for all levels of the company.	Own operations	Short-term

² The concept of an entity-specific material topic refers to sustainability impacts, risks or opportunities that are specific to the individual company and are not already covered by the ESRS reporting standards.

Corporate Governance

[GOV-1]

The Group's **governance** is characterized by a holding company structure designed to ensure effective coordination and control of corporate activities.

The Parent Company, **Finsuge S.p.A.**, provides direction and oversight to the Group companies, promoting strategic alignment and management consistency.

BOARD OF DIRECTORS

The management of the Group companies is entrusted to the **Board of Directors**, which operates in accordance with the traditional administration and control system and is responsible for ordinary and extraordinary decisions.

The Board is the executive body responsible for pursuing the corporate purpose and making the main strategic and management decisions. The Board of Directors is composed of:

**CARLO
BONDIOLI**

**CLAUDIO
BONDIOLI**

**GIOVANNI
PAVESI**

There are currently no independent directors or employee representatives on the administrative body.

The skills and professional backgrounds of the members of the Board of Directors reflect the Group's own evolution, rooted in an entrepreneurial tradition that has been consolidated over time through management continuity and a shared vision.

This wealth of experience is an essential safeguard for ensuring informed and attentive oversight of strategic choices.

In this context, the Board of Directors is able to assess the impacts of corporate decisions, as well as related risks and opportunities, while maintaining a consistent direction that reflects the strength of the values on which the Group has built its identity and development over time.

ETHICS COMMITTEE



Alongside the Board of Directors, the Group has established an **Ethics Committee** tasked with promoting business conduct inspired by principles of integrity, fairness, and responsibility.

The Committee operates in accordance with the **Code of Ethics**, which represents the foundation of the governance system and defines the values and guiding principles for conducting business.

The Code of Ethics guides the conduct of directors, management, employees, and all those who work for and with the Group, providing a reference framework for decision-making and for managing relationships with stakeholders.

SUSTAINABILITY COMMITTEE



In 2021, the Group established the **Sustainability Committee** with the objective of supporting the integration of sustainability principles into corporate activities.

The Sustainability Committee manages and develops improvement proposals in the environmental area, with reference, among other topics, to the management of energy, water resources, waste, and packaging.

To encourage the involvement of the entire corporate population, proposals may be submitted through internal channels, such as the "Online Forms" section available on the **company intranet**.

Did you know that...?



Companies are not only made up of factories and equipment, but above all of **people**. Corporate culture defines the way we think and act; in a nutshell... **the way we "are"**.

This is why it is so important to pass it on to all employees, the true ambassadors of our **values and objectives**.



ENVIRONMENTAL INFORMATION

ESRS E1

CLIMATE CHANGE

Management of impacts, risks, and opportunities

Policies related to climate change and climate change adaptation

The Group adopts an integrated set of **policies** aimed at climate change mitigation and adaptation to climate impacts, primarily formalized in the **Environment, Health, Occupational Safety, and Energy Policy** and in the **Group Sustainability Policy**.

These documents define the organization's commitments and general objectives with respect to relevant climate impacts and related risks and opportunities, guiding corporate action toward the reduction of greenhouse gas emissions, the improvement of energy efficiency, and pollution prevention.

The policies specifically provide for the responsible management of energy resources, the design and optimization of production processes with a view to reducing carbon intensity, the preventive assessment of changes to products and processes in order to limit climate impacts throughout the life cycle, and the promotion of the use of renewable energy sources.

This context also includes initiatives already implemented by the Group, including the installation and use of photovoltaic systems at operating companies, as well as the systematic monitoring of energy consumption.

The **scope of application** of the policies includes all Group companies, both manufacturing and sales entities, operating in Italy and abroad, with no exclusions.

The policies apply to the Group's own operations and extend, where relevant, to the upstream value chain through the commitment to raising suppliers' awareness and involving them in reducing energy consumption, preventing pollution, and limiting indirect climate impacts associated with procurement activities.

With respect to climate-related matters, the main stakeholders concerned include workers, suppliers, and the communities in the areas where the Group operates.

In implementing its policies, the Group refers to internationally recognized standards and initiatives. From a management perspective, the policies are implemented through

[E1-2]

[E1-3]



Management Systems compliant with **UNI EN ISO 14001** for the environment and **UNI CEI EN ISO 50001** for energy³. In terms of sustainability, the Group refers to the principles of the **Paris Agreement** and the **United Nations Sustainable Development Goals**, with particular reference to objectives related to renewable energy, industrial innovation, responsible production, and climate action.

These references are integrated with the principles of the **Code of Ethics** and the **Supplier Code of Conduct**, which guide behavior along the value chain also with respect to climate impacts.

Actions and resources in relation to climate change policies

The Group addresses climate change through a coordinated set of mitigation and adaptation actions, integrated into a structured management system focused on continuous improvement. The initiatives adopted are consistent with the Group's environmental and energy policies and contribute to reducing greenhouse gas emissions, improving energy efficiency, and strengthening operational resilience to climate-related risks.

One key area of action concerns the **decarbonization** of electricity consumption, mainly pursued through increased self-generation of energy from renewable sources. The installation of **photovoltaic systems** on the roofs of production plants has reduced the use of electricity from fossil sources and helped limit indirect emissions associated with energy consumption (Scope 2).

This **decarbonization lever** represents a structural element of the Group's climate strategy and will continue to be developed in future years, in line with site-specific technical characteristics and regulatory developments.

A second area of action is the **improvement of energy efficiency** in buildings and equipment. During the year, the Group continued to introduce technological solutions aimed at reducing consumption, including smart lighting systems

³ For the correct scope of application of the two management systems, please refer to the section "Scope of the Management Systems".

equipped with presence and brightness sensors, which make it possible to regulate energy use according to actual space occupancy. These initiatives help reduce overall energy consumption and, consequently, the emissions associated with operating activities.

At the same time, the Group promotes **sustainable mobility** as an additional mitigation lever. The installation of electric vehicle charging stations, made available to the company fleet, employees, and visitors, supports the progressive electrification of the vehicle fleet and encourages the adoption of lower-emission transport solutions.

This action contributes to reducing direct emissions related to mobility and strengthens the dissemination of more sustainable behaviors within the organization.

Overall, the actions implemented during the reporting period contribute to pursuing the general commitments defined in the Group's policies.

The initiatives planned for future years are part of a gradual pathway aimed at strengthening energy efficiency, increasing the use of renewable sources, and improving the resilience of operating activities to risks associated with climate change.



[E1-5]

Metrics

Energy consumption and mix

The Group's energy consumption mainly reflects the industrial and logistics nature of its activities. A significant portion of energy is used to support **production processes**, which require electricity to operate machinery, equipment, and assembly lines, as well as thermal energy for certain processes and for managing industrial environments.

A further share of consumption is related to **civil and auxiliary uses**, particularly the heating of workplaces and production areas, where natural gas remains a relevant energy carrier. Energy consumption also includes the energy required to operate logistics facilities and warehouses, including lighting systems and internal handling equipment.

Consumption associated with **company mobility** mainly

derives from the use of the fleet for operational, commercial, and support activities, and includes both traditional fuels and, increasingly, electricity to support the initial electrification of company vehicles.

Overall, the Group's energy mix shows a **prevalence of renewable sources** over fossil sources, supported both by the procurement of green electricity and by the development of self-generation from photovoltaic systems.

Energy consumption data provide an essential operational reference for monitoring environmental performance and identifying priorities for action as part of climate change mitigation initiatives.

Energy consumption (MWh) ⁴	2025
Total energy consumption	32.009,76
Total energy consumption from fossil fuels	13.359,44
Consumption of coal and coal products	-
Consumption of crude oil and petroleum products	2.465,48
Consumption of natural gas	9.450,43
Consumption of other fossil fuels	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	1.443,53
% of fossil sources on total energy consumption	41,74%
Consumption from nuclear sources	421,24
% of nuclear sources on total energy consumption	1,32%
Total renewable energy consumption	18.229,08
Consumption of fuels from renewable sources	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	13.799,29
Consumption of self-generated renewable energy from non-fuel sources	4.429,80
% of renewable sources on total energy consumption	56,95%
Production of non-renewable energy	-
Production of renewable energy	6.864,10

⁴ Energy consumption related to the different energy carriers was converted into MWh using DEFRA conversion factors.

Gross Scope 1 and Scope 2 GHG emissions and total GHG emissions

The Group monitors the **greenhouse gas emissions** (GHG) generated by its own operations in order to understand the main direct and indirect impacts on climate change.

Emissions are reported in terms of **CO₂ equivalent** (tCO₂eq) and are classified according to the methodologies recognized by the **GHG Protocol**, distinguishing between Scope 1 and Scope 2 emissions.

Scope 1 emissions include direct emissions generated by activities under the Group’s control and mainly arise from the combustion of fossil fuels used in production processes, building heating, and the company fleet. These emissions therefore reflect the direct climate impact of the Group’s operating activities.

Scope 2 emissions include indirect emissions associated with the generation of electricity purchased and used by the Group.

These emissions are not generated directly within the plants, but are attributable to the energy generation systems used to power industrial, logistics, and service activities.

In line with reporting standards, Scope 2 emissions are presented according to two distinct approaches:

- **the location-based approach**, which reflects the average emissions intensity of the national energy mix in the countries where the Group operates;
- **the market-based approach**, which takes into account the specific methods used to procure electricity, particularly the purchase of certified renewable energy.

For the Group, the market-based approach makes it possible to represent the effect of electricity procurement choices from renewable sources, adopted by a significant portion of the Group companies.

In these contexts, the use of certified energy results in a significant reduction in indirect emissions associated with electricity consumption.

[E1-6]

GHG emissions (tCO ₂ eq)	2025
Gross GHG emissions in Scope 1 ⁵	2.536,23
Gross GHG emissions in Scope 2 (location-based) ⁶	4.429,28
Gross GHG emissions in Scope 2 (market-based) ⁷	975,56
Total GHG emissions (location-based)	6.965,50
Total GHG emissions (market-based)	3.511,79



⁵ Scope 1 greenhouse gas (GHG) emissions were calculated using DEFRA emission factors, applied to direct fuel consumption.

⁶ Scope 2 greenhouse gas (GHG) emissions – location-based methodology – were calculated using AIB (Association of Issuing Bodies) Production Mix emission factors. For countries not covered by AIB factors, emission factors from the Ecoinvent v3.12 database were used.

⁷ Scope 2 greenhouse gas (GHG) emissions – market-based methodology – were calculated using AIB (Association of Issuing Bodies) Residual Mix emission factors. For countries not covered by AIB factors, emission factors from the Ecoinvent v3.12 database were used.

ESRS E3

WATER

Management of impacts, risks, and opportunities

Policies related to water and marine resources

In recent years, the Group has begun progressively strengthening its responsible water management strategy, recognizing the importance of water as an essential natural resource for the continuity of production activities and environmental protection. This path was further consolidated with the update of the **Sustainability Policy**, which made the Group's commitments regarding the management of natural resources, including water, more explicitly and clarified their scope of application.

The approach adopted is consistent with the principles set out in the **Environment, Health, Occupational Safety, and Energy Policy**, which commits the organization to the systematic monitoring of the resources used and to the adoption of solutions aimed at reducing consumption and continuously improving environmental performance.

In this context, the Group is committed to monitoring the use of water resources, assessing reuse and recovery opportunities where technically feasible, and designing production processes with a view to greater efficiency and reduced environmental impacts.

The Group's policies also recognize that part of water-related impacts may occur upstream of company operations and therefore provide for awareness-raising and supplier engagement activities to encourage the adoption of sustainable water management practices along the supply chain.

