



novation *TECH*
Composite Technology

SUSTAINABILITY

REPORT

2024



Excellence is our Mission

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LETTER TO STAKEHOLDERS

Growth and Sustainability: Our ESG Commitment in 2024

*With a great sense of responsibility and commitment, today we share our first **Sustainability Report**, prepared in accordance with the principles of the **CSRD** (Corporate Sustainability Reporting Directive). This step represents a key moment in **our journey towards transparency and sustainability**, reflecting the company's desire to align itself with the highest standards required by the market and the community. Although this is just the beginning, we are aware that the **path** towards an increasingly positive and responsible impact is **long and evolving**. This report is not just an account, but a concrete commitment to **continuous improvement**, embracing the challenges and opportunities that lie ahead.*



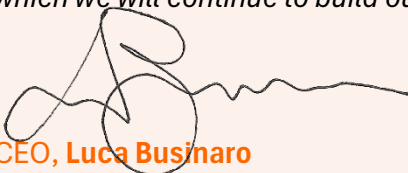
*The **results for 2024** attest to the solidity of the growth path undertaken by Novation Tech, confirming its **prominent position among European leaders in the carbon composite materials processing sector**, a strategic industry in which innovation, quality and continuous commitment to meeting customer needs and promoting sustainable development are valued.*

*Over the last year, **revenues** increased by 12.5% to €117 million, supported by an expansion strategy launched in 2017. The focus on efficiency led to an **EBITDA** of €15.5 million, equal to 13.2% of **turnover**, with a 43% increase compared to the previous year. The **net profit** of €3.4 million will be strategically reinvested with the aim of boosting productivity and supporting future growth, in line with economic, social and environmental sustainability criteria.*

*In terms of **employment**, the company remained stable, with 1,371 employees distributed across Italy, Hungary and Croatia. Production capacity confirmed the sector's excellence, with significant weekly production of automotive components and sporting goods, enabling the company to respond effectively to market demands and strengthen its role in the high-end sector.*

*Our sustainability journey is not limited to economic results, but also translates into a **concrete commitment** to the well-being of our employees and their families. In 2024, **welfare** policies were strengthened, offering preventive services with free diagnostic tests, welfare programmes accessible via dedicated platforms and a policy for serious illnesses, tools that reflect our commitment to creating a healthier and more supportive work environment.*

Thanks to these results and our efforts, Novation Tech has confirmed its position as a reliable and cutting-edge benchmark on the international scene, ready to face future challenges with renewed determination and strategic vision, supported by a constant commitment to continuous improvement, social responsibility and environmental sustainability, which represent the fundamental pillars on which we will continue to build our future.



CEO, Luca Businaro

METHODOLOGICAL NOTE

Novation Tech's 2024 Sustainability Report, prepared on a voluntary basis, aims to provide a clear and up-to-date picture of the Company's **progress towards sustainability**, the results achieved and future objectives. With a view to gradually adapting to sustainability reporting requirements, the company has adopted a **step-by-step approach**. For the first financial year, reporting was limited to Italian operating units only. This allows for the effective internalisation of materiality analysis processes, refinement of data collection methodology and consolidation of staff involvement at national level. The aim is then to extend the scope of reporting to all foreign plants, ensuring greater consistency and procedural awareness at Group level.

The document has been prepared in accordance with the **European Sustainability Reporting Standards** (ESRS) to ensure comparable and transparent reporting.

The chapter entitled '**Guide to reading**: where to find the information required by the ESRS' contains a complete list of the disclosures required by the standards, with an indication of the page on which each piece of information can be found within the report.

The report was prepared based on rigorous qualitative principles, in line with the provisions of Appendix B of ESRS 1, with the aim of ensuring **maximum reliability** of information and its usefulness for all stakeholders.

- **Faithful representation:** the contents accurately reflect the company's reality. The information is complete, including all relevant elements; neutral, without undue emphasis on positive or negative aspects; and accurate, i.e. precise, free from material errors and supported by verifiable data.
- **Comparability:** although this is the first ESRS-compliant financial statement, Novation Tech has sought, where possible, to provide comparisons with the previous year's data in order to facilitate continuity of information. Full comparability will be guaranteed from the next financial years onwards.
- **Verifiability:** the information reported is based on documentary evidence and traceable data, which allows for verification and confirms the soundness of the reporting process.
- **Comprehensibility:** the content is presented in a clear, concise and accessible manner, so that it is easy to read and interpret even for a non-specialist audience.

INTRODUCTION

COMPANY PROFILE

Novation Tech is among the top five European leaders in the processing and production of carbon fibre components and composite materials for the automotive, aerospace, sporting goods and eyewear sectors.

R&D and technological innovation, combined with lean production management, have made Novation Tech the partner of choice for the world's leading automotive brands, capable of responding quickly to market demands while always guaranteeing the highest quality finished product.

The company is based in Montebelluna, where it took root more than 50 years ago, and is now present in Europe with 5 production plants located in 3 countries and over 1350 employees.

The company's success is rooted in its in-depth knowledge of composite materials, combined with its ability to bring the craftsmanship of carbon fibre processing to an industrial scale. This distinctive expertise allows the company to respond effectively to customer needs, anticipating them and guiding them in defining innovative and tailor-made solutions. Through active collaboration in the selection of the most advanced technologies and materials, the company carries out customised projects, optimising mechanical performance and aesthetics, with fast delivery times and competitive costs.

COMPANY VALUES, MISSION AND VISION: EXCELLENCE, INNOVATION AND SUSTAINABILITY

Core values

Novation Tech's values define how the company operates, innovates and collaborates with its stakeholders:

- **Responsible innovation**
The company constantly invests in research and development of technologies that promote lightness, efficiency and traceability of components.
- **Quality and culture of craftsmanship**
Each product is the result of an artisan approach applied to industry: precision, attention to detail and specialised skills guarantee high standards of performance and reliability.
- **Efficiency and lean management**
The production organisation is based on principles of process optimisation, waste reduction and conscious use of energy resources and materials.
'Efficiency is the most concrete form of respect for the environment.'
- **People-centred approach**
Novation Tech promotes a safe, inclusive and participatory work environment, investing in training, professional growth and talent development.
- **Integrity and transparency**
Every activity is guided by ethics, compliance and responsibility towards customers, suppliers and the community, in line with the principles of sustainable governance.
- **Customer focus and long-lasting partnerships**
The company offers an integrated and flexible service, developing long-term relationships based on collaboration, shared innovation and mutual value.

Excellence as a guiding principle – *Excellence is our Mission*

Novation Tech is committed to representing the meeting point between the most advanced technologies and Italian manufacturing excellence, placing the creation of innovative solutions in the automotive composites sector at the heart of its mission.

The main objective is to generate value through high-quality products and services, developed with passion and dedication, to support the growth and success of its customers. By offering reliable, customised and cutting-edge solutions, it is committed to improving market quality, anticipating trends and making a difference in the sector.

Where innovation, precision and a culture of craftsmanship come together to create sustainable value.

Vision

With a vision focused on performance, aesthetics and sustainability, the company aims to contribute to the evolution of the sector thanks to its technological solutions, becoming a benchmark in the composite materials market. The intention is to anticipate market trends by guaranteeing quality, innovation and sustainability, and building solid relationships with customers and stakeholders. Research and development are the cornerstones of the company's vision, enabling it to respond promptly to the challenges of an evolving market.

HIGHLIGHTS

FROM ITS ORIGINS TO THE PRESENT DAY

Founded in **1967** in Montebelluna (TV), in the heart of one of Europe's most dynamic manufacturing districts, the company began as a specialist in the world of moulding. From the outset, a culture of excellence and technical precision became the hallmark of a constantly evolving industrial journey.

Between **1996** and **2004**, the company became part of the Nike Group, marking a milestone in its growth. During this period, it established itself as one of the leading manufacturers of high-end football boot components, contributing to the development of iconic products for major international brands.

In **2004**, the company came under the control of the Aksia Group, initiating a new phase of consolidation and strategic development. It was during these years that a process of profound transformation took shape, culminating in **2007** with the birth of Novation Tech, a name that reflects the company's innovative and technological identity. In the same year, Novation Tech marked a turning point for the entire sector by producing the first carbon backrest for sports cars. To achieve this milestone, cutting-edge production technologies were implemented, positioning the company among the European pioneers in the processing of advanced composite materials.

In **2011**, in line with its internationalisation strategy, Novation Tech acquired a production site in Hungary, approximately 200 km from Budapest, establishing Novation Tech HU Kft. This investment represented a crucial step towards building an integrated and flexible production platform capable of responding quickly and effectively to the needs of global markets.

In May **2017**, Keyhaven Capital Partners, together with the company's management, acquired 100% of Novation Tech's capital. This operation further enhanced the company's technical know-how and doubled its production capacity in Hungary, as well as expanding the Italian plant in Montebelluna.

In **2018**, backed by its consolidated experience in composite materials, Novation Tech entered the aerospace sector with a proprietary patent. Its entry into this highly specialised field is testament to its constant pursuit of excellence, based on the highest standards of quality and performance.

With a vision of sustainable and diversified growth, in **2019** the company began construction of a new production plant in Labin, Croatia. The plant, which has been operational since **2020** under the name Novation Tech Istria d.o.o., represents a further step towards reducing operational risk and strengthening the group's European presence.

In **2021**, Novation Tech expanded its technological offering by introducing a department dedicated to additive manufacturing, which uses various 3D printing technologies. The products manufactured using these technologies are used directly in the company's production cycle. In particular, equipment and other components for carbon fibre parts are manufactured, helping to optimise the production process, offering increasingly customised and precise solutions, and improving the efficiency and quality of the manufacturing process.

In mid-**2022**, the company embarks on a major expansion in Italy, with the renovation of two new plants in Trevignano (TV), a few kilometres from its headquarters. Fully operational since January **2024**, the new plants house the moulding and replication departments of the main production departments in Montebelluna, including plotter cutting, lamination, extraction, quality gate, milling, assembly, gluing, painting and finished products.

These sites also house an advanced robotics hub, equipped with the latest generation of robots for gluing, sanding and polishing operations. An automated rail-based painting system is also installed, as

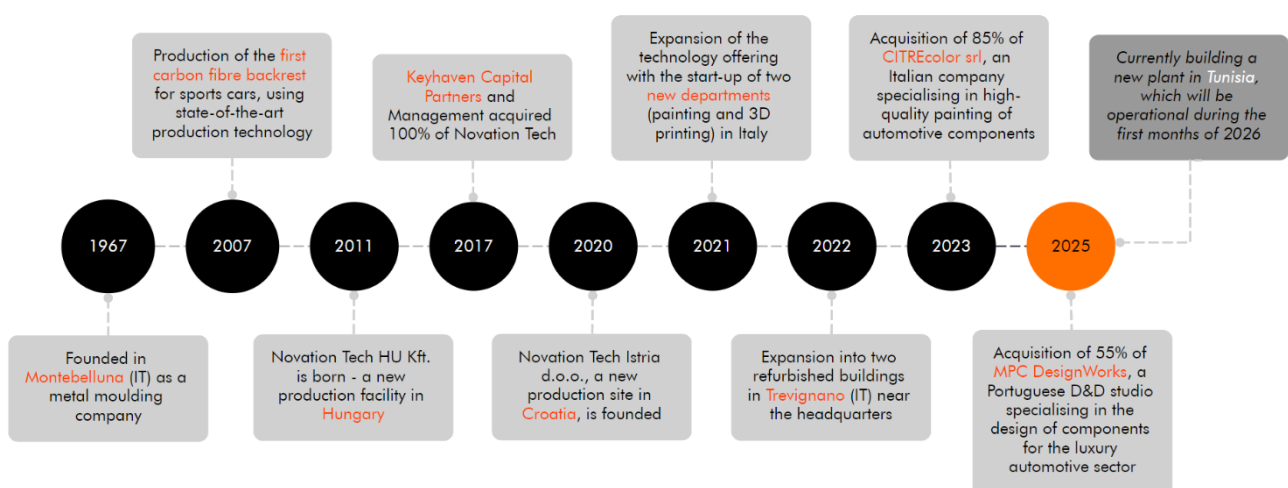
well as the first Massivit 10000 operational in Europe, a large-scale additive manufacturing system for the production of masters for industrial moulds.

In **2023**, in line with its ongoing commitment to environmental sustainability, Novation Tech undertakes a significant energy investment aimed at reducing the company's carbon footprint. At its headquarters in Montebelluna, a photovoltaic system is installed on the roof and canopy, boasting a peak capacity of 824.51 kWp. At the Trevignano plants, the existing system (49.68 kWp) is integrated with a new installation of 515.88 kWp, while at the Hungarian facility, between 2023 and early 2024, the installation of a 450 kWp system is completed. Overall, the Novation Tech Group achieves a total photovoltaic capacity of 1,840.07 kWp, making a tangible contribution to the energy transition and the reduction of CO₂ emissions.

A further strategic step is taken in **August 2023** with the acquisition of 85% of the capital of CiTre Color Srl, an Opitergina-based company specialising in high-quality painting of carbon and plastic products. This operation represents the first step in external growth after years of double-digit internal growth, leading the Novation Tech Group to exceed the €100 million turnover threshold as early as 2023.

Today, Novation Tech's strength lies in its combination of competitive spirit, technical know-how and industrial culture. The company is recognised as one of Europe's leading manufacturers of high-tech composite materials, with almost 1,400 employees spread across the group's five operating sites.

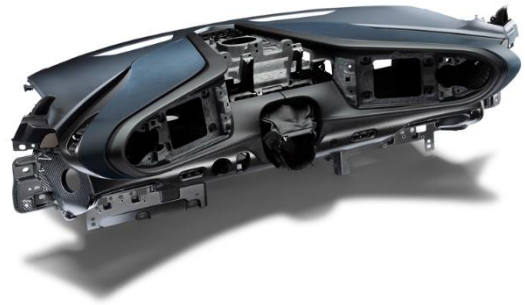
Looking to the **future**, Novation Tech is determined to tackle one of the most significant and ambitious challenges: fully integrating sustainability into its business model. The goal is to promote positive and lasting change by implementing sustainable practices in every area – from the supply chain to local communities – to generate shared value, reduce environmental impact and ensure a more responsible and inclusive future. For Novation Tech, sustainability is not only an ethical choice, but also a lever for innovation, competitiveness and long-term growth.



THE PRODUCTS

Novation Tech is a cutting-edge company that stands out for its ability to develop innovative, high-quality solutions in the automotive, sports & leisure and aerospace sectors.

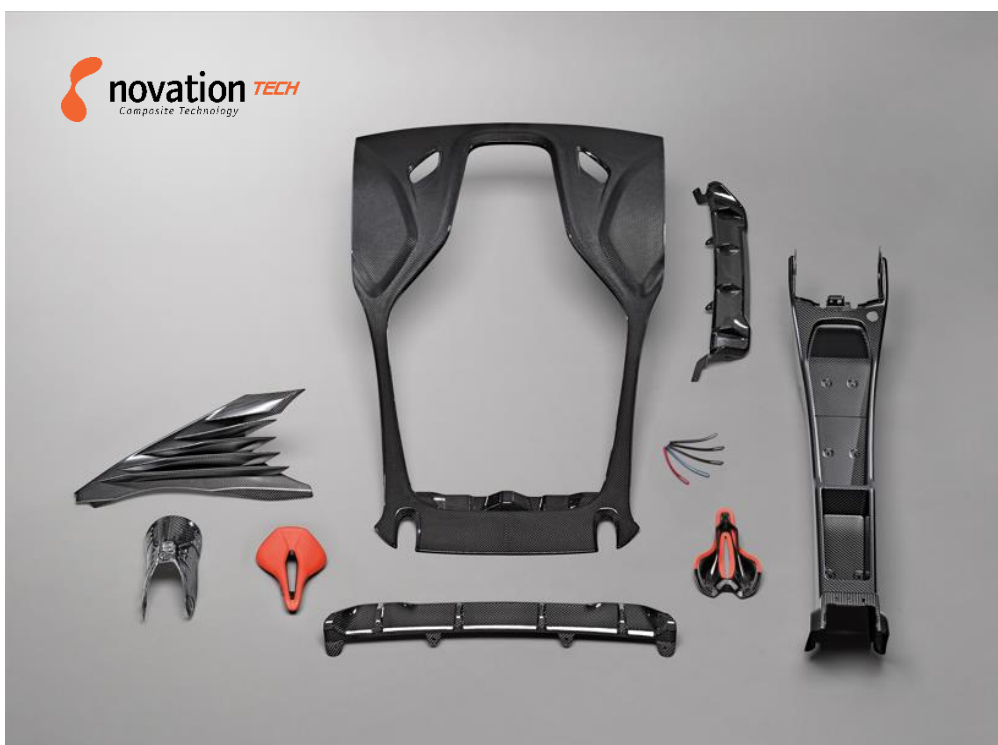
In the **Automotive** industry, the company offers a wide range of advanced technologies ranging from seats to interior, structural and body components, meeting both the aesthetic and functional needs of the world's leading manufacturers. Since 2007, thanks to these innovations, Novation Tech has become the official supplier to some of the largest automotive groups, helping to set new standards in quality and safety..



In the **Sports & Leisure** sector, Novation Tech exploits exclusive patents for the combination of plastic and composite materials, allowing the creation of extremely lightweight and high-performance products, such as bicycle frames, wheels and saddles, and eyewear components, with a focus on the technical and aesthetic requirements of the high-end market.

In the **Aerospace** sector, the company has transferred its expertise in composite materials processing to develop and patent innovative technologies for the production of aerospace components, raising quality and safety standards in this high-tech sector.

Thanks to a strong spirit of innovation and continuous investment in research, Novation Tech positions itself as a strategic partner for leading companies seeking advanced and reliable technological solutions.



GENERAL INFORMATION

ESRS 2 – GENERAL DISCLOSURES

HOW THIS DOCUMENT WAS CONCEIVED

ESRS 2 BP-1: General basis for preparation of sustainability statements

This document represents Novation Tech's third Sustainability Report, produced over the years as part of our ongoing commitment to sustainability. Although this is a voluntary initiative, the company has decided to prepare this report as a separate document, rather than including it as an appendix to the management report, as required for mandatory financial statements. This choice is intended to provide a more fluid and easily understandable narrative for all readers.

The main innovation in this edition is the adoption of ESRS standards for the preparation of the financial statements, in order to ensure maximum transparency, completeness and comparability of data over time. This methodology represents a strategic step towards more accurate and consistent reporting, not only providing an overview of the results for the year in question, but also facilitating analysis and comparison with previous years. In this way, the financial statements are a fundamental tool for monitoring and communicating Novation Tech's growth and continuous improvement, in line with its values of excellence.

In order to produce a document that best conveys this information, the editorial team involved a working group composed of several key figures from the company, supported by external consultants.

The topics covered in this Report were selected through a double materiality analysis, which assesses the impacts, risks and opportunities associated with the company's activities and identifies the most relevant issues for it. A detailed explanation of this activity is provided in the following pages.

SPECIFIC INFORMATION ON REFERENCE METHODS AND TIMES

ESRS 2 BP-2: Disclosures in relation to specific circumstances

This section describes the methodological choices or particular situations that influenced the way in which the data presented in the document were collected.

VALUE CHAIN ESTIMATES

In general, it has been decided to limit the use of estimates to the minimum necessary in the document. When employed, the methodologies adopted will be described in detail within the relevant sections.

CHANGES IN THE PREPARATION AND PRESENTATION OF SUSTAINABILITY INFORMATION

As this is the first Sustainability Report prepared by the company in accordance with ESRS, there are no changes to the data to report compared to previous reports.

TIME HORIZON

The approach adopted in describing the time horizons within the document is consistent with that required by the standards. Specifically:

- The short term coincides with the calendar year;
- The medium term coincides with a five-year time horizon;
- The long term represents a period exceeding five years.

INFORMATION REQUIRED BY OTHER REGULATIONS OR RECOGNISED STANDARDS

Aware that the regulatory landscape surrounding sustainability is constantly evolving, Novation Tech has chosen to adopt a broad and integrated approach to reporting.

To ensure maximum completeness and transparency of information, this document not only follows ESRS standards, but also includes references to other nationally and internationally recognised frameworks and regulations.

In particular, management systems certified according to the ISO and UNI standards adopted by the company are taken into consideration.

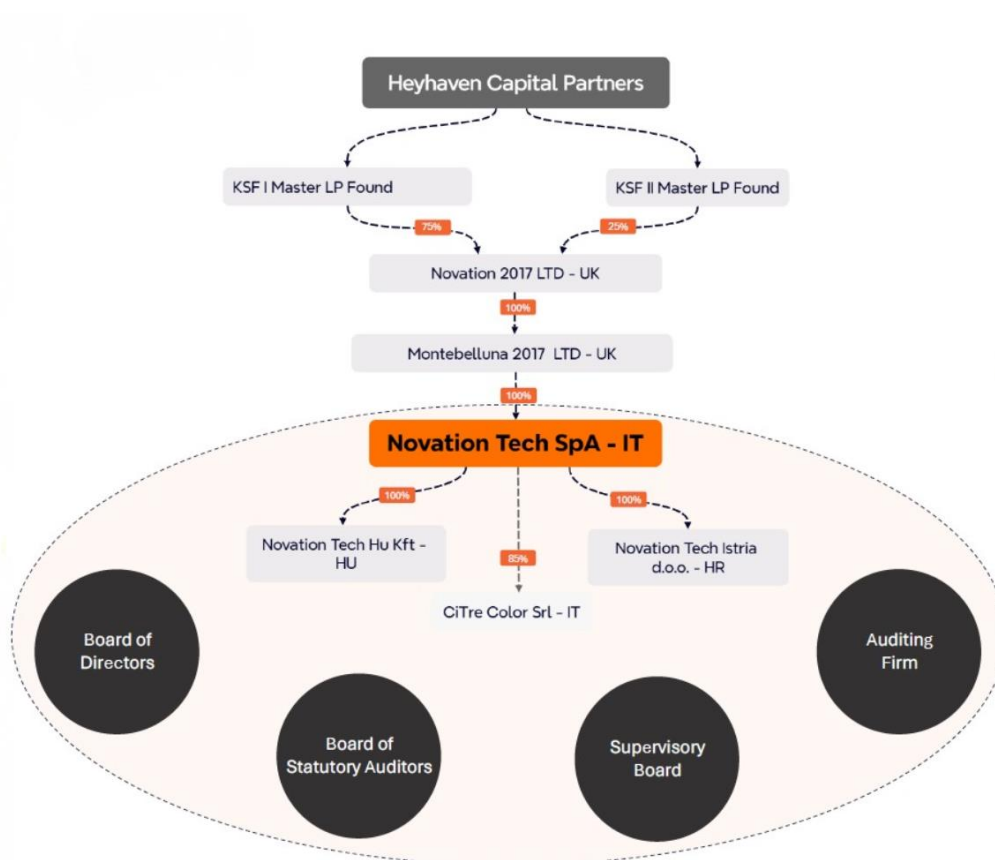
INCLUSION BY REFERENCE

Where references to other documents are made within the Statements, Novation Tech undertakes to declare them explicitly in the text, in accordance with the provisions of section 9.1 of ESRS 1 (*'Inclusion by reference'*).

AT THE HELM OF NOVATION TECH

ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies

NOVATION TECH'S DECISION-MAKING MODEL



BOARD OF DIRECTORS

Novation Tech's highest governing body is the Board of Directors, which approves and formulates the company's strategic direction.

The Board of Directors (BoD), appointed in April 2023, consists of three members and will remain in office until the approval of the financial statements as at 31/12/2025. The body has a balanced structure, with one member holding executive positions and two holding non-executive positions, all of whom have extensive experience in the automotive sector and in management areas relevant to the company. One of the members also acts as an employee representative, ensuring that the workers' perspective is brought directly to the attention of the highest corporate governing body.

The Board of Directors also oversees sustainability issues thanks to the active involvement of the Chief Executive Officer in the analysis of the ESG impacts, risks and opportunities to which the company is exposed. This participation ensures a constant flow of information and strengthens the Board's strategic oversight of these issues.

COMPOSITION OF THE BOARD OF DIRECTORS			
Chairperson	Stenbaek Claus Henrik	Man	Over 50 years old
Member	Businaro Luca	Man	Over 50 years old
Member	Van Den Blink Sarah Emelia	Woman	Over 50 years old

The composition of the Board of Directors reflects a complementary set of skills that support effective and responsible management of the company.

The members bring consolidated experience in finance, management, governance and sustainability, ensuring a comprehensive and integrated vision in the strategic guidance of Novation Tech.

EXPERTISE OF THE BOARD OF DIRECTORS		
Chairperson	Stenbaek Claus Henrik	Financial, governance and ESG expertise
Member	Businaro Luca	Financial and governance expertise
Member	Van Den Blink Sarah Emelia	Financial, governance and ESG expertise

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors consists of the Chairman, three standing auditors and two alternate auditors.

It remains in office for a period of three financial years and its term of office ends with the approval of the financial statements for the last reference year. The current members, appointed in April 2024, will remain in office until the approval of the financial statements as at 31 December 2026.

The auditors have a high level of expertise in auditing at leading international companies (the so-called "Big Four") and, as chartered accountants, hold positions as owners or partners in renowned firms.

In addition, they are members of the boards of statutory auditors of listed companies, with consolidated experience in strategic consulting in the tax, corporate and financial areas, gained over a career spanning ten years or more.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS			
Chairman	Graziani Michele	Man	Over 50 years old
Statutory Auditor	Zinno Gianluca	Man	Over 50 years old
Statutory Auditor	Padovese Francesco	Man	Over 50 years old

Alternate Statutory Auditor	Martinelli Maddalena	Woman	Over 50 years old
Alternate Statutory Auditor	Miotto Sandro	Man	Over 50 years old

SUPERVISORY BODY

The company has adopted an Organisation, Management and Control Model (MOGC) in accordance with the Italian Legislative Decree 231/2001, which includes the appointment of a Supervisory Body responsible for monitoring and control activities.

COMPOSITION OF THE SUPERVISORY BODY until 03/Nov/2024			
External Supervisory Body	Avv. Giorgioni Miriam	Woman	Over 40 years old
Internal Supervisory Body	Martini Silvia	Woman	Over 40 years old

During 2024, the composition of the Supervisory Board was updated as follows.

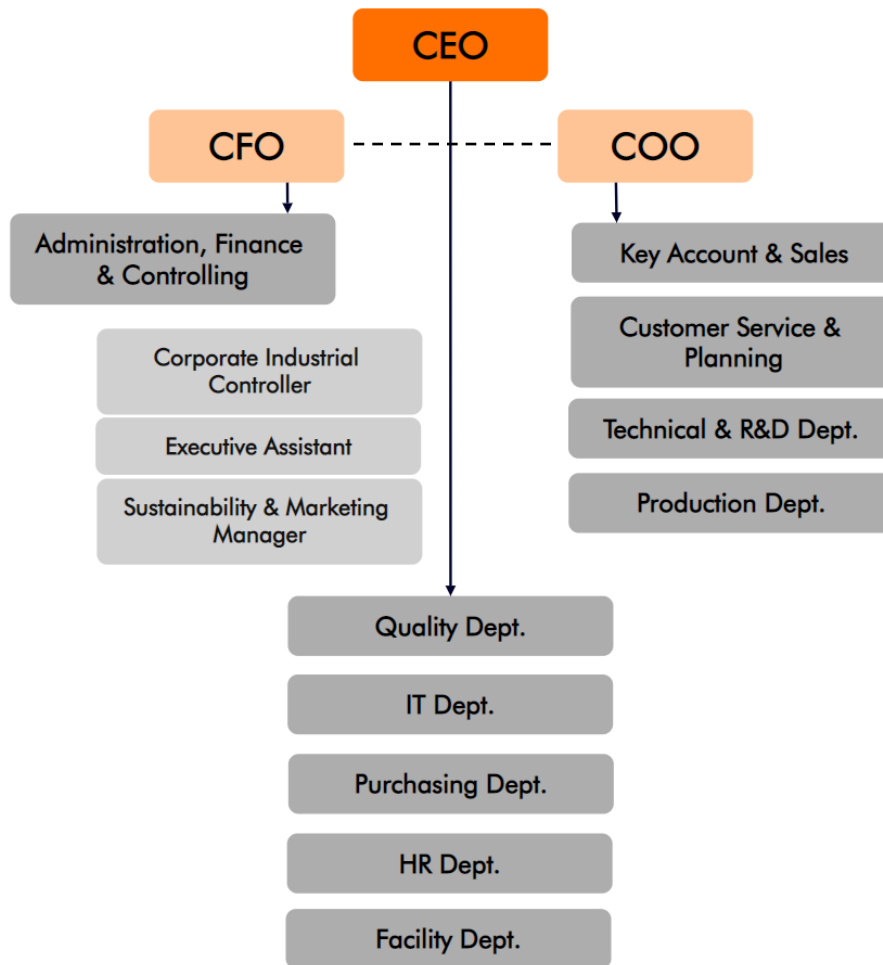
COMPOSITION OF THE SUPERVISORY BODY as of 04/Nov/2024			
External Supervisory Body	Avv. Lamberti Bruno	Man	Over 40 years old
Internal Supervisory Body	Martini Silvia	Woman	Over 30 years old

AUDITING FIRM

In 2024, EY S.p.A. was in office as auditors appointed at the Shareholders' Meeting of 29/04/2022 for the three-year period 22/23/24.