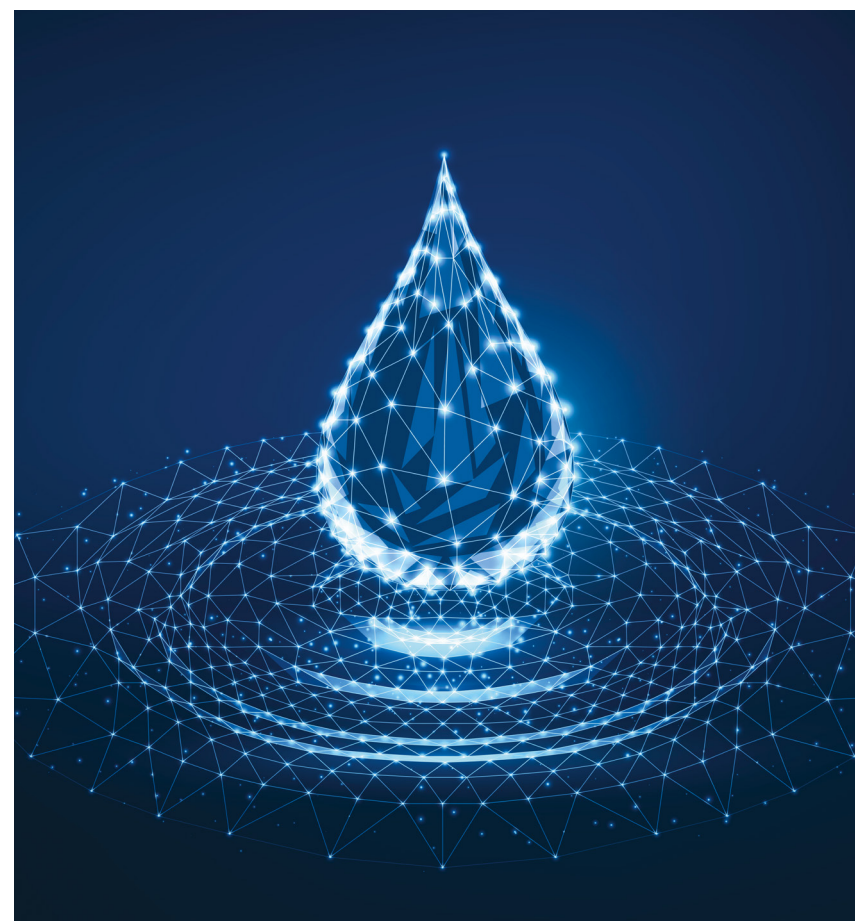
The **scope of application** of the water policies includes all the Group's direct operations, with particular attention to production plants, as well as civil uses in offices and common areas. The policies also extend indirectly to the supply chain through awareness-raising initiatives aimed at reducing environmental impacts, including those related to water management.

There are no exclusions in terms of companies or geographic areas: the policies apply to all Group sites, both in Italy and abroad.

[E3-1]



[E3-2]



Some Group sites are located in areas classified as **water-stressed** according to internationally recognized indicators. In particular, this includes certain Italian production sites and some international entities.

In these cases as well, the Group's policies apply in full, and no sites located in water-stressed areas are excluded from the scope of the company policies.

Water resource management is integrated into the **Environmental Management System** certified according to **UNI EN ISO 14001**, which provides the operational reference framework for controlling environmental impacts and continuously improving performance.

In addition, the Group's water-related commitments are consistent with the international references cited in the Sustainability Policy, including the United Nations **2030 Agenda**, with particular reference to the Sustainable Development Goals related to responsible consumption and production and environmental protection.

Actions and resources related to water and marine resources

During 2025, the Group continued to implement targeted actions to improve efficiency in the use of water resources and reduce the environmental impacts associated with its water withdrawals and consumption, in line with the commitments defined in the Sustainability Policy and in the Environment, Health, Occupational Safety, and Energy Policy.

The initiatives adopted and those planned respond to the objective of preventing and mitigating material impacts related to water management, with particular attention to sites located in contexts characterized by greater water vulnerability.

Starting in 2024 and during 2025, the Group consolidated a series of initiatives aimed at reducing waste in civil uses. In particular, the installation of **photocells on faucets** in company buildings helps limit consumption in common areas and restrooms, contributing to more efficient water use and a reduction in non-essential withdrawals.

In parallel, the Group developed **rainwater recovery systems**, allocating the recovered resource to non-potable uses, such as supplying restrooms. This solution reduces reliance on conventional sources and decreases pressure on local water resources, particularly at production and logistics sites.

With regard to industrial activities, the Group has introduced and progressively strengthened **water recycling and reuse** processes within production plants. These initiatives are intended to limit overall water consumption throughout production cycles and reduce wastewater generation, contributing to the improvement of overall environmental performance.

A particularly significant action concerns the subsidiary Bondioli & Pavesi India Pvt. Ltd., which has implemented a **Zero Liquid Discharge (ZLD)** system for the treatment of process water. This technology prevents any wastewater discharge outside the site, significantly reducing the generation of contaminated water and representing an advanced measure to prevent and mitigate impacts in an area characterized by high water stress.

Overall, the actions implemented during the reporting period and those planned for the coming years directly contribute to achieving the commitments defined in the company policies on water and strengthen the Group’s ability to manage a resource that is increasingly critical from an environmental, operational, and local perspective.

Metrics

Water consumption

The Group’s water performance is analyzed by considering the main flows of **water withdrawn, discharged, and consumed** during the reporting period, with reference only to own operations. Actual water consumption does not correspond to the total water withdrawn but is determined as the difference between withdrawals and discharges, allowing for a more realistic representation of resource use.

In the Group’s case, most of the **water withdrawn** is intended for civil and service uses, such as supplying restrooms, cleaning facilities, and other auxiliary uses in plants, offices, and logistics facilities. A significant share of this water is subsequently returned to the water cycle through discharges, in compliance with applicable permits and regulations.

Water consumption, instead, represents the portion of water that is not returned to the water system, as it is used in production processes, lost through evaporation, or retained in industrial cycles. This share is therefore mainly associated with



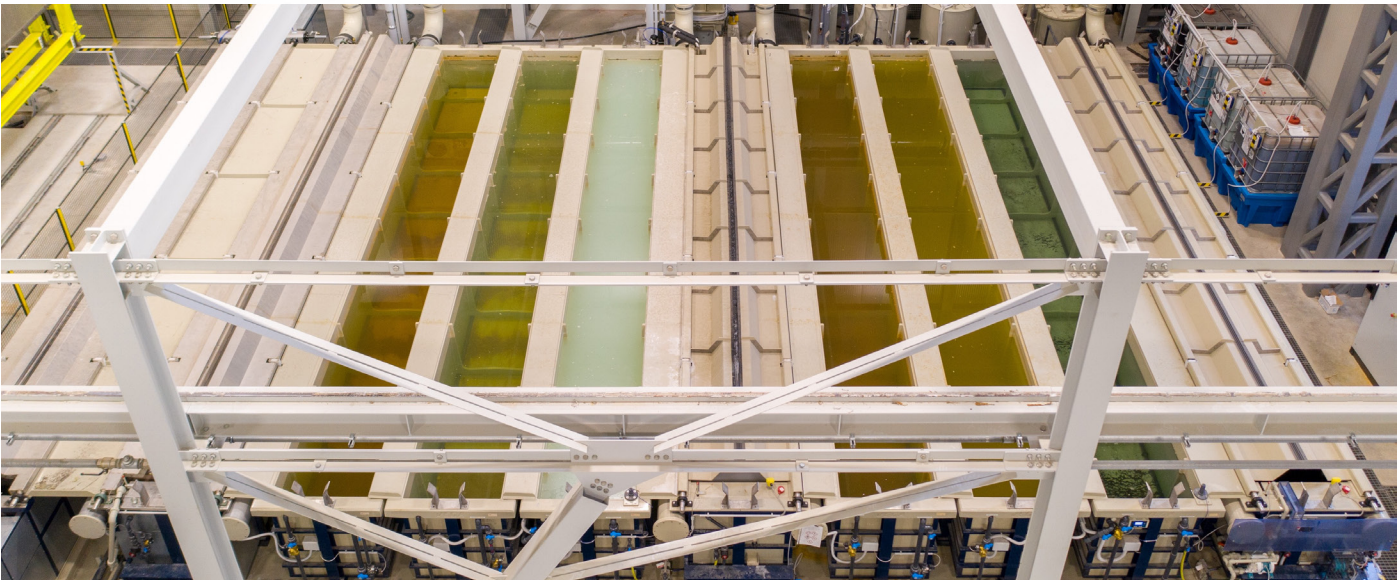
[E1-4]

production uses and physiological losses related to operating activities.

Part of the consumption is located in areas subject to water stress, an aspect that the Group considers with particular attention and that has guided the adoption of specific efficiency, recovery, and reuse actions.

The presence of recycled and reused water in processes and, to a lesser extent, stored water reflects a management approach aimed at limiting withdrawals from external sources and improving operational resilience.

Water consumption (m³)	2025
Total water consumption	6.116,74
Water consumption in areas of high water stress ⁸	2.456,00
Water withdrawals	42.788,86
Water discharges ⁹	36.672,12
Recycled and reused water	686,16
Water stored	411,65



⁸ Sites located in areas of high water stress were identified using the Aqueduct Water Risk Atlas, developed by the World Resources Institute (WRI). In line with the thresholds defined by the tool, areas with a water stress level above 40% (baseline water stress ≥ “High”) were considered to be subject to high water stress. The following Group companies fall within this category: Siboni S.p.A., HP Hydraulic S.p.A., FIRA S.p.A., Bondioli & Pavesi Inc., and Bondioli & Pavesi India Pvt. Ltd.s.

⁹ In the absence of direct measurement of water discharge volumes, and for non-production commercial companies, the methodological assumption was adopted that the volume of water discharged corresponds to the volume of water withdrawn.

ESRS E5

RESOURCE USE AND CIRCULAR ECONOMY

Management of impacts, risks, and opportunities

Policies related to resource use and the circular economy

The Group directs its activities toward the responsible management of natural resources and materials, in line with the principles defined in the **Environment, Health, Occupational Safety, and Energy Policy**, the **Code of Ethics**, and the **Group Sustainability Policy**, which provide the reference framework for integrating sustainability principles into business processes.

The Group's policies promote an approach aimed at **reducing environmental impacts** throughout the entire product life cycle, through the efficient use of resources, waste prevention, and the continuous improvement of production processes. In this context, the Group is committed to limiting waste generation by encouraging prevention, reuse, and optimization practices in industrial activities, as well as monitoring the use of resources, including packaging materials, in order to promote recovery and assess alternative solutions with a lower environmental impact.

The commitment to more efficient use of materials is also reflected in the adoption of **responsible purchasing practices**, which prioritize, where possible, recyclable materials, low-impact materials, or materials from responsibly managed supply chains. This approach is extended to the supply chain through the principles defined in the **Supplier Code of Conduct**, which requires business partners to comply with environmental standards consistent with those adopted by the Group, including waste reduction and proper waste management.

Company policies also require compliance with the main European regulations on the restriction of hazardous chemicals, with particular reference to the **REACH Regulation** (EC 1907/2006), and to electrical and electronic equipment, with particular reference to the **RoHS Directive** (EC 2002/95). In this context, the application of these regulations helps

[E5-1]

facilitate more responsible management of product end-of-life, reducing the presence of substances that may hinder material recovery and recycling operations and decreasing the environmental impacts associated with electrical and electronic waste streams.

At the same time, the Group has begun progressively integrating **circular economy and eco-design principles** into product design processes.

This approach is reflected in the development of operational tools and criteria used during the design phases to consider aspects such as efficient material use, waste reduction, component durability, and product end-of-life management. The objective is to promote design solutions that reduce resource consumption and environmental impacts throughout the entire life cycle.

Finally, the Group's policies promote responsible management of **product end-of-life**, through the dissemination of useful information for proper use and disposal, contributing to the reduction of environmental impacts and strengthening stakeholder engagement, particularly among customers, end users, and technical operators.



Actions and resources related to resource use and the circular economy

[E5-2]

The Group continues its path toward a production model inspired by **circular economy principles**, through the implementation of concrete actions aimed at improving product durability, repairability, and recyclability, reducing resource use, and minimizing waste generation. These initiatives are part of an already consolidated management framework, supported by a structured environmental management system that is progressively extended to all main operating sites.

A central area of action concerns product design, aimed at improving product **durability** over time and reducing material consumption. The design solutions adopted aim to extend the useful life of components, limiting the need for frequent replacements and contributing to an overall reduction in resource use. In parallel, the Group continues to support product repairability through a network of specialized centers that allows maintenance and repair work to be carried out under controlled and safe conditions, reducing the need for full component replacement.

With regard to **recyclability**, the Group's products are designed to support material recovery at end of life, as they are composed mainly of metals and, for plastic components, of properly identified recyclable materials.

To support more efficient end-of-life management, the introduction of laser markings and QR codes continued, linking to digital information on material composition and disposal and recycling methods.

This development anticipates the product information digitalization requirements set out by European machinery regulations, helping make end-of-life management more transparent and traceable.

Alongside product-related actions, the Group continued to develop cross-cutting initiatives aimed at reducing the use of resources and the generation of **waste** in operating activities. These initiatives include strengthening separate waste collection at plants, using paper from responsibly managed supply chains, progressively eliminating single-use bottles in favor of water dispensers, and using recycled materials where technically feasible.

Monitoring the resources used, with particular attention to packaging materials, made it possible to prioritize more sustainable, reusable, or lower-impact packaging solutions.

An additional area of action concerns the **reduction in the use of lubricating greases and oils**.

Through the improvement of technical solutions and the extension of product maintenance and lubrication intervals, the Group has progressively reduced lubricant requirements, moving from scheduled intervals to solutions that require increasingly less frequent interventions or eliminate the need for periodic lubrication.

This approach helps reduce both the overall use of auxiliary materials and the risk of accidental spills.

The **circular economy actions** are supported by internal coordination involving the Group's different companies. In particular, the adoption of end-of-life booklets and sustainability checklists during the design phase continued; these tools make it possible to assess product environmental impacts in a structured way, support design choices, and contribute to reducing production costs associated with inefficient resource use.

To support the continuous improvement process, the Group's **Sustainability Committee** continues to play an active role in proposing, assessing, and monitoring environmental and circular economy initiatives, promoting the increasing integration of these principles into decision-making and operational processes.

Overall, the actions implemented and planned directly contribute to achieving the commitments defined in the company policies on resource use and circular economy, strengthening the Group's ability to reduce its environmental impacts and promote more efficient and sustainable production models over the long term.



Metrics

Resource inflows

The Group’s activities are based on the use of materials that are essential for the production, assembly, and marketing of its components and systems.

The data reported in the table on **resource inflows** represent the total weight of materials used during the reporting period and are organized into macro-categories consistent with the Group’s main operating phases.

A residual but significant share is represented by **process materials**, meaning materials that do not necessarily become part of the final product but are essential for the proper performance of operating activities.

This category includes, for example, materials supporting production, processing, testing, and maintenance, such as oils, lubricants, and other chemical compounds that help ensure efficiency, quality, and continuity of industrial processes.

The most significant share of incoming materials consists of **semi-finished materials**, which represent the main elements intended to be transformed in production processes.

This category includes materials that are processed, assembled, or integrated into final components, and directly reflects the Group’s production volumes and the industrial nature of its activities.

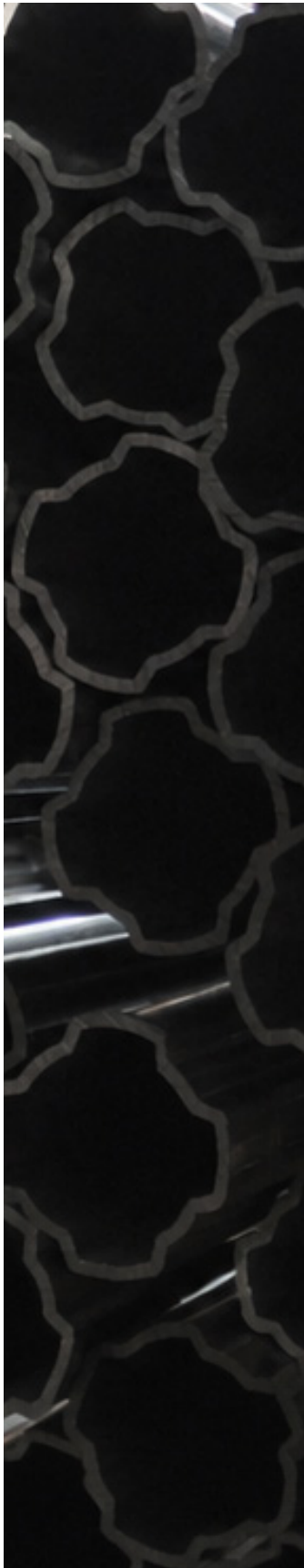
Semi-finished materials therefore form the core of resource inflows, as they become an integral part of the products intended for customers.

The overview is completed by **packaging materials**, used for packaging, protecting, and handling finished products and components throughout internal logistics and toward customers.

Although they represent a limited share of total materials used, these materials play a relevant role in terms of environmental impacts and are specifically addressed within the Group’s circular economy policies and actions, which aim to reduce their use and promote more sustainable solutions that are, where possible, reusable or recyclable.

Overall, the distribution of resource inflows reflects the structure of the Group’s production model and provides a useful information base for understanding material use dynamics, supporting continuous improvement actions and the integration of circular economy principles throughout the entire product life cycle.

[E5-4]



Resource inflows (ton) ¹⁰	2025
Total weight of materials used	34.268,45
Of which materials used in the process	220,71
Of which semi-finished materials	33.156,19
Of which packaging materials	891,55

[E5-5]

Resource outflows

The Group designs and manufactures its products with the objective of ensuring high levels of durability, reducing the need for full replacements, and supporting efficient resource use over time. From this perspective, the Group provides qualitative information on the **durability** and **repairability** of its key products, with particular reference to driveshafts and gearboxes, which represent a significant part of the product offering¹¹.

DRIVESHAFTS

Driveshafts are designed to ensure a long service life, thanks to a modular structure that allows full interchangeability of components.

Parts subject to wear can be replaced individually, enabling the product to maintain its functionality over time and, with proper maintenance, to significantly extend its **durability**.

Design takes into account the operating conditions in which the product is intended to work: the durability of the main components is assessed through specific tests carried out on different product configurations and sizes, simulating varying uses and different load conditions.

This approach makes it possible to verify performance over time and supports the continuous improvement of the technical solutions adopted.

The level of **repairability** of driveshafts is high, since the product architecture allows targeted interventions on individual parts without replacing the entire shaft.

The Group actively supports maintenance activities through specialized centers and a dedicated service network, providing tools, information materials, and technical support. Given the nature of the product, repair operations are entrusted to

¹⁰ The weight of incoming resource inflows was calculated through direct measurements, by multiplying the unit weight of each material by the quantity purchased during the reporting period. To avoid double counting, intercompany transfers of materials between production sites were excluded.

¹¹ For further information on B&P Group products: www.bondiolli-pavesi.com/en/products

qualified operators or authorized centers, helping ensure correct and safe interventions and preserve product functionality over time.

GEARBOXES

Gearboxes are also designed to ensure high **durability**, thanks to construction solutions that allow them to be used in a wide range of application conditions.

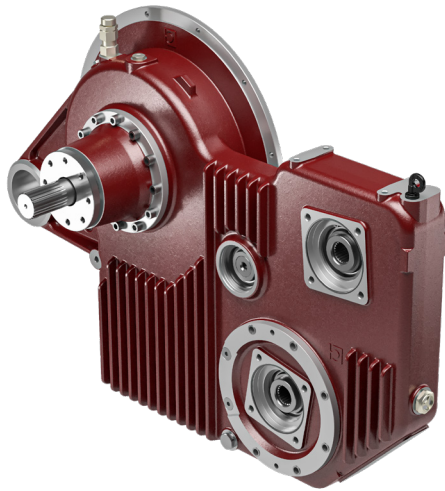
The useful life of components is assessed through specific tests, carried out both internally and in collaboration with customers, in order to obtain direct feedback on product use on final machines.

The **repairability** of gearboxes is ensured by a design approach that allows interventions proportionate to the complexity of the configuration.

For less complex models, customers can directly carry out the main maintenance operations by following the instructions provided, while for more complex versions the Group provides dedicated technical support. In all cases, the ability to replace individual components helps extend product useful life and limit the need for complete replacements.

At the same time, the Group is integrating a more structured **circular economy** perspective into gearbox design, through internal assessment tools that consider aspects such as material recovery potential, the ratio between useful weight and total product weight, and the optimization of design solutions.

This approach helps improve product end-of-life management and reduce the overall environmental impacts associated with resource outflows.



[E5-5]

Waste

The table reports the **waste generated** by the Group’s operations, distinguishing between **hazardous and non-hazardous waste** and between flows diverted from disposal and flows directed to disposal, with further detail by type of treatment. This structure makes it possible to understand both the total volume of waste produced and the ways in which it is managed across the different operating chains.

Overall, the data show that the Group directs the majority of waste toward recovery operations, particularly recycling and other forms of valorization, especially for non-hazardous waste, while landfill and incineration remain limited. Hazardous waste that cannot be recovered is managed through specific

authorized treatments, in line with applicable regulations.

This distribution of flows reflects an approach aimed at reducing final disposal and valorizing resources, in line with the circular economy principles adopted by the Group.

Waste (ton)	2025
Total waste generated	4.326,71
Hazardous waste diverted from disposal	414,11
Hazardous waste diverted from disposal in preparation for reuse	9,90
Hazardous waste diverted from disposal for recycling	0,60
Hazardous waste diverted from disposal for other recovery operations	403,61
Non-hazardous waste diverted from disposal	2.713,44
Non-hazardous waste diverted from disposal in preparation for reuse	12,15
Non-hazardous waste diverted from disposal for recycling	1.822,57
Non-hazardous waste diverted from disposal for other recovery operations	878,71
Hazardous waste sent for disposal	865,86
Hazardous waste sent for disposal by incineration	8,55
Hazardous waste sent for disposal to landfill	4,19
Hazardous waste sent for disposal through other disposal operations	853,12
Non-hazardous waste sent for disposal	333,31
Non-hazardous waste sent for disposal by incineration	1,66
Non-hazardous waste sent for disposal to landfill	67,72
Non-hazardous waste sent for disposal through other disposal operations	263,93
% of non-recycled waste	27,72%

SOCIAL INFORMATION

ESRS S1

OWN WORKFORCE

Management of impacts, risks, and opportunities

Processes for engaging own workers and workers' representatives about impacts

The Group adopts a structured and inclusive approach to **engaging its own workforce**, recognizing that ongoing dialogue with people is essential to understanding needs, expectations, and concerns, preventing potential negative impacts, and ensuring a fair, safe work environment that respects human rights.

Worker engagement is considered not only a key factor for organizational well-being, but also a prerequisite for the quality of decision-making processes and responsible management of activities.