COMPANY ORGANISATION CHART

Within Novation Tech's organisational structure, the senior figures responsible for defining and implementing long-term growth strategies are closely linked to the CEO. These strategic roles require a comprehensive overview of the company and close collaboration between themselves to coordinate the activities of the various departments, ensuring consistent alignment with corporate objectives. As the head of the organisation, the CEO is responsible for overseeing its overall management, maintaining direct control over the key figures who determine the company's success and competitiveness, thus ensuring that strategies are consistent with the company's mission and vision.



THE SYSTEM SUPPORTING RESPONSIBLE CHOICES

ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Effectively addressing environmental, social and economic challenges requires the integration of relevant impacts, risks and opportunities into corporate strategy. For this reason, an information system has been developed to ensure the involvement of governance bodies in the company's management and control activities. This system allows these elements to be systematically incorporated into strategy definition and risk management processes, ensuring an informed approach to corporate decision-making.

The information needed to make informed decisions is shared during meetings of the Board of Directors and the Steering Committee, which are normally held once a month.

Other important opportunities for discussion and management are management meetings, which allow not only for the progress of activities to be checked against objectives, but also provide opportunities for growth and exchange between different professionals, contributing to the personal development of each participant.

ACTING RESPONSIBLY THROUGH DUE DILIGENCE

ESRS 2 GOV-4: Statement on due diligence paragraph

Due diligence is the foundation of informed and responsible governance. It means acting with care, prudence and a sense of responsibility, carefully evaluating every decision and considering the possible consequences for the company, people and the environment.

In the context of sustainability, this principle takes on an even more central role: it implies the ability to recognise the potential impacts of one's activities, anticipate risks and seize opportunities, ensuring that every choice is supported by clear information and accurate analysis.

This section highlights how these principles take shape in the company's daily operations and in the governance processes that guide its long-term strategy.

Specifically, through the materiality analysis conducted for 2024, Novation Tech has identified and assessed the actual and potential negative impacts related to sustainability issues. This has enabled the company to begin defining a due diligence process to manage and mitigate the negative impacts related to the issues identified as material to the company.

The table below shows, for each issue related to due diligence, the relevant paragraph within the document and a brief description of how the issue is addressed.

STAGES OF DUE DILIGENCE	REFERENCE IN REPORTING	HOW THE ISSUE IS ADDRESSED IN THE REPORTING
Integrate the duty of care into governance, strategy and business model.		Currently, the company does not yet have a formalised due diligence procedure in place. However, certain aspects of the issue are already monitored and addressed within the company's activities.
Engaging stakeholders in all key stages of due diligence		The company has updated its stakeholder mapping.
Identify and assess negative impacts		The negative impacts were identified thanks to the work carried out by management during the double materiality analysis, which was also conducted with the support of expert sustainability consultants.
Taking action to address negative impacts		The actions introduced to manage and reduce these impacts have

	been included in the Strategic Sustainability Plan, a three-year document that outlines specific objectives, concrete actions and monitoring indicators to assess progress over time.
Monitor the effectiveness of interventions and communicate	Each action envisaged in the Plan is associated with an indicator that can be used to measure its progress.

MANAGEMENT OF RISKS RELATED TO REPORTING

ESRS 2 GOV-5: Risk management and internal controls over sustainability reporting



This section explores how the company ensures the reliability, quality and traceability of the information reported in the area of sustainability. In this context, the focus is on internal control systems, organisational processes and checks that support the collection, management and communication of ESG data.



Ensuring accurate information is not only a regulatory requirement but also an essential element of credible and responsible governance: it means adopting clear procedures, identifying and mitigating reporting risks, and ensuring that business decisions are based on complete and reliable data.



Specifically, through the adoption of Management Systems based on recognised international standards – ISO 9001:2015 and IATF 16949:2016 for Quality and ISO 14001:2015 for the Environment – has a fundamental support tool for sustainability reporting, because it provides data, evidence and structured methodologies, strengthening the transparency and reliability of the information presented in this document.

Furthermore, the adoption of Management Systems requires a thorough risk assessment. This process makes it possible to measure any critical issues and introduce concrete actions to reduce their impact, protecting the balance between the environment, society and the economy.



In March 2024, the Montebelluna plant successfully renewed its TISAX (*Trusted Information Security Assessment Exchange*) certification, a security standard developed for the automotive industry with the aim of protecting company information.

THE COMPANY'S BUSINESS MODEL AND VALUE CREATION METHODS

ESRS 2 SBM-1: Strategy, business model and value chain

This section provides an overview of how the company creates value for its customers and how this value is distributed in the market.

VALUE OFFERED

The value created by Novation Tech is based on its ability to offer highly specialised products and services, tailored to meet the specific needs of its customers.

The main elements of value include:

- innovation and quality, thanks to advanced technical processes and distinctive know-how;
- flexibility and responsiveness, which are essential for meeting changing demands and tight deadlines;
- reliability and transparency in relationships, aspects recognised by customers as drivers of trust;
- after-sales and co-engineering services, which accompany the customer throughout the entire product life cycle. The company is able to manage the transformation of raw materials vertically, thus ensuring a high level of control over quality and timing.

CLIENTS SEGMENTS

The company serves various segments characterised by high technical performance requirements and high quality standards, including:

- luxury automotive,
- bike & cycle sector,
- eyewear,
- aerospace,
- customised composite products, including technical components for advanced applications.

The markets served are characterised by a high level of competitiveness and demanding customers, for whom quality, innovation and reliability are distinctive features.

CLIENT RELATIONSHIPS

Our client relationships are characterised by a high level of loyalty, underpinned by a transparent and collaborative approach. The company does not use agents or sales networks, preferring a direct relationship with the client, which allows it to more effectively identify specific needs and develop customised solutions. Events such as trade fairs and direct contacts contribute to the generation of new business opportunities.

BUSINESS COMMUNICATION CHANNELS

The commercial relationship develops mainly through direct channels, through which the company maintains constant contact with customers. The raw material supply channel also plays a key role, as it is strategic for production continuity. Requests and offers come mainly from direct contacts with potential customers, often established at trade fairs or through established relationships.

KEY ACTIVITIES

Key activities include product design, production planning and management, and internal skills development. The company combines the ability to work on complex products with the know-how typical of the craftsmanship of the rolling process, integrating distinctive elements into its solutions. Personnel management is an essential pillar, supported by technological innovation, process automation and continuous organisational improvement.

KEY RESOURCES

Human resources are at the heart of the organisation: technical skills, operational abilities and know-how gained over time enable the company to maintain high quality standards. Alongside human capital, digital resources are also important, supporting process management and the digitisation of corporate know-how, which is crucial today for protecting skills and ensuring operational continuity. The picture is completed by production facilities and established relationships with banking institutions.

KEY PARTNER

The company relies on a select network of partners who contribute significantly to production continuity and final product quality. These include suppliers of raw materials, particularly carbon fibre, and suppliers of specialised machinery required for production processes. Banks also play an important role, supporting the company's financial needs and development, helping to maintain its solidity and sustainability over time.

POSITIVE IMPACTS

The company generates a series of positive impacts along its value chain, thanks to a business model focused on innovation, quality and the enhancement of internal and external know-how. On the environmental front, the main contribution comes from the ability to develop lightweight, high-performance products which, once integrated into customers' vehicles, help to reduce overall weight and, consequently, CO₂ emissions during use.

The commitment to innovation also translates into the constant enhancement of internal know-how, which allows the company to develop more efficient and sustainable technical approaches. At the same time, the durability of the products manufactured, often used in high-end applications, significantly extends their life cycle, potentially reducing waste generation and promoting a more responsible use of resources.

In addition to environmental benefits, the company also creates value on a social level. Its presence in the local area contributes to the dissemination of technological culture and innovation, supporting the development of the local ecosystem through stable collaborations with highly specialised artisans and professionals. These relationships not only preserve distinctive local skills, but also promote the professional growth of the entities involved, thanks to a constant exchange of knowledge and direct collaboration on production projects. In this way, the company strengthens its role as a responsible player, capable of generating positive impacts on both the environment and the community in which it operates.

NEGATIVE IMPACTS

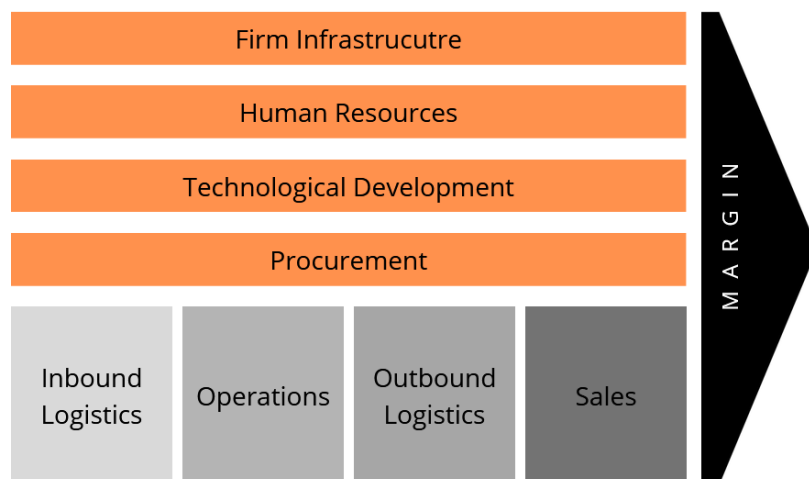
Alongside the positive impacts, the company's activities have some negative environmental impacts, mainly related to energy consumption and waste production.

The first area concerns the use of energy carriers, which are necessary to power technical and labour-intensive production processes. The energy consumed generates direct and indirect greenhouse gas emissions, which represent one of the company's main contributions to climate change. This is accompanied by impacts related to the consumption of natural resources and, to a lesser extent, the potential impact on ecosystems linked to the production and processing of materials.

The second significant impact is related to waste generation, in particular composite material processing waste. Typical production processes in the sector generate residues that are difficult to recycle or reuse, requiring careful management to minimise their impact on the environment and limit the need for disposal.

INSIDE NOVATION TECH'S VALUE CHAIN

Novation Tech does not operate in isolation, but rather the company's activities are part of a larger system composed of processes, people and resources that work together synergistically to generate value: its value chain. Understanding how it works means recognising the impacts it produces and the challenges the company faces every day to ensure efficient, responsible and sustainable operations.



UPSTREAM VALUE CHAIN

The company's upstream value chain comprises several key stages, from the procurement of raw materials to the preparation of materials for production. A crucial element of this stage is the effective management of relationships with suppliers of carbon fibre, machinery and equipment, as well as with the people who work within this network. The company relies on long-standing and reliable suppliers, carefully selected to ensure the supply of high-quality goods characterised by consistent and reliable performance over time. These suppliers, chosen from among the most qualified partners in the industry, guarantee not only timely deliveries but also constant and transparent dialogue, which is essential for establishing lasting and innovation-oriented collaborative relationships.

At the same time, the company attaches great importance to the people involved throughout the supply chain. Continuous training, compliance with safety regulations and the active involvement of employees are key elements in maintaining an efficient and motivated working environment. Open

communication and the direct involvement of staff and suppliers in strategic decisions strengthen collaboration and promote continuous improvement in production processes.

The quality and traceability of all raw materials, as well as machinery and equipment, are strictly controlled, ensuring that materials and equipment meet the high standards required by the automotive industry in terms of safety, lightness and strength. The management of relations with suppliers and staff is completed with scrupulous checks on intermediate materials, ensuring compliance with all technical specifications and industry regulations. This integrated and collaborative approach ensures an efficient and innovative production flow, capable of responding to the needs of a constantly evolving market.

OWN ACTIVITIES

Novation Tech's activities cover the entire production process involved in transforming carbon fibre into high-performance components. The cycle begins with the cutting of the carbon, followed by the delicate stages of lamination and baking, which require specialist skills and careful control of technical parameters. After polymerisation, the components undergo quality control processes (there are three specific control gates for the raw material transformation phases), milling, gluing and painting, until they reach the final assembly stages, which ensure full compliance with the functional and aesthetic requirements requested by customers.

Alongside its operational activities, the company is investing significantly in the digitalisation of both industrial and office processes. The introduction of advanced management systems and MES allows for accurate monitoring of production flows and greater efficiency in data management. At the same time, initiatives such as the **paper-free project** (whose design will begin in 2024 and will be developed in the following years) promote the reduction of paper use and the optimisation of man-hours, helping to make processes more streamlined and sustainable.

Thanks to this combination of technical expertise, digital innovation and focus on efficiency, Novation Tech ensures high production standards and direct control over every stage of the process, a distinctive feature of its business model.

DOWNSTREAM VALUE CHAIN

Downstream of its value chain, Novation Tech supplies carbon fibre components mainly for high-end products, particularly in the automotive and bike & cycle sectors. Approximately 85% of the components manufactured are installed in vehicles that, by their nature, do not have a traditional end of life, such as classic cars. In these cases, the company's products remain in use for very long periods, with an extremely low environmental impact during the use phase.

Novation Tech products do not generate any direct environmental impact during use, as they do not release substances, do not require their own energy and do not involve additional consumption.

Furthermore, the components designed by the company can be dismantled, a feature that allows maintenance and replacement without compromising the rest of the vehicle, promoting more efficient management of products throughout their life cycle. The end customer or vehicle manufacturer remains responsible for managing the end of life of the overall product in which the component is integrated.

DOUBLE MATERIALITY

IDENTIFICATION OF RELEVANT ISSUES

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In today's increasingly interconnected and complex world, understanding what really matters is essential. The new European directive on sustainability reporting — the Corporate Sustainability Reporting Directive (CSRD) — requires Novation Tech to adopt a dual perspective: on the one hand, understanding the impact its activities have on the environment and society; on the other, assessing how external changes — climatic, regulatory and social — may influence its growth and solidity.

This dual vision is called **double materiality** and is much more than just regulatory compliance: it represents a real strategic compass for the company.

Impact materiality, with an inside-out perspective, requires Novation Tech to reflect on how its actions may affect people and the environment, both now and in the future.

Financial materiality, on the other hand, takes an outside-in perspective and focuses on the effects that the external environment may have on the company. It considers risks and opportunities, such as regulatory developments, growing customer expectations or extreme weather events, which may affect Novation Tech's economic and financial performance, influencing its competitiveness, solidity and ability to create value over time.

“Through this dual lens, Novation Tech can make more informed choices, focused on resilience and sustainability.”

THE DOUBLE MATERIALITY ANALYSIS PROCESS

In order to approach the double materiality analysis in an informed manner, Novation Tech has embarked on a structured process with the aim of gaining an in-depth understanding of its corporate identity, how it operates and the role it plays within the context in which it operates. The process has been divided into several phases, developed through an integrated approach that combines internal and external analysis.