From this perspective, the Group uses various listening and communication tools, combining digital channels with opportunities for direct discussion. Since 2020, the **B&P People** app has been available to employees of the Group's Italian companies, providing immediate access to internal communications, documents, updates on company initiatives, and HR services. The app supports timely communication and helps strengthen a sense of belonging and transparency.

Alongside digital tools, the Group promotes direct and ongoing dialogue through structured opportunities for discussion.

At the Group's Italian companies, an individual performance evaluation system is in place, involving the assignment of objectives and/or the assessment of skills and knowledge related to the role performed within the company.

At Tecnomek S.p.A., in addition to meetings, an **annual questionnaire** focuses on topics such as sense of belonging, work organization, and perception of the company context. Results are compared year over year to monitor the evolution of the internal climate and guide any corrective actions.

Attention to individual dialogue and anonymous feedback makes it possible to promptly identify situations of discomfort or concern and address them through normal personnel management processes.

With regard to reporting needs, complaints, or non-compliant



behavior, the Group provides several **channels** accessible to its own workforce. In addition to direct dialogue with managers, the channels established by the Code of Ethics are available, enabling the confidential reporting of any violations or situations inconsistent with corporate principles.

These tools constitute a grievance mechanism available to the reporting person and are designed to ensure confidentiality and appropriate management of the reports received.

The effectiveness of listening and reporting channels is assessed qualitatively through the monitoring of reports received, their outcomes, and the feedback obtained during structured discussion opportunities.

If the Group has caused or contributed to negative impacts on its own workforce, cases are managed through internal processes aimed at restoring appropriate conditions, engaging in dialogue with the people involved, and adopting suitable corrective measures.

Remediation actions may include organizational interventions, procedural clarifications, training actions, or, where necessary, disciplinary measures, in line with the applicable regulatory and contractual framework.

Overall, the approach adopted aims to ensure that workforce concerns are heard, considered, and integrated into ordinary management activities, helping to prevent social risks, improve the internal climate, and strengthen an organizational model based on respect for people and shared responsibility.



Policies related to own workforce

The Group manages impacts, risks, and opportunities related to its own workforce through a structured and consistent set of policies, principles, and internal tools, which define the reference framework for protecting people, developing skills, promoting organizational well-being, and respecting human rights.

These policies are based on the **Code of Ethics**, the **Sustainability Policy**, the **Environment, Health, Occupational Safety, and Energy Policy**, and the resource management procedure, which governs human capital management in a structured manner.

The scope of application of the above-mentioned documents is specified within the documents themselves, without distinction by role or organizational level.

Occupational health and safety

Protecting the **health and safety** of people is a central element of the Group's social responsibility and an essential prerequisite for the quality of the work environment.

The **Environment, Health, Occupational Safety, and Energy Policy** defines the general principles and objectives aimed at preventing occupational injuries and work-related illnesses, reducing risks, and promoting safe, healthy, and appropriate working conditions.

The approach adopted actively involves the entire organization and is supported by structured information, training, and instruction processes, particularly for new hires, interns, and people changing roles.

The resource management procedure governs onboarding, operational coaching, tutoring appointments, and the delivery of mandatory and specific safety training, ensuring that each person receives the knowledge and skills needed to work in a compliant and safe manner.

[S1-1]



Training, instruction, and skills development

The Group recognizes the enhancement of human capital as an essential factor for sustainable growth and long-term competitiveness. Training and development policies are aimed at ensuring the continuous updating of skills, the professional growth of people, and alignment between roles, responsibilities, and operational capabilities.

The **resource management** procedure serves as the operational reference for managing the entire training cycle: from onboarding new hires to annual training planning, through management of the corporate training system and assessment of the effectiveness of training and instruction activities.

The procedure also provides for periodic skills mapping, carried out annually, which makes it possible to identify any gaps against expected levels and plan targeted development, reskilling, or specialization initiatives.

In parallel with **training**, the Group has implemented a structured system for role-specific instruction and the granting of operational authorizations, ensuring that activities can be performed independently and according to predefined standards, particularly in production departments.



Organizational well-being and working conditions

The physical, psychological, and social well-being of people is recognized as a determining factor for the quality of the work environment and the strength of the organization.

The **Code of Ethics** affirms the central value of people, respect for individual dignity, and the importance of a work environment based on collaboration, dialogue, and open communication.

All Group employees are classified according to the applicable National Collective Labor Agreement, ensuring consistent treatment and full compliance with the protections provided by law. The Group's policies also aim to promote the proper and responsible use of working time, clarity of roles, and fair management of professional relationships.



Diversity, inclusion, and equal opportunities

Promoting an inclusive and non-discriminatory work environment is a principle explicitly referenced in the **Code of Ethics**.

The Group is committed to ensuring equal opportunities at all stages of the employment relationship—selection, onboarding, development, and evaluation—and to countering any form of discrimination or behavior that harms personal dignity.

Policies on **diversity and inclusion** apply to the entire workforce and are supported by reporting mechanisms that allow people to report any behavior inconsistent with company values, ensuring confidentiality and appropriate case management.



Human rights and responsible labor practices

In its policies, the Group states a clear commitment to respecting human rights.

The Code of Ethics and human resources management practices exclude any form of child labor, forced or compulsory labor, and human trafficking, providing for the establishment of employment relationships that are exclusively regular and compliant with applicable legislation.

The Group's policies also protect people's moral integrity, including the prevention and countering of harassment, abuse, and discriminatory behavior, as well as the protection of privacy and personal data.



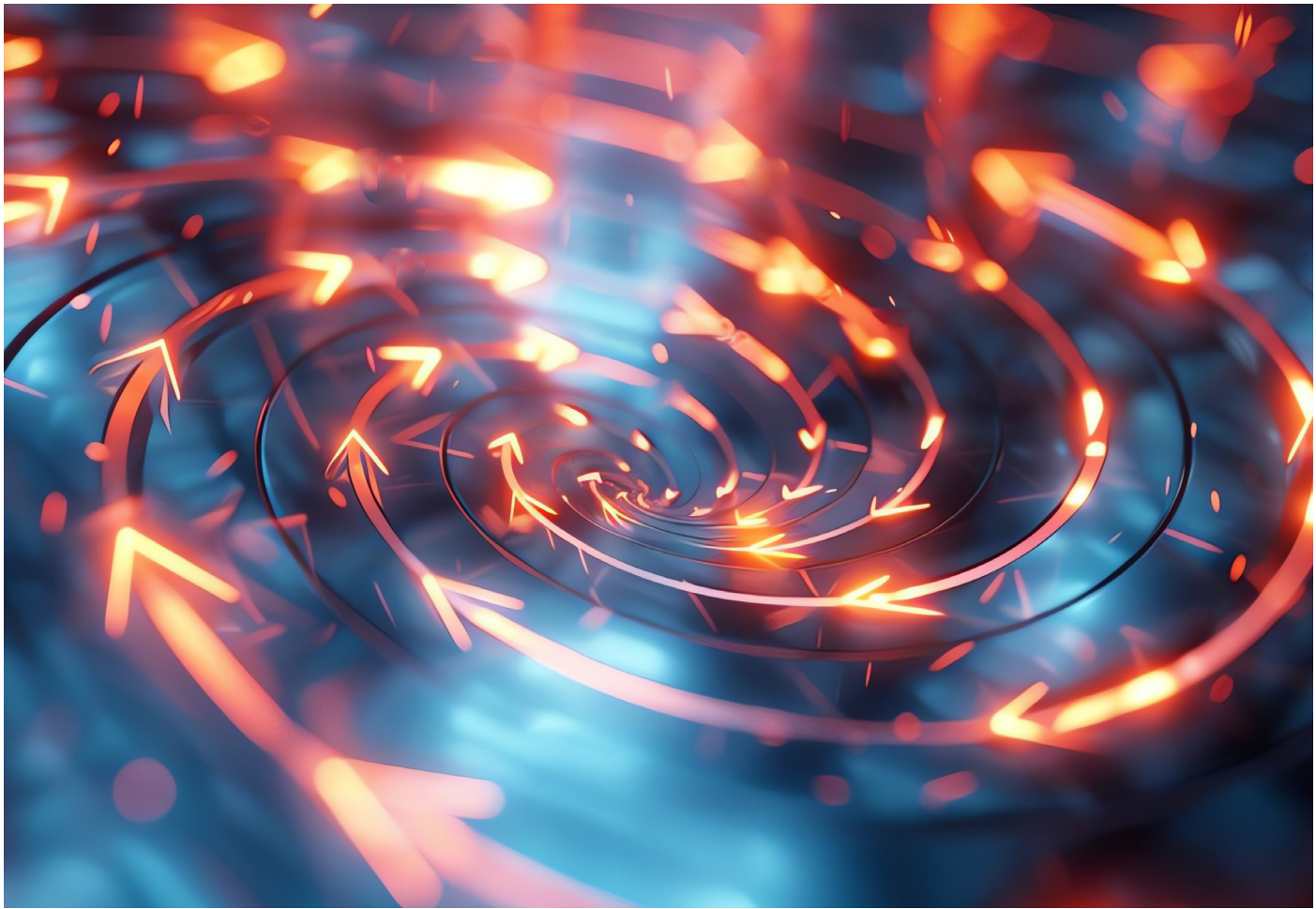
[S]-4]

Actions related to own workforce

The Group implements a coordinated set of actions aimed at preventing, mitigating and, where necessary, remediating negative impacts on its own workforce, as well as enhancing the opportunities connected with people development, the improvement of organizational well-being and the quality of the work environment.

The actions are consistent with the policies adopted and are integrated into the Group's operating and decision-making processes, with the involvement of the competent functions and an adequate allocation of human, organizational and economic resources.

The implementation of **actions** takes into account possible tensions between operational needs and the protection of people, in all cases prioritizing solutions aimed at risk prevention and the protection of health, dignity and working conditions. **The effectiveness of the initiatives** is monitored through a combination of tools, including internal audits, certified management systems, periodic checks, manager assessments and analysis of feedback from the workforce, with a view to continuous improvement.



Occupational health and safety

Health and safety management is a pillar of the Group's management system. All Italian plants¹² and the production site in the Czech Republic are certified according to **UNI ISO 45001:2023**, which provides the methodological framework for hazard identification, risk assessment and the implementation of prevention and protection measures.

During the reporting period, initiatives included technical interventions on plants and machinery, investments in protective equipment, mandatory and specific safety training activities, and awareness campaigns aimed at strengthening a widespread culture of prevention.

The approach adopted aims to systematically reduce risks, while maintaining a high level of attention even in the presence of operational or organizational pressures.

The effectiveness of the measures is verified through internal audits, periodic checks and reviews of management system performance, which make it possible to promptly identify critical issues and areas for improvement.

Attention to safety is also extended to external parties, such as suppliers and visitors, who are provided with clear instructions on access procedures and conduct within the plants.

In this regard, Bondioli & Pavesi S.p.A. carried out the "Teatro d'impresa" training activity.

The initiative, delivered with an external training provider, included the representation of risk scenarios in a production environment, followed by an analysis by the employees involved, with the objective of identifying the type of simulated hazard and how it could have been prevented.



¹² With the exception of Siboni S.p.A., which initiated the preliminary activities required to obtain management system certification during 2026.



Training, instruction, and skills development

The Group manages **training, instruction, and professional development** activities in a structured way, with the objective of preventing risks related to skills misalignment and supporting people's growth. Initiatives include structured onboarding paths for new hires, coaching by experienced personnel, job rotation, and the progressive assignment of responsibilities.