STEP 1: MAPPING IMPACTS, RISKS AND OPPORTUNITIES

The first phase involved mapping impacts, risks and opportunities (IRO). Novation Tech began by analysing its operating environment, considering both internal factors and external dynamics. The RA 16 table of ESRS 2, which lists the main environmental, social and governance issues and related sub-issues, was used as a top-down starting point to guide the reflection process. At the same time, a “bottom-up” approach was adopted, gathering evidence from the context analysis and linking it to the list of issues in Table RA 16. In this phase, the company did not limit itself to observing its own direct activities, but extended its gaze to the entire value chain, both upstream and downstream, also taking into account the peculiarities of the territory in which it operates.

To gain a deeper understanding of its impact, Novation Tech used two key internal tools: ESG rating and the 3P Business Model Canvas. ESG rating provided a snapshot of the company's level of maturity in environmental, social and governance areas, through more than 200 questions divided by topic, highlighting strengths and areas for improvement. The 3P Business Model Canvas, on the other hand,

supported reflection on the business model, the value generated, the use of resources and stakeholder relations.

The analysis was conducted with the involvement of the heads of the various company departments and the General Management, while the results were subsequently shared with the Steering Committee, ensuring a transparent and participatory process.

STEP 2: PRIORITISING IMPACTS, RISKS AND OPPORTUNITIES

The second phase involved prioritising impacts, risks and opportunities, developed according to a due diligence process and following EFRAG guidelines. At the same time, Novation Tech analysed the external context through a sector benchmark, comparing its strategies with those of other market operators to identify key trends and emerging factors.

In assessing the materiality of impact, the company considered both current and potential impacts, applying the following criteria:

- **Entity**, understood as the severity of the impact (if negative) or relevance (if positive);
- **Scope**, referring to the extent of the impact, for example in terms of people, territories or activities involved;
- **Irremediability**, applicable only to negative impacts, to assess how possible (or impossible) it is to remedy them;
- **Probability**, for potential impacts, i.e. the likelihood of them occurring.

The negative impacts were assessed considering three dimensions — magnitude, scope and irreparability — to which probability was added in the case of potential impacts. Positive impacts, on the other hand, were analysed based on magnitude and scope, including probability only for potential impacts. A five-level assessment scale was adopted for each variable: *very low, low, moderate, high and very high*.

With regard to financial materiality, Novation Tech used the Enterprise Risk Management (ERM) methodology, assessing risks and opportunities in terms of magnitude — understood as percentage impact on turnover — and scope, referring to the spread of the effect within the organisation and its context. Again, the assessment was expressed on a five-level scale.

THE DOUBLE MATERIALITY MATRIX

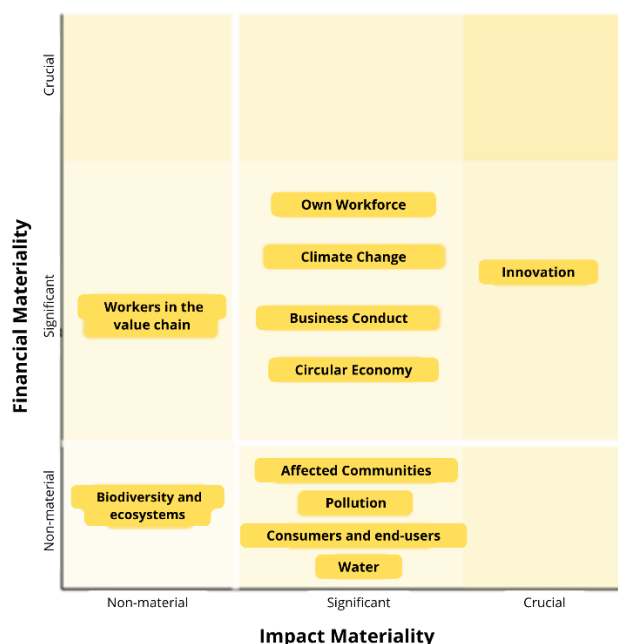
The entire process concluded with the creation of a double materiality matrix, a visual tool that represents the relevance of issues from both an impact and a financial perspective. An issue is considered material when it presents at least one impact, risk or opportunity with a relevance level of moderate, high or very high. In the matrix, the relevance of impacts is shown on the horizontal axis, while financial relevance is represented on the vertical axis. Based on its position within the matrix, each sub-issue is considered material or non-material: sub-issues that do not reach the “moderate” threshold and are located in the lower left-hand area are not considered material.

MATERIAL ISSUES

ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Below is a list of the impacts (positive or negative, current or potential), risks and opportunities that, following the prioritisation process, were found to be material for each theme and related sub-theme.

For each impact, risk and opportunity, the level of relevance is indicated, as well as where it originates: in the company's own operations and/or in the upstream chain and/or in the downstream chain.



ENVIRONMENTAL ISSUES

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Climate change	Climate change mitigation	Positive potential	Reduction in emissions thanks to an initial calculation of the company's carbon footprint		
	Climate change mitigation	Current negative	CO2 emissions from scope 1, facilities and logistics (refrigerated warehousing and logistics)		
	Climate change mitigation	Current negative	Scope 3 emissions (procurement)		
	Energy	Current positive	Use of energy mix from domestic production and self-generation of electricity		
	Energy	Positive potential	Energy optimisation with targets and policies for energy self-production and energy efficiency		
	Energy	Current negative	Non-renewable energy consumption (electricity and heat)		
	Energy	Negative potential	Increased energy consumption due to the implementation of the refrigerated warehouse		
	Adaptation to climate change	Risk	Increase in insurance costs for protection against extreme weather events		
	Adaptation to climate change	Risk	Network blackouts (e.g. due to network overload) and the resulting impact on plants with production downtime		
	Adaptation to climate change	Risk	Higher energy costs due to market price fluctuations		
Climate change mitigation	Opportunity	Optimise internal logistics			
Energy	Opportunity	Increase the share of self-generated energy and purchased green energy			
Energy	Opportunity	Activation of energy communities			

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Pollution	Air pollution	Current negative	Emissions from internal logistics		
	Air pollution	Current negative	Pollution produced by production facilities in the supply chain (petrochemicals)		

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Water and marine resources	Water	Current positive	Efficient consumption thanks to the closed circuit in the use of the autoclave		
	Water	Current negative	Use of water resources in the production process		

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Circular Economy	Inflows of resources	Current positive	Very long product life		
	Inflows of resources	Current positive	Sustainable materials management (FSC wood, linen research, reusable packaging)		
	Inflows of resources	Current negative	Use of plastic film for packaging		
	Inflows of resources	Current negative	petroleum-derived raw materials (e.g. pitch, resins, composites)		
	Waste	Current positive	Waste recycling and limited production of hazardous waste		
	Waste	Current negative	Currently, these products are not recycled and have a very short useful life (bicycle saddles)		
	Waste	Current negative	Production of industrial cycle waste and scrap		
	Inflows of resources	Risk	Restrictive amendment to the REACH Regulation prohibiting currently used colloids		
	Inflows of resources	Risk	Geopolitical instability and/or difficulties in sourcing derived raw materials		
	Inflows of resources	Opportunity	Increased applied research into the use of natural materials and alternative resins		
	Waste	Risk	Increase in waste management costs		
	Waste	Opportunity	Waste reduction plan with alternative destinations for carbon waste		

SOCIAL ISSUES

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Own workforce	Working conditions	Current positive	Employee wellbeing (health programme, critical illness insurance, transfer service)		
	Working conditions	Current positive	Respect for work-life balance		
	Working conditions	Current negative	Release of micro-particles during carbon fibre processing		
	Equal treatment and opportunities for all	Current positive	People skills development – training for all employees (cybersecurity training course)		
	Equal treatment and opportunities for all	Current positive	Systematic distribution of benefits		

	Equal treatment and opportunities for all	Current positive	Structured collection of employees' ideas
	Equal treatment and opportunities for all	Current positive	Adoption of a Code of Ethics and a sustainability policy including human rights
	Equal treatment and opportunities for all	Current positive	High proportion of female employees, including in senior positions
	Equal treatment and opportunities for all	Current positive	High number of young people from the local area working in the company
	Equal treatment and opportunities for all	Positive potential	Expand the population involved in training projects
	Working conditions	Risk	Difficulty attracting (and retaining) talent due to a lack of structured career paths
	Working conditions	Opportunity	Introduction of controls for third-party contractors
	Equal treatment and opportunities for all	Risk	Lack of residential accommodation in the areas where the company operates (Italy and Croatia)
	Equal treatment and opportunities for all	Risk	Legal or reputational risks associated with reports of discrimination
	Equal treatment and opportunities for all	Risk	Legal risks and risk of damage to corporate reputation arising from collaboration with suppliers (subcontractors) who do not fully comply with labour regulations
	Equal treatment and opportunities for all	Opportunity	Attracting talent through gender equality and diversity certifications (e.g. Gender Equality Certification)

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Local communities	Economic, social and cultural rights of communities	Current positive	Development of infrastructure and local communities		
	Economic, social and cultural rights of communities	Current positive	Establishment of an energy community with the reference electrical substation (municipality of Volpago)		
	Economic, social and cultural rights of communities	Current positive	Family day - opening the factory doors to employees' families - raising awareness of the company and its values		
	Economic, social and cultural rights of communities	Current positive	Collaboration with a company that offers employment to persons with disabilities (Croatia)		
	Consumer and end-user safety	Current positive	Products affecting vehicle safety (seats and vehicle structural components)		
	Economic, social and cultural rights of communities	Current negative	Traffic in the vicinity of the company headquarters		

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Workers in the value chain	Working conditions	Risk	Loss of contracts with customers sensitive to labour issues in the value chain		

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Consumers and end-users	Consumer and end-user safety	Current positive	Products affecting vehicle safety (seats and vehicle structural elements)		

GOVERNANCE ISSUES

THEME	SUB-THEME	IRO TYPE	IRO DESCRIPTION	IRO ORIGIN	TIME HORIZON
Corporate culture	Corporate culture	Current positive	Commitment to a corporate culture that incorporates ESG values		
Corporate culture	Corporate culture	Current positive	Collaboration with secondary schools and technical colleges (work experience placements and testimonials)		
Corporate culture	Corporate culture	Current positive	Adoption of MOG 231 (Organisational Model 231) and training during onboarding		
Corporate culture	Political engagement and lobbying	Current positive	Participation in Confindustria, automotive trade associations, sports associations		
Corporate culture	Management of supplier relationships, including payment practices	Current positive	Strong and lasting relationships with suppliers		
Corporate culture	Innovation	Current positive	Digitisation of processes (office and production) and adoption of Power BI		
Corporate culture	Innovation	Current positive	Constant research into new technologies that maintain quality and reduce costs		
Innovation	Innovation	Current negative	Digital exclusion of workers		
	Innovation	Risk	Cyber breaches and loss or compromise of corporate, personal or sensitive data		
	Corporate culture	Risk	Discrepancy between internal behaviours and values and the stated corporate culture, with repercussions on the organisation's reputation		
	Corporate culture	Risk	Risk of production stoppages or increased business costs due to the inability to quickly replace strategic suppliers		
	Corporate culture	Opportunity	Communicate to clients the company's efforts to improve energy efficiency		
	Corporate culture	Opportunity	Facilitated relations and advance knowledge of regulations and proposals through improved municipal relations		

NOVATION TECH STAKEHOLDERS

ESRS 2 SBM-2: Interests and views of stakeholders

To better understand the context in which it operates and identify the people and organisations that can influence or be influenced by its activities, Novation Tech has mapped its stakeholders. This is an important step in defining the relationships that matter with greater awareness, even if a real engagement process has not yet been initiated at this stage.

The mapping distinguishes stakeholders based on the type of relationship and level of proximity:

- **Direct internal stakeholders**, including *employees, trade unions, partners and shareholders*, who participate in the company's daily life and contribute significantly to the achievement of Novation Tech's objectives.
- **Direct external stakeholders**, such as *clients, suppliers, credit institutions and insurance companies*, with whom the company maintains a constant working relationship and who have a direct impact on its production continuity and development.
- **Indirect external stakeholders**, including *technical institutes and universities, local communities, the media, regulatory bodies, policy makers and charitable organisations*. These entities influence or observe the context in which the company operates and can contribute to the dissemination of knowledge, collaboration within the local area or compliance with rules and regulations.
- **The environment**, considered a stakeholder in its own right, which includes elements such as *emissions, waste and the use of raw materials*, and represents a fundamental dimension in the assessment of the environmental impacts generated by production activities.
- **Future generations**, who remind Novation Tech of its responsibility to operate in a sustainable and forward-looking manner.

This initial mapping allows Novation Tech to understand the interests and potential areas of mutual impact with the various stakeholders. It also represents the basis on which, in the future, the company will be able to build more structured forms of dialogue and engagement and increasingly effective management of its relationships on the path to sustainability.

POLICIES, ACTIONS AND OBJECTIVES:

HOW THE COMMITMENT TO SUSTAINABILITY IS BEING IMPLEMENTED

Identifying what really matters is only the first step. Once the **issues relevant** to sustainability have been identified, the most important challenge for Novation Tech is to transform them into concrete policies, specific actions, measurable objectives and verifiable results.

This chapter describes how the company addresses the priorities that emerged from the double materiality analysis through a structured system of commitments, monitoring tools and continuous improvement processes. For each relevant issue, initiatives that have already been launched and those that are planned are presented, with the understanding that sustainability is a daily process based on consistency, responsibility and a long-term vision.

POLICIES: THE COMPASS THAT GUIDES NOVATION TECH'S WORK

ESRS 2 MDR-P: Policies adopted to manage material sustainability matters

CODE OF ETHICS AND CONDUCT

Novation Tech's Code of Ethics is a fundamental tool that translates the company's core values into concrete actions, guiding daily decisions and behaviour towards responsibility, integrity and sustainability. The document defines the principles and rules of conduct that must be respected by all those involved in the company's activities — employees, collaborators, suppliers and external stakeholders — promoting an approach based on legality, transparency, fairness, respect for people and protection of the environment.

The **Code** has been drawn up in accordance with current regulations and is fully consistent with the 231 Organisational Model. Novation Tech actively promotes its dissemination and understanding through specific training courses and awareness-raising initiatives, accompanied by monitoring activities aimed at verifying its effective application. Compliance with the Code is required not only within the company, but also by all those who interact with it.

The **Board of Directors** is responsible for ensuring compliance with the Code of Ethics, guaranteeing its implementation and updating. The Code is a central element of Novation Tech's ethical vision and a pillar of its commitment to building an environment based on trust, consistency and shared responsibility..

QUALITY AND ENVIRONMENTAL POLICY

“Our success lies in the satisfaction of our customers, which we achieve by respecting the environment, ensuring the safety and well-being of our employees, and continuously striving to work in a sustainable and competitive manner.”