Training planning takes place annually through the **Bondioli & Pavesi Academy**, which collects the needs expressed by corporate functions and allows training activities to be scheduled in a coordinated manner. Courses, delivered by internal and external instructors, are tracked and monitored, and their effectiveness is assessed through manager reviews, skills updates, and observation of operating performance.

In 2024, a **training program dedicated to sustainability** was launched, structured into six short video modules addressed to all employees of the Italian companies on ESG topics.

The initiative, which continued in 2025, helps strengthen internal awareness and the integration of sustainability principles into everyday behaviors.

In the event of reorganizations or organizational changes, the Group adopts measures aimed at professional reskilling and the redistribution of activities, with the objective of preventing negative impacts on employment and supporting people through change processes.



Personnel well-being and quality of working life

The Group promotes personnel well-being through initiatives aimed at supporting motivation, quality of working life, and the reduction of social risks. Key measures include an **incentive system** based on quality and efficiency indicators, which recognizes individual and collective contributions to process improvement and customer satisfaction.

To protect people in situations of particular vulnerability, Bondioli & Pavesi S.p.A. has established a solidarity fund that provides annual financial support, representing a concrete remediation measure in the presence of negative socioeconomic impacts.

The company welfare system includes dedicated insurance coverage, such as D&O policies for all Italian personnel and a travel policy for employees on business trips, as well as services supporting quality of working life, including the cafeteria service at the Suzzara site and meal vouchers at other locations.

Diversity, inclusion, and equal opportunities

In line with the policies adopted, the Group guides personnel selection, development, and evaluation processes according to the principles of **equal opportunities and non-discrimination**. Decisions relating to hiring, professional growth, transfers, and incentive systems are based on objective criteria of competence, merit, and results.

In collaboration with the Ethics Committee, the Group promotes **awareness-raising and training** activities on diversity and inclusion topics, with the aim of strengthening an organizational culture based on respect, collaboration, and the enhancement of individual differences, contributing to the prevention of discriminatory behavior and the improvement of the internal climate.

Metrics

[S1-6] Characteristics of the undertaking's employees

Quantitative information on the Group's own workforce provides an overall view of its employment practices, making it possible to understand the structure of the workforce, the degree of employment stability, and the distribution of people across the different geographic contexts in which the Group operates.

The metrics refer to the scope of own operations and provide the baseline for interpreting the social indicators presented in the following sections.

The composition of the **workforce** shows a prevalence of stable employment relationships, confirming an employment model oriented towards continuity and employment security.

The distinction between permanent contracts, fixed-term contracts, and variable-hour arrangements makes it possible to understand the structure of work organization and the level of flexibility used by the Group to meet operational needs while maintaining a solid employment base.

The distribution by working time arrangement, full-time and part-time, provides additional insight into how the workforce is employed and the attention given to adapting contractual conditions to different organizational and personal needs.

Distribution of employees	2025		
	Women	Men	Total
Total number of employees	373	1.385	1.758
Number of permanent employees	357	1.356	1.713
Number of fixed-term employees	13	24	37
Number of employees on variable working hours ¹³	3	5	8
Number of full-time employees	325	1.362	1.687
Number of part-time employees	48	23	71

¹³ Employees with variable hours are employed by the company without a guaranteed minimum or fixed number of working hours. Examples falling within this category include casual employees, employees on zero-hours contracts, and on-call employees.

Information on the **geographic distribution** of employees shows the Group’s significant presence in multiple countries, with a higher concentration in certain production contexts and a more limited presence in other markets, consistent with the Group’s industrial and commercial structure.

This distribution reflects the internationalization of activities and the strategic role of specific geographic areas within the business model.

Distribution of employees by country	2025
Total number of employees	1.758
Italy	1.202
Brazil	157
Czech Republic	126
China	55
Germany	47
Spain	36
India	32
USA	32
France	26
Ukraine	24
Poland	21

The **turnover rate** provides a summary indication of workforce dynamics during the reporting period, helping to understand the level of internal and external mobility and to contextualize the policies and actions adopted for attracting, developing, and retaining people. This indicator is read together with actions on well-being, training, and safety, which aim to promote employment stability and the quality of the work environment over the medium to long term.

Turnover	2025
Total number of employees	1.758
Total number of employees who left the organisation during the period ¹⁴	175
Turnover rate ¹⁵	9,95%

[S1-7]

Characteristics of non-employee workers in the undertaking’s own workforce

Information on **non-employee workers** provides insight into the extent to which the Group reliance on external labor arrangements relative to its total workforce. By way of example, these individuals include collaborators and professionals who support the Group’s activities without being classified as direct employees and who contribute in a complementary way to the performance of specific functions.

Overall, the use of non-employee workers is limited compared with the total workforce, highlighting that the Group’s organizational model is primarily based on direct and stable employment relationships. External collaborations respond to specific, specialized, or temporary needs and are used to integrate specific expertise or support certain activities without structurally affecting the composition of the undertaking’s own workforce.

This organizational structure reflects a management choice aimed at ensuring employment continuity and prioritizing the development of internal personnel.

This approach is consistent with the policies and measures promoted by the Group, which place skills development, employee well-being, and employment stability at the center. These elements are considered essential to supporting solid and long-lasting organizational growth.

Non-employee workers	2025
Total number of non-employee workers ¹⁶	51

¹⁴ This category includes employees who left the organization voluntarily, employees who were dismissed, and employees who left the organization due to retirement.

¹⁵ To calculate the employee turnover rate, the company calculates the total number of employees who leave the organization voluntarily or due to dismissal or retirement. This figure is used as the numerator, while the total number of employees is used as the denominator.

¹⁶ These are self-employed workers and workers provided by undertakings primarily engaged in “employment activities”, including the search, selection and placement of personnel.

Collective bargaining coverage and social dialogue

[S1-8]

Information on **collective bargaining and social dialogue** makes it possible to understand the extent to which the Group’s workforce benefits from collective protections and structured representation channels.

Employees covered by collective agreements are those whose employment relationship is governed by national, regional, or company-level collective agreements, which regulate matters such as compensation, working hours, rights, and statutory protections.

Collective bargaining coverage therefore provides an indication of the overall level of contractual protection of the workforce.

The **coverage by workers’ representatives**, on the other hand, refers to employees who work in production units or sites where formally established representation is present, tasked with dialogue and engagement with the company on matters such as working conditions, organization, and health and safety.

This indicator measures the actual presence of social dialogue channels in the workplace and does not necessarily coincide with contractual coverage, since the two dimensions follow different logics.

Overall, this information provides an integrated view of the Group’s industrial relations, distinguishing between collective protection and representation and structured dialogue with workers.

Coverage of collective bargaining and social dialogue	2025
Total number of employees	1.758
Number of employees covered by collective bargaining agreements	1.547
	88,00%
Number of employees covered by worker representatives	1.458
	82,94%

[S1-9]

Diversity metrics

Diversity metrics summarize the composition of the workforce and top management by gender and age.

This information helps explain how people are distributed within the Group and supports the interpretation of policies and actions related to equal opportunities, inclusion, and human capital development.

The **gender distribution at top management level** reflects the current composition of the Group’s executive roles, historically linked to the evolution of the organizational model and internal career paths.
The data were extracted considering all Group employees classified as executives.

For Group companies based in countries where there is no contractual classification equivalent to the executive role, as is the case under Italian law, individuals reporting directly to the Chief Executive Officer of the holding company were considered executives.

Distribuzion of executives by gender	2025
Total executives	30
Women	1
	3,33%
Men	29
	96,67%



The analysis of the workforce by **age group** highlights the coexistence of different generations within the organization.

The age structure combines the contribution of people with consolidated experience and the presence of younger resources, creating the conditions for skills transfer, operational continuity, and professional renewal.

This composition represents a relevant element for guiding training, development, and skills management initiatives over the medium to long term.

Distribution of employees by age	2025
Total number of employees	1.758
Under 30 years	275
	15,64%
Between 30 and 50 years	942
	53,58%
Over 50 years	541
	30,78%

Social protection

Information on **social protection** makes it possible to understand the extent to which the Group's employees are protected against loss of income in connection with significant events in working life, such as illness, unemployment, occupational injury or acquired disability, and parental leave.

In general, the Group's employees benefit from forms of social protection provided by public systems or supplemented by company benefits, in line with the regulatory frameworks of the countries in which the Group operates.

In some geographic contexts, however, not all types of events are covered by existing protection programs.

These differences reflect the specific characteristics of national welfare systems and local legislative frameworks and provide relevant context for interpreting the welfare and well-being policies and actions adopted by the Group in the different countries.

Overall, this information transparently frames the extent of social protection for the workforce and enables its evolution to be monitored over time in relation to the relevant contexts.

[S1-11]



[S1-12]

Persons with disabilities

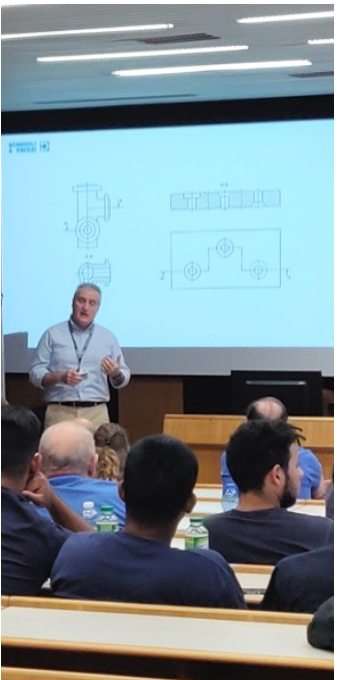
Information relating to the presence of **persons with disabilities** within the workforce makes it possible to frame the Group's level of inclusion in this regard, in compliance with the regulatory limitations applicable to the collection and processing of sensitive data.

The reported percentage provides a quantitative reference for understanding the composition of the workforce and monitoring its evolution over time. This data should be considered in conjunction with the Group's policies and initiatives aimed at respecting individuals, promoting equal opportunities, and fostering an inclusive work environment that accommodates diverse needs.

Employees with disabilities	2025
Total number of employees	1.758
Employees with disabilities ¹⁷	48
Percentage of employees with disabilities	2,73%

[S1-13]

Training and skills development metrics



Metrics relating to **training and skills development** provide an overall view of the professional growth opportunities offered to the Group's people and the level of workforce participation in structured development and performance evaluation programs. This information helps illustrate how the Group supports skills enhancement, long-term employability, and the alignment between organizational needs and individual development.

The proportion of employees who participated in formalized performance and career development reviews reflects the extent to which structured assessment and feedback processes are embedded within the organization. These reviews represent an important tool for dialogue between managers and employees, supporting the discussion of objectives, achievements, expectations, and potential growth paths, in line with the Group's commitment to developing and enhancing human capital.

¹⁷ Employees with physical, mental, intellectual or sensory impairments which, in interaction with various barriers, may hinder their full and effective participation.

Skills development	2025		
	Women	Men	Total
Total number of employees	373	1.385	1.758
Number of employees who have participated in periodic performance and career development reviews	214	682	896
Percentage of employees who have participated in periodic performance and career development reviews	57,37%	49,24%	50,96%

Information on training hours provides an indication of the level of commitment dedicated to skills development during the reporting period. The average number of training hours per employee helps contextualize the intensity of training activities and should be considered alongside mandatory, technical, and soft-skills training, as well as initiatives focused on sustainability topics and corporate culture.

Training	2025		
	Women	Men	Total
Total number of employees	373	1.385	1.758
Total training hours	3.202,50	13.380,50	16.583,00
Training hours per capita	8,58	9,66	9,43

Metrics on health and safety

Health and Safety metrics provide an overall view of the framework adopted by the Group to prevent workplace injuries, occupational illnesses, and serious work-related incidents. The information covers both the scope of the occupational health and safety management system and the resulting outcomes in terms of recordable incidents, enabling an assessment of the effectiveness of the preventive measures in place.

A combined analysis of indicators related to workplace injuries, work-related illnesses, and days lost due to absence makes it possible to understand not only the frequency of such events, but also their impact on both the organization and its people. Overall, these metrics support the continuous monitoring of health and safety performance and help guide the improvement actions described in the previous sections.

[S1-14]



Employee health and safety	2025
Total number of employees	1.758
Number of hours worked by employees	2.488.237,18
Number of employees covered by the company's occupational health and safety management system based on legal requirements and/or recognized standards or guidelines	1.705
	96,99%
Number of employee fatalities resulting from work-related injuries and illnesses	0
Number of fatalities among other workers operating at the company's sites (e.g. value chain workers operating at the company's sites) resulting from work-related injuries and illnesses	0
Number of recordable work-related injuries among employees	25
Rate of recordable work-related injuries among employees ¹⁸	10,05
Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of employee data	0
Number of days lost due to work-related injuries and fatalities resulting from occupational accidents, work-related ill health and employee fatalities resulting from illness	280

[S1-15]

Metrics on work-life balance



Information on **family leave**¹⁹ provides insight into the level of support offered to the Group's employees in balancing work and personal life responsibilities.

The indicators consider both formal access to leave entitlements and their actual utilization during the reporting period.

A combined analysis of these metrics makes it possible to distinguish between the availability of work-life balance measures and their effective use, providing a clearer understanding of the organizational and personal dynamics associated with managing family responsibilities.

Overall, this information supports the monitoring of the Group's practices related to employee well-being, welfare, and working time management, in line with its people-focused policies.

¹⁸ Recordable work-related injury rate = (number of recordable work-related injuries / number of hours worked) × [1,000,000 hours worked]. Therefore, the resulting value represents the number of recordable work-related injuries per million hours worked.

¹⁹ Family-related leave includes maternity leave, paternity leave, parental leave and carers' leave provided for under national legislation or collective agreements. Employees entitled to family-related leave are those covered by regulations, organizational policies, agreements, employment contracts or collective agreements that provide for family-related leave entitlements and who have declared their entitlement to the company.

Work-life balance	2025
Total number of employees	1.758
Employees entitled to family leave	1.577
	89,70%
Employees who took family leave	270
	17,12%

Severe human rights incidents, complaints and impact

[S1-17]

Information relating to **incidents of discrimination** and other **human rights incidents** provides insight into whether, and to what extent, such events affected the Group’s workforce during the reporting period, in compliance with applicable privacy and confidentiality requirements for the individuals involved.

During the reporting period, no fines, penalties, or compensation payments related to incidents of discrimination or other human rights incidents involving the Group’s own workforce were recognized in the financial statements.

Overall, this information forms part of the system of controls and measures adopted by the Group to prevent, identify, and address any conduct that is inconsistent with the principles of respect for individuals, equal opportunity, and the protection of human rights, as reflected in the policies and actions described in the previous sections.



ESRS S2
WORKERS IN THE
VALUE CHAIN

Management of impacts, risks
and opportunities

[S2-2; S2-3]

Processes for engaging value chain workers
on impacts

The Group addresses the topic of **workers in the value chain** through an approach based on shared ethical principles, control measures, and accountability mechanisms for business partners, recognizing that certain potential impacts may occur beyond its direct operations.

Although the Group does not have formal mechanisms for the direct consultation of value chain workers or their representatives, it has established a clear and binding framework through its **Code of Ethics** and **Supplier Code of Conduct**, which serve as the primary tools for guiding and engaging business partners. These documents define the expected principles regarding human rights, working conditions, health and safety, respect for individuals, and compliance with applicable laws and regulations, and are communicated to suppliers as part of the contractual relationship.

Through these tools, the Group promotes responsible conduct throughout the value chain and requires its business partners to operate in accordance with fundamental workers’ rights, including the prevention of discrimination, forced labor, child labor, and unfair working conditions. This approach enables the Group to consider, in an indirect yet structured manner, the perspectives of workers who may be more exposed to impacts or vulnerabilities, while placing responsibility on suppliers to adopt practices consistent with the shared principles.

With regard to **reporting channels**, the Code of Ethics and the Supplier Code of Conduct provide mechanisms for reporting conduct or situations that are inconsistent with the Group’s ethical principles. While these channels are not exclusively dedicated to value chain workers, they are also accessible for matters involving business partners and represent a key grievance mechanism for identifying potential concerns.

Reports received are reviewed in accordance with the Group's internal procedures, with the involvement of the appropriate bodies, and serve as a tool for monitoring the effectiveness of the controls implemented throughout the value chain. The absence of significant reports, or the manner in which they are addressed, constitutes a qualitative element in assessing the adequacy of the control system and in guiding any corrective actions.

In cases where the Group has caused or indirectly contributed to a material negative impact on value chain workers, the adopted approach is based on cooperation with the business partner involved, verification of the circumstances, and, where appropriate, the request for corrective measures consistent with the principles set out in the Code of Ethics and the Supplier Code of Conduct.

Remediation actions are therefore pursued primarily through dialogue, the strengthening of contractual requirements, and the progressive alignment of suppliers' practices with the standards expected by the Group.

Overall, the approach adopted reflects the management of value chain workers based on **ethical safeguards and shared responsibility**, consistent with the Group's size and operating context, and aimed at preventing risks and protecting human rights throughout supply chain relationships.

Policies related to value chain workers

The Bondioli & Pavesi Group manages potential impacts, risks, and opportunities related to workers in its value chain through a consistent set of policies and governance tools that define the principles and expectations applicable to business partners throughout the production ecosystem.

The approach is aimed at protecting human rights, promoting fair working conditions, and preventing unethical practices within the supply chain.

The framework is based on the **Sustainability Policy**, the **Code of Ethics**, the **Supplier Code of Conduct**, and the **General Purchasing Terms and Conditions**, which collectively govern the conduct expected of suppliers and their subcontractors.

Through these documents, the Group establishes clear requirements regarding respect for individuals, non-discrimination, health and safety, lawful employment practices, and compliance with applicable laws and regulations.

[S2-1]



In particular, the **Supplier Code of Conduct** represents the Group's primary tool for managing social risks within the value chain.

The document requires suppliers to operate in accordance with fundamental human rights and to ensure decent working conditions, explicitly prohibiting forced or compulsory labor, child labor, and all forms of human trafficking or exploitation.

The Code also requires personnel to be employed under lawful employment contracts and in compliance with applicable legislation concerning wages, working hours, and labor protections.

The **Sustainability Policy** reinforces these commitments by explicitly extending human rights principles to workers throughout the value chain.

The Group rejects any form of forced labor, child labor, or human trafficking not only within its own operations but also across its supply chain relationships, recognizing the relevance of these risks within the global industrial context.

The **General Purchasing Terms and Conditions** incorporate ethical principles into procurement processes by making acceptance of the Supplier Code of Conduct a prerequisite for establishing and maintaining a business relationship.

The document also provides for operational tools, including declarations of conformity relating to applicable legal requirements and technical specifications, contractual agreements, and ESG self-assessment questionnaires.

Together, these instruments enable ongoing monitoring of suppliers' alignment with the environmental, social, and governance requirements established by the Group.

The adopted policies apply to all **workers within the value chain**, without limitations related to specific supplier categories, countries, facilities, or worker groups.

To the extent that is reasonably possible, they also extend to subcontractors through the principle of responsibility throughout the supply chain. In developing these policies, the Group considers the interests of value chain workers indirectly by establishing clear standards and requiring business partners to adopt practices consistent with shared principles.

Overall, the Group's policies constitute a framework for guiding and governing the value chain, aimed at preventing adverse impacts on workers employed by business partners and promoting responsible practices that respect human rights throughout the supply chain, in line with the Bondioli & Pavesi Group's values and sustainability commitments.

Actions related to value chain workers

The Group manages potential adverse impacts and opportunities associated with value chain workers through a set of actions integrated into supplier qualification, assessment, and monitoring processes, with particular focus on social aspects, working conditions, and respect for human rights.

A key control mechanism is the on-site audit conducted as part of the qualification process for new suppliers that manufacture custom-designed components.

These audits enable the collection of both direct and indirect evidence regarding the adequacy of suppliers' operating conditions through site observations, document reviews, and discussions with supplier management.

During these assessments, the Group evaluates, among other aspects, work organization practices, occupational health and safety management, and the degree of alignment with the social and regulatory requirements established by the Group. This activity contributes to the proactive identification of potential issues and risk areas throughout the supply chain and is complemented by additional assessment tools, including ESG questionnaires and compliance documentation.

Supplier **ESG assessments** are conducted through a dedicated survey administered to suppliers operating within the most significant procurement categories.

The assessment covers, among other topics, social issues such as human rights, working conditions, occupational health and safety, and diversity, enabling the systematic collection of information

[S2-4]



on suppliers' practices and the identification of potential areas for improvement.

The survey results provide direct feedback to suppliers and serve as a support tool for the Procurement function in guiding engagement activities and improvement requests.

The outcomes of audits and ESG assessments are recorded and monitored through the Group's internal supplier management systems and shared with **the Procurement function**, enabling ongoing tracking of suppliers' compliance with the Group's social requirements.

This approach also allows the Group to manage, in a structured manner, any potential tensions between operational needs and worker protection, prioritizing risk prevention and the continuous improvement of supplier practices rather than purely reactive interventions.

During the reporting period, no human rights incidents involving value chain workers were identified. Audit activities and ESG assessments represent important tools for identifying potential issues and strengthening oversight of supply chain risks within the framework of an integrated monitoring system.

Looking ahead, the Group intends to further strengthen the integration of its control framework through the implementation of the Italian Legislative Decree 231/2001 Organizational, Management and Control Model (**Model 231**). This initiative will support the development of the Group's risk mapping framework and enhance risk identification and management processes, with particular attention to social risks associated with the activities of business partners.



ESRS S3

AFFECTED COMMUNITIES

Management of impacts, risks and opportunities

Engagement with interested communities regarding impacts

The Group operates in regions characterized by a well-established industrial presence that has long been integrated into the local economic and social fabric.

In particular, the Group's roots lie in the **Suzzara area**, in the Province of Mantua, where its industrial journey began and where it continues to maintain strong and longstanding ties.

The Group places significant importance on its relationships with the communities surrounding its operational sites, recognizing the value of dialogue and collaboration in fostering sustainable local development.

Engagement with interested communities takes place primarily through ongoing and informal interactions, supported by the Group's deep local presence and its close relationships with public authorities, businesses, educational institutions, and other social and economic stakeholders.

This approach enables the Group to maintain an open and continuous exchange of views and to understand, including through informal channels, the expectations and concerns of local communities, which are taken into consideration in the ordinary management of its activities.

During the reporting period, no circumstances arose that required the implementation of dedicated formal consultation mechanisms or structured engagement initiatives with specific community groups.

The Group operates within environments characterized by well-established relationships and ongoing interaction with local stakeholders.

With regard to **grievance mechanisms**, interested communities may access the channels provided under the Code of Ethics to report conduct or situations that are inconsistent with the Group's principles.

Although these channels are not specifically designed for local communities, they serve as the primary mechanism through which the Group receives and addresses ethical or social concerns.

[S3-2; S3-3]

[S3-1]



Their effectiveness is assessed qualitatively through the analysis of reports received and the evaluation of the actions taken in response.

When issues involving the local context arise, the Group adopts an approach based on collaboration, constructive dialogue, and the pursuit of shared solutions, working in coordination with public institutions and relevant local stakeholders, in line with the principles of responsibility and transparency that guide its operations.