Novation Tech integrates quality, environmental protection and the health and safety of its workers as central elements of its corporate culture. The company is committed to ensuring **high-quality** products and services, focused on customer satisfaction and continuous improvement, through rigorous process control and precise management of technical and regulatory requirements.

The same attention is paid to suppliers, especially those critical to quality and environmental performance, with whom there is greater involvement, including in terms of compliance with the environmental management system.

On the environmental front, the company pays particular attention to pollution prevention, the responsible use of resources and materials, and the reduction of risks associated with production processes. The control of energy consumption, the launch of projects for the production of clean energy and the reporting of greenhouse gas emissions support the path towards decarbonisation. Waste management is carried out according to criteria of safety, regulatory compliance and promotion of recycling, with a specific focus on hazardous waste.

In the field of health and safety, Novation Tech considers the protection of people to be an absolute priority. The company adopts technical and organisational measures to reduce risks, promotes continuous training, active worker participation and a preventive approach to accident management. Audits, monitoring and periodic checks support the continuous improvement of the management system.

The Integrated Management System — compliant with UNI EN ISO 9001, IATF 16949:2016 and UNI EN ISO 14001 standards — is also applied to foreign production sites, ensuring consistency and control

throughout the value chain. The company also guarantees compliance with all applicable regulations and its own ethical standards, including the Code of Ethics and Model 231..

SUSTAINABILITY POLICY

Novation Tech has adopted a Sustainability Policy that integrates environmental, social and ethical principles into its business model, recognising that sustainability is a strategic lever for growth, innovation and long-term value creation. The company is committed to reducing its impact, promoting responsible practices throughout the value chain and contributing positively to the communities and stakeholders with which it interacts.

On a **social level**, Novation Tech protects human rights and guarantees fair, safe working conditions that respect people's dignity. The company adheres to international labour principles, prohibits all forms of exploitation, child labour, forced labour or discrimination, and promotes an environment based on diversity, inclusion and equal opportunities. Staff selection and management practices follow ethical and transparent criteria, while continuous training supports professional growth and risk awareness.

When it comes to **health and safety**, Novation Tech strictly complies with current regulations, carries out periodic risk assessments and ensures safe working environments equipped with appropriate technical, organisational and training measures. Staff are encouraged to report dangerous situations and to stop work in the event of imminent risk, with particular attention paid to the most vulnerable individuals.

The company's commitment to **ethics** is based on Model 231 and the Code of Ethics, which promote integrity, transparency and legality. Novation Tech rejects any form of corruption, money laundering, anti-competitive activities or intellectual property infringement. The company also guarantees data protection and the accurate and transparent management of financial information.

The Sustainability Policy devotes considerable attention to **environmental commitments**, which are also reinforced by ISO 14001 certification. The company has begun measuring and reporting greenhouse gas emissions and is implementing measures to improve energy efficiency through audits, plant upgrades and awareness campaigns. The installation of photovoltaic panels is a first step towards increasing the share of renewable energy, while further initiatives will support the transition to decarbonisation and low-emission production models.

Novation Tech manages natural resources responsibly, adopting practices to ensure water quality and reduce consumption and possible impacts from discharges. Similarly, it applies measures to improve air quality, control emissions and adopt less impactful technologies. Responsible management of chemicals and the promotion of safer alternatives reduce risks to health and the environment.

When it comes to resources, Novation Tech is committed to using materials efficiently and limiting the use of raw materials that have a significant impact. Waste management follows criteria of reduction, reuse and recycling, with dedicated monitoring of hazardous waste. The company also contributes to the protection of biodiversity by avoiding practices that can lead to deforestation or soil degradation and by adopting a responsible approach to land use.

Novation Tech extends this vision to its supply chain. **Suppliers** are required to comply with the standards of the Sustainability Policy, ensuring safe working conditions, respect for human rights, regulatory compliance and the adoption of responsible environmental practices. The company selects and monitors its partners and fosters relationships based on transparency, collaboration and continuous improvement.

Through this Policy, Novation Tech confirms its commitment to integrating sustainability, ethics and social responsibility into every aspect of its operations, contributing to the creation of value for stakeholders and the development of a more resilient and sustainable business.

ACTIONS IN SUPPORT OF SUSTAINABILITY: THE ESG STRATEGIC PLAN

ESRS 2 MDR-A: Actions and resources in relation to material sustainability matters

ESRS 2 MDR-M: Metrics in relation to material sustainability matters

ESRS 2 MDR-T: Tracking effectiveness of policies and actions through targets

The commitments defined in Novation Tech's policies are not abstract principles, but are transformed into **concrete actions** that guide daily business decisions and activities. This section presents the **main initiatives implemented** to systematically manage the relevant impacts, risks and opportunities that emerged from the double materiality process.

During the financial year, the company translated its commitment to sustainability into a **three-year ESG Strategic Plan**, which integrates the results of the double materiality analysis with the company's development objectives. The definition of the Plan was preceded by a structured and in-depth process which, starting from the initial Assessment, the analysis of the Business Model Canvas and the Double Materiality Analysis, made it possible to examine the company's operating model through the three dimensions of sustainability: environment, people and governance.

This process made it possible to identify the initiatives needed to improve the company's management of the various aspects of sustainability and, at the same time, to bring existing initiatives under a **single strategic vision**. This approach made it possible to obtain a complete and structured representation of how the various ESG areas are monitored and managed within the organisation.

At the same time as identifying the actions, the **performance indicators** needed to monitor their effective implementation were defined, as well as the expected objectives in terms of results and improvement in ESG performance.

Some actions began to be implemented during the 2025 financial year, while the implementation of other actions will be assessed in subsequent years, depending on the company's strategic priorities.

Below are the main environmental, social and governance actions that already characterise Novation Tech's work.

Environmental actions

ESRS	ACTION	OBJECTIVE	SCOPE
Climate change	Updating and optimisation of existing equipment, with a focus on improving operational and energy performance.	Energy efficiency	Own activities
	Gradual replacement of obsolete machinery with more advanced, high-efficiency solutions, in line with the best available technologies.	Energy efficiency	Own activities
	Calculation of the Carbon Footprint	Reduction in emissions	Own activities; supply chain
	Drafting of an energy policy establishing principles, criteria and guidelines for responsible energy management.	Energy efficiency	Own activities

Social actions

ESRS	ACTION	OBJECTIVE	SCOPE
own workforce	Installation of a high-efficiency air conditioning system to improve workplace comfort and reduce energy consumption at the headquarters.	improve the wellbeing of workers	Own activities
	Training programmes aimed at employees to develop technical and cross-functional skills, promote professional growth and support corporate culture.	contribute to the development and training of workers	Own activities, downstream chain
	Regular organisation of social gatherings and sharing events to strengthen the sense of internal community and improve the corporate climate.	employee involvement	Own activities, downstream chain

	ISO 45001 certification obtained for Italian plants	Improving worker safety	Own activities
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Governance actions

ESRS	ACTION	OBJECTIVE	SCOPE
Business conduct	Extension of the reporting scope to foreign units.	Greater transparency	Own activities
	Launch of the first direct stakeholder consultation process	Greater transparency	Own activities

ENVIRONMENTAL INFORMATION

ESRS E1 – CLIMATE CHANGE

Climate change is one of the main global challenges and a central element in the transition towards a sustainable economic model. As an industrial company operating in the advanced composites sector, Novation Tech recognises its role and **responsibility** in contributing to the mitigation of climate-changing emissions and the promotion of low environmental impact production practices.

During the financial year, the company strengthened its approach to climate change management by integrating the **analysis of risks and opportunities** related to **climate change** into its decision-making processes and adopting dedicated monitoring and planning tools. In particular, Novation Tech has embarked on a structured process of measuring and reducing its carbon footprint, accompanied by investments in **energy efficiency**, plant renovation and the development of technological solutions in line with decarbonisation objectives.

Aware of the need for a gradual but concrete transition, the company intends to continue strengthening its climate strategy, adopting actions capable of generating environmental, competitive and reputational benefits, in line with stakeholder expectations and the main international reporting standards.

THE MANAGEMENT OF IROS

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

Climate-related IROs are determined through the Double Materiality Analysis process and integrated into the procedures of the ISO 14001 Environmental Management System, which provides for the assessment of significant environmental aspects, operational monitoring, management of risks and opportunities related to climate and environmental factors, and monitoring of regulatory compliance. These tools make it possible to identify current and potential impacts, risks related to climate transition and physical conditions, and opportunities associated with resource efficiency and responsible management.

Reduction in emissions based on scope 1, 2 and 3 carbon footprint calculations

The company has begun structured monitoring of its greenhouse gas emissions along the entire value chain, including direct emissions (Scope 1), indirect emissions from energy consumption (Scope 2) and those associated with upstream and downstream activities (Scope 3). Calculating the carbon footprint makes it possible to identify the main emission drivers and define reduction strategies based on measured data.

Scope 1 CO₂ emissions: facilities and logistics (refrigerated warehousing and logistics)

Direct emissions are generated by energy consumption at operational sites and internal logistics activities, including warehouses and refrigerated infrastructure. Continuous monitoring allows us to identify areas with the highest emissions and plan improvement measures.

Scope 3 emissions (procurement)

A significant proportion of emissions are linked to the procurement of goods and services. The company is working on collecting data and assessing the impact generated by the supply chain, with the aim of increasing transparency and promoting more sustainable management of purchasing processes.

Energy mix from domestic production and self-production

The energy used by the company comes mainly from the national mix. In addition, a portion of the energy is self-produced internally. Monitoring the energy mix allows us to assess the environmental impact associated with electricity consumption.

Energy optimisation and efficiency

The company is implementing energy consumption optimisation measures, which include improving the efficiency of its plants and gradually increasing its self-production capacity.

Non-renewable energy consumption (electricity and heat)

Energy consumption still includes a share of non-renewable energy, both electrical and thermal. Periodic consumption surveys make it possible to quantify the contribution to climate change and support the evaluation of possible reduction strategies.

ESRS E1-1: Transition plan for climate change mitigation

ESRS E1-4: Targets related to climate change mitigation and adaptation

The company has not yet adopted a formal climate transition plan. This document will be developed once two consecutive Carbon Footprint (CFP) analyses have been completed, which are necessary to establish a comparable and representative database. The first analysis is currently being finalised. The same approach applies to the definition of quantitative targets for reducing emissions and improving environmental performance, which will be formalised upon completion of the measurement cycle.

TOWARDS DECARBONISATION AND EMISSION REDUCTION

ESRS E1-2: Policies related to climate change mitigation and adaptation

ESRS E1-3: Actions and resources in relation to climate change policies

As part of its environmental strategy, Novation Tech has defined and implemented specific policies aimed at mitigating climate change and reducing the environmental impact of energy consumption and emissions. The policies are divided into four main areas: emissions measurement, energy efficiency, transition to renewable sources, and decarbonisation of processes and the supply chain.

Emissions measurement and reporting

Novation Tech has introduced a structured greenhouse gas emissions reporting policy based on systematic measurement and monitoring in line with international standards. By quantifying its carbon footprint and the main sources of emissions associated with its activities, the organisation is laying the foundations for informed management of its climate impact and the setting of reduction targets based on verifiable evidence and data.

Energy efficiency

The company has adopted a policy of continuous improvement in energy efficiency, which includes conducting energy audits, technical interventions on systems and internal awareness initiatives. The aim is to reduce consumption and, consequently, the indirect and direct emissions associated with operational activities, promoting a more rational use of energy. In support of this commitment, Novation Tech carries out periodic maintenance of heating systems and equipment containing F-gases, with the aim of ensuring their correct functioning and preventing leaks or inefficiencies. Consumption is also monitored through the plant register (CIRCE) for Italian sites and equivalent systems for foreign sites, allowing for constant supervision of energy performance and the timely identification of opportunities for improvement.

Transition to renewable sources

In line with its energy strategy, Novation Tech has embarked on a path to increase its use of renewable energy by installing photovoltaic systems for self-production in its Italian plants. Specifically, systems have been installed on roofs and shelters at the Montebelluna site and a system has been installed on the roof of the Trevignano plant. The company's policy is to gradually increase the share of clean energy generated internally, with the aim of reducing its overall climate footprint and strengthening its independence from non-renewable sources.

Decarbonisation of processes and supply chains

The decarbonisation policy aims to steer the operating model and supply chain towards a lower-emission system. The approach includes introducing lower-impact technologies, adopting electric mobility solutions and involving supply chain partners in emission reduction initiatives, promoting a multiplier effect throughout the product life cycle.

Together, these policies form the framework through which Novation Tech integrates climate change into its environmental governance and defines a path of continuous improvement, aimed at progressively reducing emissions and strengthening the organisation's climate resilience.

ESRS E1-5: Energy consumption and mix

Novation Tech mainly uses purchased electricity, with a growing amount coming from photovoltaic systems installed at its Italian plants for self-production.

Photovoltaic systems – main features

- **Montebelluna:** installed capacity **824 kWp** (roof-mounted system and shelters)
- **Trevignano:** installed capacity **556 kWp** (roof-mounted system)

For operational and production requirements, the company also uses fuels such as natural gas, diesel and LPG; the latter is used in particular for the painting plant at the Montebelluna site. There are also electrically powered air conditioners/heat pumps.

INDICATORS (Montebelluna Headquarters)	YEAR	
	2023	2024
Energy Consumption (KWh) - from grid	4.110.911	3.383.732
Energy Consumption (KWh) - from photovoltaic		768.890
Energy Consumption (KWh) - total		4.152.622
Worked Hours WH	452.463	672.554
Energy Consumption (KWh) TEP	769	777
KWh per hour of machinery operation	9,09	6,17
Gas Consumption - methane for heating (smc)	174.542	172.408
Gas Consumption - methane (smc) TEP	144	142
LGP for painting system (l)	62.150	56.820
diesel fuel for firefighting unit + generator set (l)		600
Diesel fuel (litres) - lorries	82.447	78.663
Diesel fuel (litres) - passenger cars		43.189
Petrol (litres) - passenger cars		88.880
Diesel fuel (litres) – lorries TEP	73	188
TEP (E+G) - ITALY PLANT	913	919
TEP (E+LGP+DIESEL)	986	1.838
Energy&GAS Consumption (MWh)/ITALY	5.696	4.950
Energy&GAS Consumption (MWh)/ITALY WH	452.463	672.554
Energy&GAS Consumption (MWh)/ITALY E/WH	0,01259	0,00736
Energy&GAS Consumption (MWh)/ITALY Var% (E_G)	-42%	-71%
Energy&GAS Consumption (MWh)/ITALY Var% (E/WH)	20%	40%
Total TEP	986	1.838
Production (P) <i>(value in terms of cost of goods sold expressed in kilograms)</i>	378.861	370.712
TEP/P	0,00260	0,00496
SOLVENT CONSUMPTION (KG/YEAR)	10403	9529
VOC kgVOC/a	1.961	3804
Water Consumption (mc)	11.869	10.446
Well Water Consumption (mc)	230	385

Updated on 28/03/2025

CONVERSIONS:

1 smc = 9.084 kWh | 1 litre diesel = 9.169 kWh | 1 kWh = 0.000187 TEP | 1 smc = 0.000825 TEP | 1 litre diesel = 0.00089 TEP

INDICATORS (Trevignano plant)	2023	2024
Energy Consumption (KWh) - from grid	2.025.291	2.298.624
Energy Consumption (KWh) - from photovoltaic	4.143	506.055
Energy Consumption (KWh) total	2.029.434	2.804.679
Worked Hours WH	148.640	235.559
Energy Consumption (KWh) TEP	380	524
KWh per hour of machinery operation	13,6533962	11,9064820
LGP Consumption (lt)	25.672	78.080
LGP Consumption (lt) TEP	14,68	42
Diesel Consumption (lt) - uninterruptible power supplies	46.000	1.500
Diesel Consumption (lt) TEP	40,94	0,81
TEP (E+LGP+DIESEL)	435,12	567,36
Energy&LGP&DIESEL Consumption (MWh)/ITALY	2.622	2.989
Energy&LGP&DIESEL Consumption (MWh)/ITALY WH	148.640	235.559
Energy&LGP&DIESEL Consumption (MWh)/ITALY E/WH	0,018	0,013

Energy&LGP&DIESEL Consumption (MWh)/ITALY Var% (E_G)	NA	NA
Energy&LGP&DIESEL Consumption (MWh)/ITALY Var% (E/WH)	NA	NA
Total TEP	394,18	566,55
Water Consumption (mc)	1.315	1.055

Updated on 28/03/2025

CONVERSIONS:

1 smc = 9.084 kWh | 1 litre diesel = 9.169 kWh | 1 kWh = 0.000187 TEP | 1 smc = 0.000825 TEP | 1 litre diesel = 0.00089 TEP

EMISSIONS

ESRS E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

The company has launched its own structured process for measuring and reporting greenhouse gas emissions, with the aim of ensuring greater transparency and equipping itself with a robust tool for managing climate impacts. The results of the first measurement will be available from the next financial year and will form the basis for planning targets related to corporate emissions.

ESRS E2 - POLLUTION

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

ESRS E2-1: Policies related to pollution

Emissions into the air, water and soil are an important issue for Novation Tech, which has identified the impacts, risks and opportunities associated with these aspects through a double materiality analysis process. For this reason, the company has embarked on a process aimed at identifying effective tools and measures for pollution prevention.

In line with what has already been established for energy and climate-changing emissions, pollution is also addressed in the Integrated Policy for Quality and the Environment, in which Novation Tech expresses its commitment to preventing accidents and emergency situations, as well as mitigating the negative impacts potentially generated by emissions into the air, water and soil. This commitment translates into the adoption of preventive, control and continuous improvement measures aimed at reducing the effects of the company's activities on ecosystems and the surrounding area.

AIR POLLUTION

Emissions generated by internal logistics

Handling operations carried out within factories can produce atmospheric emissions and dust, with potential effects on local air quality. This element constitutes both a direct impact and a management risk, which can be mitigated through efficiency and electrification measures.

Environmental impact of production facilities in the supply chain (e.g. petrochemical)

Part of the potential pollution is attributable to upstream industrial processes, particularly for petrochemical raw materials. This factor represents a significant indirect risk and a possible driver of change in procurement and supplier selection policies.

Air quality

To reduce atmospheric emissions resulting from its activities, the company adopts preventive measures and emission control systems, integrating abatement technologies and operational solutions with lower emission impact. The actions planned include the adoption of alternative means of transport and solutions and the optimisation of internal processes in order to limit emissions linked to combustion and material handling.

WATER AND SOIL POLLUTION

Use and storage of hazardous and flammable substances

The presence of hazardous and flammable substances in production processes poses environmental and safety risks in the event of spills, improper handling or accidents. The proper management of these substances is critical to preventing pollution and protecting workers and the environment.

Industrial and civil water discharges

Wastewater associated with production processes and civil services represents a potential impact on receiving water bodies in the event of non-compliance with regulatory limits or plant inefficiencies. Wastewater management and control is a significant area of regulatory and reputational risk, but also an opportunity to improve environmental performance through treatment and reuse systems.

COMMITMENT TO IRO MANAGEMENT: COMPANY POLICIES

Aware of the importance of this issue, Novation Tech has defined a set of policies dedicated to pollution prevention and management, with the aim of reducing the environmental impact of its activities and protecting natural resources, human health and ecosystems. The company's approach is based on prevention, operational control and continuous improvement of environmental performance.

Water quality, consumption and management

Novation Tech applies responsible water management practices aimed at protecting and conserving water. This includes monitoring water quality, reducing consumption throughout production processes, and preventing the release of pollutants into industrial wastewater. These measures help minimise the risk of contamination and ensure the efficient use of a critical resource.

Responsible management of chemicals

Novation Tech applies rigorous procedures for the management, storage and disposal of chemicals in order to prevent harmful impacts on the environment and human health. The company is committed to using safer alternatives wherever possible and to ensuring full compliance with current legislation, adopting preventive measures to minimise the risk of air, water and soil contamination.

PROTECTING WATER, AIR AND SOIL

ESRS E2-2: Actions and resources related to pollution

Novation Tech has developed a structured approach to pollution prevention and control, integrating technical, operational and procedural measures aimed at protecting the air, water and soil and managing hazardous substances. The actions taken are based on compliance with current regulations and the prevention of potential environmental impacts through periodic monitoring, containment systems, specific management plans and formalised internal controls.

The company applies a model that combines regulatory compliance, risk prevention, continuous improvement and environmental monitoring, acting both on its own direct activities and on the safety conditions in which these activities are carried out. In this way, Novation Tech ensures preventive management of environmental aspects and mitigates any negative effects associated with production and logistics processes.

PROTECTION OF THE ATMOSPHERE

For the management of atmospheric emissions, Novation Tech operates in compliance with current environmental authorisations and carries out periodic checks on chimneys in accordance with authorisation requirements. In plants that use paint products, a Solvent Management Plan is also in place to reduce emissions of volatile organic compounds (VOCs). The effectiveness of the abatement measures is further supported by the adoption of air extraction and filtration systems.

Flammable and hazardous substances — such as paints, catalysts, thinners, glues and LPG — are managed in compliance with fire safety regulations, using procedures dedicated to the safe storage, transfer and use of products. The prevention of climate-changing emissions is also ensured through the periodic maintenance of heating systems and checks on equipment containing fluorinated gases (F-gases).

As part of the PR47 procedure, Novation Tech has adopted a structured environmental monitoring system that includes a series of activities aimed at preventing and controlling the impact generated by its production sites. These include noise impact assessments, carried out by a qualified technician and repeated whenever infrastructure changes occur, in order to ensure constant compliance with the limits set by noise zoning regulations. Noise emissions are also controlled in the workplace through noise monitoring to protect workers' health.

The system also includes a programme for monitoring internal and external areas aimed at promptly identifying any environmental issues, including those relating to the soil and subsoil. Checks are carried out at least once every three months in each area, while all environmental observations are recorded and tracked using the appropriate FO I SAF 01 form, ensuring that all verification activities are fully documented.

WATER AND SOIL PROTECTION

As part of its Environmental Management System, Novation Tech has implemented specific measures to prevent water and soil contamination, with a particular focus on the safe management of chemicals. In accordance with procedure PR42, the company uses containment tanks and dedicated discharge areas to prevent accidental spills and ensures that hazardous products are stored in rooms equipped with containment basins and safety systems, such as suitable electrical systems, fire extinguishing equipment and forced ventilation.

Harmful, flammable or explosive substances are handled inside extraction hoods and transported using trolleys equipped with safety containers, reducing the risk of dispersion during internal movement. Before mixing any substances, a preliminary analysis of chemical incompatibilities is carried out in order to prevent unwanted reactions or risky situations.

To protect health and the environment, Novation Tech also applies technical exposure control measures, including complete containment, local exhaust ventilation (LEV), physical segregation of risk areas, dilution/ventilation of environments and the use of personal protective equipment. To support these activities, the company updates the list of substances used and the related safety data sheets (SDS) annually and subjects the introduction of new substances to a prior approval process by the HSE, SPP/RSP and Competent Doctor departments.

In addition, through the PR38 procedure, Novation Tech ensures continuous compliance with environmental requirements relating to emissions, waste, chemicals and noise by systematically updating the applicable regulations, managing and archiving the requirements, periodically monitoring compliance and disseminating the information necessary for the correct application of the legal requirements internally.

ESRS E2-3: Targets related to pollution

Environmental objectives, including any objectives relating to pollution issues, are defined in the Environmental Programme (Table 4), which sets out actions, resources, responsibilities, KPIs and deadlines. MOD02.02 specifies the improvement plans.

ESRS E2-4: Pollution of air, water and soil

In line with ESRS E2-4 requirements, Novation Tech manages and monitors the potential impacts of pollution on **air, water and soil** through a set of authorisations, periodic checks and preventive measures.

Air

The Italian, Hungarian and Croatian plants have authorised emissions. The main sources of emissions are attributable to painting processes, composite processing, the use of solvents, and the operation of heating systems and LPG fan heaters. The company ensures that the mandatory checks on the parameters and limits set out in the applicable authorisations are carried out and has entered into agreements with qualified maintenance technicians for the management and maintenance of heating systems and air conditioning systems, in order to guarantee their efficiency and compliance.

Water

The Montebelluna plant has an industrial discharge into surface water, managed by a water-jet purifier and subject to periodic analysis. At sites equipped with septic tanks, emptying is carried out by authorised operators. There are no industrial discharges at the plants in Trevignano, Hungary and Croatia.

Soil

The company does not carry out any unloading activities on the ground. Waste management is organised in dedicated storage areas with procedures designed to prevent dispersion and contamination; similarly, chemical storage areas are equipped with barriers and protections provided for in the fire prevention plan, to help prevent accidental spills and protect the soil and subsoil.

In addition to the measures described above, Novation Tech adopts further control measures: with regard to noise, it assesses the external acoustic impact when specific conditions arise (e.g. night shifts, complaints, plant modifications), comparing the results with the acoustic zoning limits and preparing the relevant technical report. With regard to soil and subsoil, a process is in place to monitor internal and external areas in order to identify risk areas and factors (including through site plans), with checks scheduled at least three times a year and systematic recording of the checks carried out.

ESRS E3 – WATER AND MARINE RESOURCES

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities

Although water is not a key raw material in Novation Tech's production processes, its availability is essential to ensure the proper functioning of the plants, operational safety and support for auxiliary and service activities. Water is mainly used for technical purposes, such as cooling machinery, washing equipment and surfaces, feeding emission abatement systems, as well as for hygiene, health and safety requirements, for example through fire-fighting networks or other dedicated equipment.

Aware of this strategic role, the company integrates water management into its ISO 14001-certified environmental policies, adopting an approach based on the sustainable use of natural resources, impact prevention and continuous performance improvement.

Through the double materiality process, conducted in accordance with the Environmental Management System, Novation Tech has identified the most relevant aspects related to water and consumption efficiency. The Environmental Analysis highlights three areas of particular concern: withdrawals from the industrial well at the Montebelluna plant, consumption from the water supply network, and the management of both industrial and civil waste water. Monitoring, control and prevention activities focus on these elements, with the aim of reducing potential impacts on water ecosystems and promoting more responsible use of this resource.

WATER MANAGEMENT: COMMITMENTS AND ACTIONS

ESRS E3-1: Policies related to water and marine resources

ESRS E3-2: Actions and resources related to water and marine resources

In line with its commitment to the responsible use of natural resources, Novation Tech adopts policies geared towards sustainable water management, based on reducing consumption, operational efficiency and preventing environmental impact. This approach, consistent with the company's principle of sustainable resource management, is developed through a series of actions covering the entire water cycle: drawing, use and treatment of waste water.

Water resource abstraction

Water abstraction takes place on a limited and controlled basis. At the Montebelluna plant, the water supply is guaranteed by an industrial well subject to a concession, for which the company pays annual abstraction fees in accordance with regulatory provisions. The other plants (Trevignano, Hungary, and Croatia) do not have wells and use only water from the mains supply.

Consumption and monitoring

To ensure efficient use of this resource, Novation Tech monitors water consumption in its Italian plants on a monthly basis, in order to identify any critical issues and optimise water use in technical processes, general services and safety measures. The PR37 procedure also provides for systematic document checks, including SDS (Safety Sheets), authorisations and concessions, which also apply to

water-related aspects if identified as significant. Periodic surveillance of internal and external areas, as required by PR47, helps to identify any risks or anomalies related to resource management.

Treatment and management of water discharges

At the Montebelluna plant, periodic sampling of industrial waste water is carried out in compliance with environmental authorisations and regulatory requirements. Until July 2022, civil waste water was managed using septic tanks emptied by authorised operators; this service was subsequently entrusted to a waste disposal supplier. There is no industrial waste water at the Trevignano, Hungary and Croatia sites.

Rainwater management is subject to provincial checks in accordance with the Veneto PTA (Territorial Plan Agreement). To prevent potential soil and water contamination, procedure PR42 also requires the use of containment basins and the storage of hazardous substances in cabinets or technical rooms designed to contain any spills.

METRICS AND OBJECTIVES

ESRS E3-4: Water consumption

Novation Tech monitors water drawing and consumption volumes for each production site.

Montebelluna headquarters

Water requirements are met through the aqueduct and, to a lesser extent, through authorised industrial wells. During the period in question, there was a reduction in overall consumption, accompanied by an increase in the amount drawn from wells.

INDICATORS (Montebelluna headquarters)	2023	2024
Water Consumption (mc)	11.869	10.446
Well water Consumption (mc)	230	385

Trevignano plant

Water is supplied exclusively through the aqueduct.

INDICATORS (Trevignano plant)	2023	2024
Water Consumption (mc)	1.315	1.055

ESRS E3-3: Targets related to water and marine resources

The document highlights that the water used by the company is mainly intended for domestic purposes, such as sanitary facilities. Consequently, the organisation has not set specific targets for reducing water consumption, as it does not use significant amounts of water for industrial or manufacturing purposes. This approach reflects a limited use of water resources, focusing mainly on civil and everyday needs.

ESRS E5 – CIRCULAR ECONOMY

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Carbon fibre, a key material in Novation Tech's activities, is a non-renewable resource that is still difficult to recycle. This means that highly efficient production processes are needed, aimed at maximising the use of raw materials and reducing waste. In this context, the circular economy is a pillar of the company's sustainability strategy and an enabling factor for the evolution towards production models that are increasingly responsible in their use of resources.