This approach reflects the Group's commitment to maintaining constructive and responsible relationships with the communities in which it operates, consistent with its industrial heritage and its ongoing contribution to the economic and social development of local communities.

Policies related to affected communities

The Group manages its relationships with interested communities through an approach based on respect for the local context, dialogue, and social responsibility, in line with the values set out in the **Code of Ethics** and the **Group Sustainability Policy**.

The policies adopted are designed to support a balanced and integrated industrial presence in the regions where the Group operates, fostering constructive relationships with local economic, social, and institutional stakeholders.

The **Code of Ethics** serves as the primary framework for managing impacts and opportunities related to interested communities, reaffirming the Group's commitment to operating responsibly and contributing positively to the social, cultural, and economic well-being of the areas in which it operates. In this context, the Group promotes conduct based on fairness, transparency, and mutual respect in its relationships with local communities and stakeholders.

The Group's policies do not establish specific tools or programs dedicated to individual community groups; rather, they apply to all interested communities located in the areas where the Group conducts its business activities.

Attention to the local context is exercised consistently across all operations, taking into account local specificities and the long-standing relationships established with local stakeholders.

The development of these policies reflects the Group's history and strong local presence, particularly in the Suzzara area, where its historical headquarters was established.

This translates into an ongoing commitment to maintaining relationships based on responsible coexistence and collaboration with local communities over time. The initiatives and behaviors promoted by the Group are aimed at supporting local development and strengthening a shared culture of sustainability.

Actions related to affected communities

Bondioli & Pavesi Group promotes relationships with local communities through initiatives aimed at supporting the **social, cultural, and economic development** of the regions in which it operates, in line with its values and the long-standing local roots of its manufacturing activities.

During 2025, Bondioli & Pavesi S.p.A. participated in several career guidance, educational, and outreach initiatives involving schools and universities, with the goal of fostering connections among young people, educational institutions, and the local business community. In particular, the Company took part in the **JOB FIT** program organized by the Piazzalunga Cultural Center in Suzzara, helping students learn about career opportunities available in the local area.

This initiative was complemented by participation in an event organized by the **Consulta Economica Oltrepò Mantovano**, involving students from the Manzoni Institute in Suzzara, the Strozzi Institute in Palidano, and the School of Arts and Crafts, aimed at strengthening dialogue between the education system and the labor market. The Company also participated in **Career Days** organized by the University of Ferrara and the University of Modena and Reggio Emilia, creating opportunities for direct engagement with students and recent graduates and contributing to the development of local human capital.

To support youth education and development, the Company also promoted academic excellence and local talent through the awarding of **scholarships** in collaboration with the Rotary Club Gonzaga Suzzara, recognizing students from the Manzoni High School in Suzzara who achieved outstanding academic results. Additional scholarships were sponsored for students attending the F. Bertazzoni Vocational Training Center in Suzzara, with the objective of supporting technical and vocational education

[S3-4]

pathways and strengthening the connection between education and employment.

At the international level, the Group also promotes initiatives that benefit local communities. In particular, Bondioli & Pavesi India allocates **2% of its annual profits to social and educational initiatives**, in compliance with local regulations, thereby supporting projects aimed at the communities in the regions where it operates. In 2025, priority areas of intervention included initiatives focused on improving healthcare and medical assistance, as well as supporting disadvantaged communities.

The effectiveness of these initiatives is assessed qualitatively through the strengthening of relationships with local stakeholders, the continuity of partnerships established, and feedback received from the institutions involved. These initiatives reflect the Group's commitment to maintaining an active and responsible role within the communities where it operates, fostering shared growth and strengthening the connection between business, local communities, and future generations.



ESRS S4

CONSUMERS AND END USERS

Management of impacts, risks and opportunities

Process for engaging with consumers and end users regarding impacts

Bondioli & Pavesi Group adopts a structured and stakeholder-oriented approach toward both its direct customers and the end users of its products, recognizing the central role they play in guiding product development and ensuring high standards of quality, safety, and reliability.

At the same time, the Group pays close attention to the needs of **end users**, who utilize Bondioli & Pavesi products in the operation of agricultural, mobile, and industrial machinery and equipment.

This focus is reflected, in particular, in a high degree of customization of technical solutions, made possible through close collaboration between the Research and Development department and the Commercial function.

This synergy enables the design of tailored solutions aligned with actual operating conditions and specific application requirements, thereby enhancing user experience, product safety, and durability.

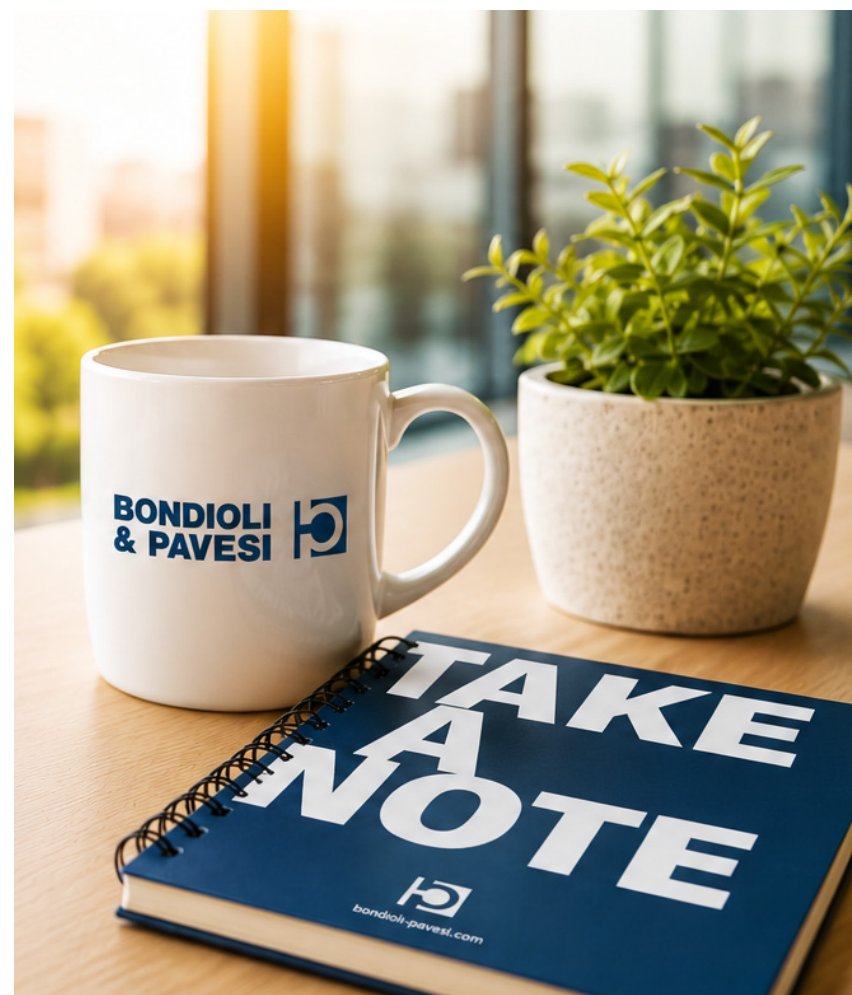
The Group also gathers insights regarding end users through **customer feedback**, its sales network, and technical assistance services, which serve as key intermediary channels for understanding operational needs and the characteristics of different usage environments. This approach also makes it possible to identify specific needs associated with more sensitive user groups or particular operating conditions, without the need for dedicated direct consultation channels.

With regard to **grievance and communication channels**, customers and, indirectly, end users may rely on the Company's communication channels, sales network, and technical support services to report concerns, needs, or non-conformities. Such reports are managed in accordance with the procedures defined within the Quality Management System, which require all employees to act with courtesy, transparency, and responsiveness, as well as to promptly communicate any issues and take appropriate actions to ensure their effective resolution.

[S4-2; S4-3]



[S4-1]



The **effectiveness of these listening and grievance management channels** is assessed through both quantitative and qualitative measures, including the analysis of customer satisfaction survey results, the monitoring of complaints and reports received, and the review of corrective actions implemented.

This system supports a continuous improvement approach, strengthening over time the confidence that customers and end users place in the Group's products and services.

Overall, these practices demonstrate the Group's commitment to maintaining strong, transparent, and quality-focused relationships with customers and end users, ensuring that the development of technical solutions remains aligned with actual user needs and contributes to value creation throughout the entire product life cycle.

Policies related to consumers end users

Bondioli & Pavesi Group manages the impacts, risks, and opportunities associated with consumers and end users through a coherent set of corporate policies centered on product quality, safety, reliability, and customer satisfaction. The primary reference is the **Quality Policy**, approved by the Board of Directors and implemented across all Group companies, which sets out the guiding principles for ensuring that products and services meet market expectations and the needs of users throughout the product life cycle.

The **Quality Policy** is founded on the commitment to providing innovative and reliable products designed and manufactured in compliance with applicable regulatory requirements and the specific needs of customers and end users.

This approach is supported by certified management systems and an organizational model focused on continuous improvement, enabling the prevention of potential issues, the management of risks associated with product use, and the identification of opportunities to enhance the Group's offering.

The Group's **Code of Ethics** reinforces this commitment by identifying customer satisfaction as one of the organization's key priorities. The Code promotes conduct based on fairness, transparency, and reliability in customer relationships and highlights the importance of building relationships founded on mutual trust, ensuring the responsible management of

information and a constant focus on the quality of products and services provided.

The Group's **corporate mission** further reflects the importance placed on consumers and end users, recognizing their satisfaction as an essential factor for long-term industrial success and sustainable growth.

In this context, the Group invests in the development of its employees' technical and professional skills and fosters collaboration between the Research and Development and Commercial functions in order to deliver technical solutions that are effectively aligned with real-world operating conditions.

The policies adopted apply to **all customers and end users**, without distinction among specific groups or categories. Attention to product usability, safety, and reliability is embedded across the entire product portfolio, in line with the Group's commitment to operating in compliance with applicable regulations and with the principles of sustainability and social responsibility.

Actions related to end users

To implement its policies on quality, safety, and customer satisfaction, Bondioli & Pavesi Group has developed and implemented **Quality Management Systems** compliant with the **UNI EN ISO 9001²⁰** standard.

These systems represent the Group's primary operational tool for managing risks and opportunities associated with the use of its products by customers and end users.

The Quality Management System adopts a **risk-based thinking approach**, enabling the analysis of the operating context and relevant stakeholders, the identification of potential issues throughout the product life cycle, and the implementation of appropriate preventive measures. Within this framework, control and verification procedures cover all stages of the process, from design and development to manufacturing and after-sales activities, with the objective of ensuring compliance with regulatory requirements, safety standards, and customer specifications.

Oversight activities include systematic monitoring of production processes, verification of product technical and functional requirements, and the structured management of feedback and reports received from the market. Any non-conformities or

issues identified are analyzed in accordance with the procedures established by the Quality Management System, which provide for root-cause analysis and the implementation of corrective and preventive actions, thereby contributing to the continuous improvement of product and service performance.

All Italian Group companies, as well as the international subsidiaries in Brazil, India, China, the Czech Republic, and Spain, are certified to **ISO 9001:2015**, ensuring a consistent level of quality and process control across all areas of operation. This certification represents a key resource for maintaining a consistent approach to addressing the needs of customers and end users, regardless of geographic location or application context.

The effectiveness of the actions undertaken is assessed through the monitoring of quality performance indicators, analysis of customer satisfaction survey results, management of complaints, and periodic reviews of the **Quality Management System**, in line with a continuous improvement approach. Together, these measures enable the Group to maintain high standards of reliability, safety, and transparency for customers and end users, enhancing stakeholder trust and supporting its long-term market competitiveness.