Novation Tech addresses this challenge with an integrated approach that combines product excellence and process optimisation. The structural and performance quality of the manufactured products allows their useful life to be extended, often for the entire life cycle of the vehicle, contributing to the conservation of resource-intensive materials over time. Components for the supercar sector are designed to maintain their value and functionality over the long term, becoming part of iconic products that are destined to last over time and be preserved as collector's items.

The process of identifying iROs related to the circular economy is based not only on double materiality analysis, but has also been integrated with the tools already present in the ISO 14001-certified Environmental Management System, which provides specific procedures and operational controls for the management of raw materials, packaging, hazardous substances and waste.

Resource inflows and resource use

The company's production activities are mainly based on the use of high-performance materials, including carbon fibers, resins, and other composites derived from fossil sources, which constitute a strategic but non-renewable input. At the same time, the integration of materials with a lower environmental impact, such as FSC-certified wood and natural fibers from renewable sources, is gradually being expanded, together with the introduction of reusable packaging with a view to reducing the need for virgin resources. The high durability of the products maximizes the efficiency of use of the materials employed, extending their useful life and reducing the frequency of component replacement.

Resource outflows

Despite the long service life of the components, the current technological landscape does not allow for the recovery or recycling of carbon fibers at the end of their life in an industrially sustainable manner. As a result, some products—particularly those intended for sectors with shorter usage cycles, such as bicycle saddles—can quickly become waste without the possibility of recovery. Added to this is the presence of plastic packaging materials that have not yet been replaced by circular alternatives, which represent an outflow downstream of the production process and require further reduction and sustainable management strategies.

The main risks associated with resource inflows include possible restrictive amendments to the REACH Regulation, which could limit the use of certain adhesives or substances currently in use, and geopolitical instability, with consequent difficulties in sourcing raw materials.

Waste

The industrial process generates production waste and processing residues, which the company manages through separate collection systems and recovery where possible. The amount of hazardous waste is limited and managed in accordance with current legislation. At the same time, the company is

committed to improving technologies and process solutions to reduce the amount of waste and increase the possibilities for reusing and recycling composite materials, which are still difficult to recover today. These initiatives also play a strategic role in mitigating the operational risks associated with the increase in the costs of treating and disposing of waste, particularly non-recyclable waste. The adoption of circular practices in the production cycle is one of the main levers for continuous improvement in terms of reducing environmental impact.

MAKING A POSITIVE IMPACT

ESRS E5-1: Policies related to resource use and circular economy

ESRS E5-2: Actions and resources related to resource use and circular economy

The company promotes a production model based on the principles of the circular economy, with the aim of reducing resource consumption, minimizing waste generation, and promoting the conservation of material value throughout the entire product life cycle. The policies adopted focus on two main areas:

- **Efficient resource management:** sustainable management of production inputs through efficient use of resources and responsible selection of raw materials;
- **Reduction, reuse, and recycling of waste generated by the industrial process:** in this area, the company sets waste reduction targets, introduces waste separation and recovery systems, and develops partnerships with specialized recycling operators. These actions contribute to improving overall environmental performance, reducing the risks associated with materials management, and promoting a more circular and efficient use of resources.

The policies translate into a structured system of actions, operating procedures, and internal controls that regulate the management of materials, waste flows, and packaging. The operating framework is defined through procedures certified according to ISO 14001, which ensure regulatory compliance and traceability, reduce waste, optimize the use of resources, and implement circularity principles.

THE ENVIRONMENTAL PERSPECTIVE IN THE PRODUCTION PROCESS

As part of Novation Tech's environmental awareness initiative, in 2024 the company launched an in-depth sustainability study, conducting a Life Cycle Assessment (LCA) on around ten of its products. This important project has enabled the company to gain a greater understanding of the carbon footprint generated by its production processes. The goal is to integrate this approach, based on the product life cycle perspective (LCP), into environmental impact assessments from the earliest stages of design, actively collaborating with customers, who define the characteristics of each component.

ATTENTION IN WASTE MANAGEMENT

Waste management is regulated by dedicated procedures that require segregation by type, safe storage in covered areas, and full **traceability** through loading and unloading records, forms, and MUD declarations (*Standard Waste Declaration Forms*). Waste is delivered exclusively to authorized facilities, with priority given to recovery over disposal. The organization of waste flows is supported by operating instructions and the systematic recording of quantities, movements, and destinations, ensuring transparent and compliant control of the end-of-life phases of materials.

The management system integrates numerous procedures that contribute, directly or indirectly, to the application of circular economy principles. Monitoring of production areas allows for the timely identification of any critical issues relating to material storage or waste management; periodic audits allow for the detection of inefficiencies, waste, and non-compliance in resource management. Chemical management ensures the correct handling and treatment of hazardous waste, while periodic review of technical documentation allows for the updating of operating procedures in the event of the introduction of new materials or more efficient processes.

Among the initiatives supporting waste reduction, the **progressive insourcing** of previously outsourced activities is particularly important, as this choice allows for greater control over material flows, promoting a reduction in waste production and an increase in recovery opportunities.

This is accompanied by structured packaging management and physical waste segregation.

NEXT TARGETS

ESRS E5-3: Targets related to resource use and circular economy

Environmental and circularity objectives are defined as part of the Management's annual planning processes, taking into account significant environmental aspects and identified risks and opportunities (set out in MOD02.02 "*Improvement plans and objectives*"). Integration with the Environmental and Safety Program allows these objectives to be translated into concrete actions with indicators, responsible parties, and deadlines, including—where relevant—targets relating to waste management, waste reduction, improved production efficiency, and more sustainable use of resources.

Aspects relating to waste, materials, or packaging classified as significant during the environmental analysis are included in the Environmental Program with specific objectives, KPIs, and dedicated planning. In some cases, there are implicit operational objectives, such as compliance with delivery times or prioritizing waste recovery when technically possible. In addition, the Management Review may include objectives relating to process efficiency or waste reduction, if these are relevant to the overall performance assessment.

Although a separate set of quantitative targets explicitly dedicated to the circular economy has not yet been defined, the current planning structure already allows for the definition of actions, indicators, and operational objectives based on the environmental priorities identified in individual plants.

THE NUMBERS OF CIRCULARITY

ESRS E5-4: Resource inflows

In line with ESRS requirements, Novation Tech has mapped the main incoming resource flows related to its industrial processes. The raw materials used include carbon fiber, resins, plastics, paints, catalysts, adhesives, and metal components, as well as auxiliary materials such as wood, plastic, and cardboard used in packaging.

Although there is currently no centralized quantitative data for this disclosure, the document management system and the mapping of environmental aspects make it possible to monitor the types, destinations, and potential impacts associated with the materials used.

In terms of waste streams, the company has identified a complex set of waste generated during production processes, including fiber and resin scraps, plastic shavings, absorbent materials, paint residues, sludge, packaging, and end-of-life equipment. These flows are managed through a structured process that includes loading and unloading records, the use of EWC codes for different types of waste, the completion of transport forms and annual MUD declarations (*Standard Waste Declaration Forms*), ensuring complete traceability, regulatory compliance and monitoring of final destinations.

Operation at final destination	DESCRIPTION OF FINAL DESTINATION	EWC	EWC DESCRIPTION	KG per Plant		KG Grand total
				MTB	SGN	
D1	landfill	120105	plastics shavings and turnings	4.510.000		4.510.000
		150106	mixed packaging	1.360.000		1.360.000
D1 Total				5.870.000		
D10	incineration	80409	waste adhesives and sealants containing organic solvents or other hazardous substances	720.000		720.000
		160303	inorganic wastes containing hazardous substances	120.000		120.000
		170301	bituminous mixtures containing coal tar	90.000		90.000
D10 Total				930.000		
D15	preliminary deposit	120105	plastics shavings and turnings	7.300.000	2.340.000	9.640.000
		140603	other solvents and solvent mixtures	5.920.000	5.460.000	11.380.000
		150101	paper and cardboard packaging	5.430.000	6.170.000	11.600.000
		150106	mixed packaging	1.640.000		1.640.000
D15 Total				20.290.000	13.970.000	34.260.000
R1	use as fuel	70214	wastes from additives containing hazardous substances	600.000		600.000
		120105	plastics shavings and turnings	11.590.000	6.530.000	18.120.000
		150101	paper and cardboard packaging	13.980.000	3.860.000	17.840.000
		150102	plastic packaging	5.460.000	4.370.000	9.830.000
		150103	wooden packaging	17.570.000	4.830.000	22.400.000
		150106	mixed packaging	2.000.000		2.000.000

		150110	packaging containing residues of or contaminated by hazardous substances	2.230.000	510.000	2.740.000
		150202	assorbenti materiali filtranti stracci e indumenti protettivi contaminati da sostanze	23.750.000	14.330.000	38.080.000
		170604	absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances		580.000	580.000
R1 Total				77.180.000	35.010.000	112.190.000
R12	exchange of waste for submission to operations R1 to R11	120105	plastics shavings and turnings	78.700.000	38.590.000	117.290.000
		150101	paper and cardboard packaging	20.470.000	7.600.000	28.070.000
		150102	plastic packaging	9.400.000	4.740.000	14.140.000
		150106	mixed packaging	5.250.000		5.250.000
		170604	insulation materials other than those mentioned in 17 06 01 and 17 06 03		580.000	580.000
R12 Total				113.820.000	51.510.000	165.330.000
R13	Store of waste	120105	plastics shavings and turnings	4.490.000		4.490.000
		120121	spent grinding bodies and grinding materials other than those mentioned in 12 01 20	330.000	2.620.000	2.950.000
		130208	other engine, gear and lubricating oils		280.000	280.000
		150102	plastic packaging	13.630.000	5.540.000	19.170.000
		150106	mixed packaging	8.280.000		8.280.000
		150110	packaging containing residues of or contaminated by hazardous substances	980.000	590.000	1.570.000
		150111	metallic packaging containing a hazardous solid porous matrix (for example asbestos), including empty pressure containers	1.010.000	1.740.000	2.750.000
		150202	absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	7.800.000	7.170.000	14.970.000
		160214	discarded equipment other than those mentioned in 16 02 09 to 16 02 13	350.000		350.000
		170604	insulation materials other than those mentioned in 17 06 01 and 17 06 03		580.000	580.000
R13 Total				36.870.000	18.520.000	55.390.000
R3	Recycling/reclamation of organic substances	120105	plastics shavings and turnings	38.620.000	23.150.000	61.770.000
		150101	paper and cardboard packaging	81.210.000	28.880.000	110.090.000
		150102	plastic packaging	39.110.000,00	46.920.000	86.030.000
		150103	wooden packaging	5.700.000		5.700.000
		150106	mixed packaging	9.990.000		9.990.000
		150110	packaging containing residues of or contaminated by hazardous substances	8.960.000	1.020.000	9.980.000

		170604	insulation materials other than those mentioned in 17 06 01 and 17 06 03		580.000	580.000
R3 Totale				183.590.000	100.550.000	284.140.000
R4	Recycling/reclamation of metals and metal compounds	150110	packaging containing residues of or contaminated by hazardous substances	5.220.000	2.920.000	8.140.000
R4 Totale				5.220.000	2.920.000	8.140.000
Grand total				443.770.000	222.480.000	666.250.

SOCIAL INFORMATION

ESRS S1 – OWN WORKFORCE

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

At Novation Tech, **people** are a key strategic **asset and the driving force behind innovation**. The **skills, safety** and **well-being** of our employees are essential to ensuring the high quality of our products and the company's competitiveness. Reporting on policies regarding inclusion, training and working conditions is crucial to demonstrating the company's commitment and attracting talent in a highly specialised sector. **Responsible workforce management** strengthens stakeholder confidence and safeguards Novation Tech's operational continuity and long-term financial performance.

The double materiality analysis has enabled Novation Tech to identify the impacts, risks and opportunities in the social sphere, highlighting their strategic link to the business model, which is deeply rooted in technological innovation and the high level of specialisation of its workforce.

The positive impacts generated by the management of its own workforce (ESRS S1) are directly linked to maintaining Novation Tech's excellence and competitiveness:

- **Working Conditions and Well-being:** Ensuring safe and dignified working conditions (for example, by mitigating the risks associated with exposure to industrial dusts such as carbon fibre) and prioritising employee well-being (e.g. work-life balance, health programmes and insurance, and the provision of regular benefits) are essential factors. These positive impacts improve staff's physical and mental health, reduce absenteeism and boost overall productivity, ensuring operational continuity in a knowledge-intensive sector.
- **Skills Development:** Investing in skills development through continuous training (e.g. cybersecurity courses) is vital. The company ensures that staff maintain cutting-edge knowledge, which is essential for innovation and for delivering high-value technological solutions. This has a positive impact on employees' careers and on the company's own capacity for innovation.
- **Equality and Inclusion:** Promoting equal treatment and opportunities is key to attracting and retaining the best talent. Demonstrating a high proportion of women in senior roles not only has a positive ethical impact, but also strengthens the company's image and ensures a diversity of perspectives that is essential for complex problem-solving. The structured collection of ideas from employees and the expansion of the group involved in training projects (including young people from the local area) strengthens inclusion and fosters a widespread sense of belonging.

As for **negative impacts**, the focus is on managing potential health and safety impacts, particularly the risks associated with the possible inhalation of carbon dust in production settings, should the relevant safety regulations not be complied with.

A further **social risk** identified in the materiality analysis concerns the potential legal and reputational damage resulting from inadequate prevention of discrimination among employees. A second risk, however, relates to the external environment: the limited availability of housing in areas close to Novation Tech's production facilities (particularly in Italy and Croatia) could affect the company's ability to attract and retain talent.

In terms of **opportunities**, it is particularly important for Novation Tech to invest consistently in staff training. This approach is key to enhancing the company's appeal and consolidating its position in terms of employees' professional development and well-being.

The material issues to which the impacts, risks and opportunities relate are integrated to varying degrees into the company's formal policies. Formalising these commitments mitigates risks associated with social non-compliance and reputational damage; at the same time, it strengthens the trust of stakeholders (customers, investors and the community) and promotes long-term retention of human capital.

POLICIES AND COMMITMENTS FOR THE WELL-BEING OF PEOPLE

ESRS S1-1: Policies related to own workforce

Corporate policies form the formal framework underpinning the entire ethical and operational management of Novation Tech. Broadly speaking, they are statements of intent and rules that set out the company's stance and commitment on key issues. Within this framework, Novation Tech has dedicated sections and specific documents governing **the management of its workforce**.

These policies set out the company's commitment to its entire workforce and cover a wide range of crucial social issues. They include matters such as the protection of human rights, with strict principles against human trafficking, forced or compulsory labour and child labour, as well as a meticulous focus on health and safety in the workplace. The company's policies comply with the principles set out in the **UN** declarations on **human rights**, international guidelines and national collective bargaining standards (**CCNL**).