[S4-4]



²⁰ For the correct scope of application, please refer to the "Scope of Management Systems" section.

GOVERNANCE INFORMATION

ESRS G1

BUSINESS CONDUCT

Management of impacts, risks, and opportunities

Policies related to business conduct

Bondioli & Pavesi Group bases its business conduct on the values of **integrity, transparency, and compliance with applicable rules**, which guide all business activities and stakeholder relationships. The Group is committed to operating in full compliance with applicable laws and regulations in every country where it operates, fostering a corporate culture rooted in ethics, legality, and accountability.

The Group's business conduct framework consists of a coherent set of principles and governance tools that address key areas related to risk prevention, stakeholder protection, and the creation of sustainable long-term value.

Corporate culture, integrity and anti-corruption

The primary reference framework for integrity and ethical conduct is the **Code of Ethics**, adopted by the Group as its central instrument for guidance and self-regulation. The Code defines the principles of conduct that all employees are required to follow in carrying out their activities and governs relationships with customers, suppliers, business partners, institutions, and local communities, helping to ensure consistency, trust, and integrity across all stakeholder interactions.

To oversee the effective implementation of the Code of Ethics, the Group has established an **Ethics Committee**, responsible for monitoring compliance with the principles of conduct and managing reports concerning potential violations.

In this context, a **whistleblowing system** compliant with **EU Directive 2019/1937** is in place, providing a dedicated, secure, and confidential reporting channel accessible to employees and stakeholders, while ensuring the protection of whistleblowers and the confidentiality of information received.

The Group's policies include the **prevention of corruption and bribery-related offenses**, in line with the principles set forth in

[G1-1]

[G1-3]

the United Nations Convention against Corruption. These principles are incorporated into the **Code of Ethics** and extended throughout the value chain through the **Supplier Code of Conduct** and the contractual instruments adopted by the Group. The business functions most exposed to potential risks in this area include procurement, sales, commercial relationship management, and interactions with third parties, for which specific control measures and accountability mechanisms have been established.

In 2025, Bondioli & Pavesi S.p.A. initiated the implementation of the **Organizational, Management and Control Model** pursuant to **Italian Legislative Decree 231/2001**, aimed at preventing the commission of relevant offenses and strengthening the internal control system through risk mapping, the definition of protocols, and the establishment of a Supervisory Body. The Model supports the structured integration of ethical principles into business processes and further reinforces the Group's culture of compliance, transparency, and integrity.

[G1-2]

Suppliers relationship management

Supplier relationship management is guided by the principles of fairness, transparency, integrity, and accountability, as defined in the Group's **Sustainability Policy, Code of Ethics, and Supplier Code of Conduct**. The latter establishes clear requirements regarding business ethics, human rights, working conditions, occupational health and safety, and environmental responsibility, extending sound business conduct principles throughout the entire value chain.

Within this framework, the Group works with a network of suppliers that have, over the years, become long-standing business partners. These relationships are characterized by operational continuity, ongoing dialogue, and a high level of reliability.

These principles are further embedded in the **General Purchasing Terms and Conditions**, which govern the establishment and management of contractual relationships, adherence to ESG requirements, and compliance obligations. The Group's policies apply to all suppliers and, where reasonably possible, to their subcontractors as well, promoting a responsible approach aligned with the Group's sustainability commitments.



Data protection, cybersecurity and responsible use of technology

The protection of personal data and confidential information represents another cornerstone of the Group's business conduct framework.

The **Code of Ethics** emphasizes the obligation to ensure the confidentiality, integrity, and security of information, while the Group's policies support the adoption of cybersecurity best practices.

The Group also promotes the responsible use of technology and information systems by establishing rules and organizational controls designed to safeguard data security, operational continuity, and the reliability of digital processes. These policies apply to all employees and to the information systems used during business activities, in line with the Group's commitment to secure and sustainable digitalization.

Actions related to business conduct

Bondioli & Pavesi Group implements the principles of business conduct defined in its policies through a structured set of operational actions, preventive measures, and governance controls designed to promote ethical behavior, strengthen the culture of compliance, and prevent risks of non-compliance.

These **actions** involve all business functions across the organization and primarily focus on fostering an ethical culture, ensuring responsible supplier relationship management, and protecting data and information systems.

[G1-3]

Corporate culture and anti-corruption

To ensure the effective application of its ethical principles, the Group has implemented initiatives aimed at promoting and strengthening a culture of integrity, legality, and accountability throughout the organization.

All employees, including new hires, receive and are required to be familiar with the **Code of Ethics**, which serves as an operational guide for individual and collective behavior and as a key tool for ensuring consistency in conduct and reliability in stakeholder relationships.

The Group has also established a formal process for the receipt, management, and assessment of **reports** concerning potentially non-compliant behavior.

This process clearly defines the procedures for submitting and handling reports.

All reports are reviewed by the Ethics Committee, which operates according to principles of confidentiality, impartiality, and rigor, taking measures deemed appropriate based on the circumstances.

To support this framework, the Group promotes **training and awareness initiatives on ESG and governance topics**, including content specifically focused on ethical business conduct, integrity in commercial relationships, and the prevention of corruption.

These initiatives are addressed to the entire workforce, with particular attention to functions and roles that are more exposed to ethical and relationship-related risks, including those involved in procurement, sales, and third-party relationship management.



Supplier ESG assessment and responsible supply chain management

[G1-2]

The Group's actions relating to supplier relationship management are integrated into a structured assessment and engagement system that explicitly incorporates environmental, social, and governance (ESG) criteria into **supplier qualification and supply chain monitoring processes**.

The Group has implemented a dedicated ESG survey for suppliers through its supplier portal.

The survey is structured around six assessment areas, including human rights, ethics and compliance, diversity, and occupational health and safety.

The survey is designed for suppliers²¹ deemed significant in terms of purchasing volumes and product categories and enables the systematic collection of information on practices adopted throughout the supply chain.

Across the Group's manufacturing subsidiaries in Italy, Brazil, China, and India, a total of **233 suppliers**²² participated in the survey, achieving an overall response rate of nearly 90% of the targeted sample.

The system generates an automatic score for each ESG area, as well as an overall score, which is shared with suppliers as feedback. Areas where performance falls below expected standards are highlighted directly through the portal, encouraging suppliers to implement improvement actions. For new suppliers, ESG assessments are complemented by a **preliminary qualitative audit**, which strengthens the initial qualification process and enables the evaluation of ethical, organizational, and social aspects.

Supplier engagement is supported through ongoing dialogue regarding assessment results and through the gradual expansion of the monitoring scope to all Group facilities and companies, with the objective of fostering continuous improvement in ESG performance across the value chain.

Data protection and cybersecurity

With regard to **data protection and cybersecurity**, the Group has implemented a range of initiatives aimed at safeguarding corporate information processed within its operational activities.

These initiatives include ongoing training and awareness programs for employees on cybersecurity topics, designed to enhance awareness of cyber risks and promote best practices in information management.

The Group has also developed and implemented **internal policies and regulations** governing the use of information systems, electronic devices, and corporate email, ensuring that information is handled in accordance with company policies. All employees are required to comply with these provisions and to ensure the appropriate handling of confidential information, in line with the principles established in the Code of Ethics.

Demonstrating this commitment, in 2025 the Parent Company, **Finsuge S.p.A.**, obtained certification in accordance with **ISO 27001**.

This certification confirms the adoption of a structured information security management system aimed at ensuring the protection and reliability of corporate data.

Through this combination of initiatives, the Group strengthens the reliability of its information systems and helps reduce exposure to data security risks, supporting a responsible and compliant approach to business conduct.

²¹ This category includes all direct suppliers of: cast iron and aluminium castings, steel forgings, plastic mouldings, fabricated metal components, machining, assembly, stamped components, polymers, surface coatings – Rilsan, heat treatments, painting, freight forwarding and transport services.

²² Intercompany companies were excluded from the survey as suppliers.

Metrics

Confirmed incidents of corruption or bribery

[G1-4]

During the reporting period, no convictions, sanctions, or fines were imposed on any company within the Bondioli & Pavesi Group for violations of anti-corruption or anti-bribery legislation.

During the same period, no incidents of corruption were identified, nor were any significant cases of non-compliance with applicable laws or regulations detected, confirming the effectiveness of the Group's governance controls, business conduct policies, and preventive measures.

The Group continues to promote a corporate culture founded on ethics, transparency, and compliance with the law through governance tools such as the **Code of Ethics**, whistleblowing and reporting mechanisms, and awareness-raising and training initiatives delivered to employees and governing bodies. Together, these tools provide the framework for preventing, identifying, and addressing potential corruption-related risks.



[G1-6]

Payment practices

Bondioli & Pavesi Group adopts **standardized and transparent payment terms**, which are applied consistently across all supplier categories. Payment terms are defined contractually or, where no specific agreements exist, in accordance with the applicable legal requirements. The Group does not apply different standard payment terms to small and medium-sized enterprises (SMEs) compared with other suppliers.

The average payment period recorded in 2025 was 55 days²³. The calculation was based on the average number of days elapsed between the date on which contractual payment terms began and the actual payment date for each invoice.

During the reporting period, the average invoice payment period was aligned with the agreed payment terms. Payment monitoring is supported by structured internal procedures that enable verification of compliance with contractual conditions and help prevent unjustified delays.

The Group has implemented **internal control measures** to support the payment process, ensuring the accuracy, traceability, and regularity of transactions. These controls enable the verification of suppliers' administrative and tax compliance and help ensure that payments are made within the agreed timeframes.

During the reporting period, the majority of payments were made in accordance with the standard payment terms applied to suppliers, demonstrating the Group's commitment to responsible and reliable business relationships.

As of the reporting date, there were no ongoing legal proceedings relating to delayed payments to suppliers.

²³ The calculation includes all payments made between 1 January 2025 and 31 December 2025 by all companies belonging to the Group.

APPENDIX

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Scope of management system

ISO 9001:2015 Quality	
Italy	Worldwide
BONDIOLI & PAVESI S.p.A. BONDIOLI & PAVESI SALES & LOGISTICS S.p.A. HP HYDRAULIC S.p.A. DINOIL S.p.A. FIRA S.p.A. TECNOMEK S.p.A. SIBONI S.p.A.	BP COMPONENTES HIDRÁULICOS E MECÂNICOS Ltda. (Brazil) B&P HYDRAULIC AND MECHANICAL COMPONENTS Co. Ltd. (China) BONDIOLI & PAVESI INDIA PVT. LTD. O.M. PROTIVÍN a.s. (Czech Republic) BONDIOLI & PAVESI IBÉRICA S.A. (Spain)
ISO 14001:2015 Environmental management	
Italy	Worldwide
BONDIOLI & PAVESI S.p.A. BONDIOLI & PAVESI SALES & LOGISTICS S.p.A. HP HYDRAULIC S.p.A. DINOIL S.p.A. FIRA S.p.A. TECNOMEK S.p.A.	O.M. PROTIVÍN a.s. (Czech Republic)
ISO 50001:2018 Energy management	
Italy	Worldwide
BONDIOLI & PAVESI S.p.A. BONDIOLI & PAVESI SALES & LOGISTICS S.p.A.	
ISO 45001:2023 Occupational health and safety	
Italy	Worldwide
BONDIOLI & PAVESI S.p.A. BONDIOLI & PAVESI SALES & LOGISTICS S.p.A. HP HYDRAULIC S.p.A. DINOIL S.p.A. FIRA S.p.A. TECNOMEK S.p.A.	O.M. PROTIVÍN a.s. (Czech Republic)
ISO 27001:2024 Information Security	
Italy	
Finsuge S.p.A.	

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