Novation Tech outlines its commitment to managing the impacts, risks and opportunities associated with its workforce through a system of integrated policies:

- **Code of Ethics:** This sets out the principles of responsible corporate conduct and recognises human resources as an essential factor for the company's existence and success, with the ultimate aim of safeguarding the dignity and moral integrity of every employee.
- **Sustainability Policy:** This sets out principles and measures for responsible business conduct, providing an overview of the most relevant social issues that are the focus of Novation Tech's attention, ranging from respect for human rights to the guarantee of fair working conditions, including the health and safety of all those working for the organisation.
- **Integrated Quality-Environment Policy:** With regard to social issues, this policy commits the company to ensuring a safe and healthy working environment for all employees and staff. The policy promotes consultation with workers and continuous training to prevent accidents, ensuring compliance with the law and the development of human resources.

The company guarantees **maximum accessibility and transparency**: key policies are available in full on the Novation Tech website and are also communicated to employees during the initial onboarding process. Responsibility for implementing the commitments set out in these policies lies with senior management; collaboration with management ensures constant monitoring and continuous improvement of the systems in place, which are reviewed annually or updated as necessary.

To ensure full understanding by staff, any significant change that directly impacts the workforce is communicated specifically and in the context of the update, often via dedicated emails or ad hoc meetings. Conversely, changes relating solely to the internal company organisation are automatically updated in the system without the need for targeted communications.

FOCUS - SUSTAINABILITY POLICY

Novation Tech's sustainability policy brings together the company's ESG principles and commitments in a single document. Particular attention is paid to social issues.

Human rights and working conditions

Novation Tech is committed to upholding and respecting fundamental human rights, in accordance with international conventions. The company categorically prohibits forced or compulsory labour and child labour, setting the minimum age for employment in accordance with local law. It guarantees the right to freedom of association and collective bargaining, and ensures that working hours and wages comply with applicable regulations. Furthermore, Novation Tech actively promotes an environment free from discrimination and harassment, including, but not limited to, race, ethnicity, gender, religion, age, disability, sexual orientation or any other protected characteristic. The company bases its workforce management decisions on merit and equal opportunities for all employees. It is committed to ensuring ethical recruitment practices, guaranteeing transparency and fairness in selection processes, which must be free from all forms of discrimination and exploitation.

Health and safety

The company is committed to providing a safe and healthy working environment to prevent accidents, occupational illnesses and, where applicable, health emergencies. This is achieved through risk assessment and management, compulsory training for all employees and the provision of Personal Protective Equipment (PPE). The company also encourages consultation with and active participation of employees in the continuous improvement of safety performance.

LISTENING TO EMPLOYEES

ESRS S1-2: Processes for engaging with own workforce and workers' representatives about impacts

ESRS S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

The company recognises that the **active involvement** of its employees and their representatives is essential for identifying, managing and mitigating actual and potential impacts on the workplace and society. To this end, a framework for dialogue and consultation has been established, operating at various levels of formality and frequency.

Tools for dialogue and monitoring

- *Climate and Awareness Questionnaire (Annual)*: A structured survey conducted annually, it includes specific sections designed to assess employees' level of engagement, their perception of the impacts, and their awareness of company policies. The analysis of the results guides subsequent improvement initiatives.
- *Regular meeting on health and safety at work (Annual)*: required by national legislation, this meeting is held annually and provides a formal, mandatory opportunity for discussion with the Workers' Safety Representative (WSR) and those in charge, ensuring that issues relating to health and safety at work are discussed and analysed.

- *Dialogue with trade union representatives:* an open channel of communication is maintained with trade union representatives, with meetings organised as required to address issues relating to employment relations, operational impacts and collective matters.
- *Reports from the Workers' Safety Representative (WSR):* The WSR plays an active role in the process, being able to raise specific concerns and reports at any time, which are promptly investigated by the relevant personnel.

Operational engagement and the management of internal relations are delegated across the entire organisational structure. Key personnel, such as Department and Office Managers and Coordinators, act as key hubs for communication and the direct engagement of working groups.

To strengthen this structure, specific meetings and development sessions are organised. Over the past year, **workshops** have been organised to improve soft skills, particularly the communication and interpersonal skills necessary for effective engagement.

Monitoring the effectiveness of the engagement process is based on quantitative and qualitative indicators: analysis of the responses provided in the Climate and Awareness Questionnaire, with particular attention to metrics dedicated to assessing participation and a sense of belonging; the level of uptake of corporate welfare initiatives (e.g. Welfare Care, Welfare Hub), which serves as an indirect indicator of the level of satisfaction and active engagement in company life.

The company has established various channels and processes to ensure that employees can raise concerns about potential or actual negative impacts in a safe manner, and to ensure that corrective measures are addressed promptly and effectively.

- **Anonymous suggestion box:** A physical 'suggestion box' is available, allowing employees to submit suggestions, advice or concerns completely anonymously. This channel is regularly monitored to ensure that all comments are taken into account.
- **Whistleblowing channel:** The company has adopted a formal whistleblowing mechanism that complies with current regulations. This channel is managed confidentially and independently to enable the reporting of misconduct or serious concerns, ensuring the whistleblower is protected from any retaliation.
- **Regular meetings with key personnel:** the company organises regular meetings involving department heads, coordinators and contact persons. These sessions are crucial for the proactive discussion of operational dynamics, the early identification of problems and the planning of necessary corrective actions.
- **Dedicated discussion sessions within departments:** in addition to coordination meetings, dedicated discussion sessions are encouraged within individual departments. Such initiatives facilitate direct dialogue between managers and operational teams.

THE MANAGEMENT OF IROs IN RELATION TO PEOPLE

ESRS S1-17: Incidents, complaints and significant impacts relating to human rights

ESRS S1-4: Actions taken to address significant impacts on the organisation's workforce, approaches to mitigating significant risks and pursuing significant opportunities in relation to the organisation's workforce, and the effectiveness of such actions

Novation Tech manages the mitigation of risks and negative impacts on its workforce through a clearly defined procedural framework and a systematic approach, in accordance with the company's **Integrated Policy** (Quality – Environment). This commitment is underpinned by an approach based on the integrated management system, which sets out principles, objectives, concrete actions and mechanisms for periodic review aimed at ensuring continuous improvement.

During the reporting year, Novation Tech recorded no incidents of discrimination, and no reports of critical issues were submitted via the channels established by the company. In 2024, there were no human rights violations relating to our employees.

Working conditions

The company is committed to ensuring fair working conditions, in line with its internal policy against all forms of discrimination. The recruitment process is based on ethical recruitment practices to ensure that procedures are transparent, fair and free from exploitation. This approach is founded on two guiding principles – compliance with the law and respect for fundamental principles and rights at work – and is underpinned by specific principles, which include, amongst others: a ban on recruitment fees for candidates; respect for freedom of movement; transparency of contractual terms; and respect for confidentiality and data protection.

Occupational health and safety management system and human resources management procedures

In 2024, health and safety risks are managed through risk analysis and assessment, as set out in the Risk Assessment Document ("*Documento Valutazione dei Rischi*" - DVR). Furthermore, in compliance with the Italian Legislative Decree 81/08, the company maintains all the documentation required by the Consolidated Legislation on Workplace Safety ("*Testo Unico sulla Sicurezza*"). At the same time, a dedicated human resources management procedure has been implemented, covering the entire employee lifecycle and aimed at the continuous improvement of internal processes.

Training and Development

To ensure the professional development of employees and the excellence of manufacturing, training is managed through a structured process that includes needs analysis and planning. For operational staff, the process for monitoring professional skills—such as induction into the role and tracking the training provided, including the **skills matrix**—is updated three months after job placement. The process concludes upon achieving 100% proficiency in the specific role, a level determined in the following months directly by the relevant Manager. The aforementioned process is currently under review for structural improvement.

Overtime

The use of overtime is always on a voluntary basis. Working conditions and the workplace atmosphere are assessed as part of the annual company climate and awareness survey. A dedicated team

comprising representatives from Human Resources, Quality Assurance, the Health and Safety Manager (*RSPP* – “*Responsabile del Servizio di Prevenzione e Protezione*”), the Assistant Health and Safety Manager (*ASPP* – “*Addetto al Servizio di Prevenzione e Protezione*”) and Sustainability distributes a questionnaire to all employees to analyse issues such as: company culture and atmosphere, workplace safety, and information security and awareness.

Monitoring and Action Plans

The questionnaire is reviewed annually in collaboration with Human Resources, Quality Assurance, the Health and Safety Department and General Services. The results are collated and analysed as KPIs. The results and indicators are used by the Human Resources department to plan specific improvement initiatives in consultation with department managers.

FUTURE OBJECTIVES

ESRS S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Following the materiality analysis, an ESG strategic plan was developed, incorporating measures designed to improve Novation Tech’s social impacts and mitigate related risks. **Improvement measures** have been defined for the most significant impacts, risks and opportunities. For each of these, the objective, the indicator for monitoring progress towards improvement, and the financial commitment required have been identified.

With regard to the impact on its workforce, the company has the following initiatives planned for the short term:

- Improve the efficiency and modernise the heating and cooling system in the offices at the Montebelluna headquarters.
- Continue to invest consistently in ongoing training
- Organise regular events and prevention campaigns to engage the workforce

NOVATION TECH'S HUMAN RESOURCES

ESRS S1-6: Characteristics of the Undertaking's Employees

ESRS S1-7: Characteristics of non-employees in the undertaking's own workforce

ESRS S1-8: Collective bargaining coverage and social dialogue

ESRS S1-9: Diversity metrics - Breakdown by gender and age

ESRS S1-10: Adequate wages

ESRS S1-11: Social protection

ESRS S1-12: Persons with disabilities

ESRS S1-13: Training and skills development metrics

ESRS S1-14: Health and safety metrics

ESRS S1-16: Remuneration metrics (pay gap and total remuneration)

As at 31 December 2024, the total workforce of Novation Tech at its Italian sites, which are the subject of this report, stood at 549 people. The company employs a limited number of non-permanent staff, maintaining a focus on its in-house workforce and, where necessary, on agency staff. At the end of the reporting period, there were 518 employees, compared with 30 agency workers and one self-employed individual, who is therefore not an employee, working for the company.

The structure of the workforce reflects the company's business model and the skills required to maintain the high competitiveness of its products in the market. The workforce consists mainly of skilled workers and technical staff, who are essential for the highly specialised production departments, alongside a number of employees working in the administrative area.

Contractual and hourly breakdown

An analysis of the workforce by contract type and working hours reveals a high degree of contractual stability and a clear predominance of full-time employment. The data show that almost all employees (85%) are on permanent contracts, indicating a stable employment base. Furthermore, full-time employment is the norm, accounting for 99% of the workforce. Only a tiny fraction, less than 1%, work part-time, with a higher proportion of women (3 out of 4 part-time workers).

Type of contract	Women	Men	Total	% of the total
Permanent Contract	237	230	467	85%
Fixed-term Contract	47	34	81	15%
Full-time	281	263	544	99%
Part-time	3	1	4	1%
Total	284	264	548	100%

Turnover

Type	Data
New recruits	124
Six-month turnover	7.16%
Three-month turnover	11.07%

Staff turnover within the company is calculated on a six-month basis, i.e. at the end of the training programme required for the role.

Fair pay and remuneration metrics

100% of Novation Tech's employees are covered by a National Collective Labour Agreement (CCNL). The CCNLs adopted ensure uniform contractual standards that comply with Italian and international regulatory requirements. In 2024, the company applied three distinct types of CCNL for its employees, as described in the table below.

National Collective Labour Agreement (CCNL)	% of workers covered by the national collective agreement
CCNL for the Metalworking Industry	94,5%
CCNL for the Temporary Work Sector	5%
CCNL for Industrial Executives	0,5%
Total coverage under CCNL	100%

The application of collective agreements ensures fair pay. The minimum wage rates set out in the National Collective Labour Agreement and the associated pay rises are guaranteed to all employees. Second-level bargaining between the company and its employees enables the skills of individual workers to be recognised and valued.

Social security is guaranteed to all employees, covering unemployment, sickness, accidents, leave and retirement, in accordance with current legislation and through contributions paid to the relevant authorities (INPS and INAIL).

As part of its sustainability initiative, Novation Tech is considering specific metrics to assess pay gaps within its organisation and implement measures to address them, with the aim of ensuring fair remuneration for its employees

- The ratio of the highest pay to the median pay of all employees
- The ratio of the average pay for men to that for women. This KPI captures the gender pay gap, highlighting any disparities in the pay structure between men and women.

Social dialogue

In terms of social dialogue, Novation Tech promotes employee representation in the workplace. By 2024, almost 80% of workers were represented by their own representatives. The 100% target was not met because it was not possible to elect a Health and Safety Representative (H&S Rep) at one of the group's sites due to a lack of candidates.

Diversity metrics

An analysis of the workforce composition shows a slight predominance of women (52%) and a balanced age structure, with the majority of staff concentrated in the middle age group (30–50 years). For Novation Tech, gender and age diversity are a resource: the coexistence of multiple generations and the significant proportion of female employees, in a sector such as the automotive industry which is predominantly male, help to make the company a dynamic workplace; people with different life experiences and perspectives coexist and collaborate within the plants.

Age group	Women	Men	Total	% by age
<30	61	71	132	24%
30-50	169	151	320	58%
>50	54	42	96	18%
Total	284	264	548	100%
% genre	51,82%	48,18%	100%	

Novation Tech employs people with disabilities who are eligible for targeted employment schemes, in accordance with the relevant national legislation. In 2024, 2.4% of the organisation’s workforce belong to protected categories.

With regard to company remuneration, Novation Tech is currently implementing an assessment and analysis system designed to evaluate remuneration policies more accurately and transparently. This approach enables the identification of any areas for improvement, promoting greater fairness and competitiveness in remuneration, as well as more effective human resources management. These initiatives help to strengthen the company’s culture focused on social sustainability, ensuring transparency and fairness in the treatment of employees and fostering a more inclusive and motivating working environment.

Training

For Novation Tech, training represents a **strategic investment** throughout the entire career journey of its employees. In a sector characterised by strong growth and technological specialisation – such as carbon fibre processing – the arrival of new employees requires a structured **onboarding** programme. For new recruits, particularly in production departments, there is an induction and training period lasting approximately six months, aimed at ensuring they achieve full operational autonomy.

For existing staff, the training policy is based on the principle of continuous professional development and focuses primarily on two areas:

- **specialist technical training**, aimed at updating skills, adopting new technologies and managing innovative processes;
- **health and safety training**, which is essential for preventing risks and ensuring a safe working environment that complies with current regulations.

Training needs are planned by the head of department or function by analysing the gap between the skills required and those currently available. Provision is also made for the possibility of organising ad hoc courses should specific needs or training opportunities arise during the year.

The effectiveness of the training is assessed using indicators such as:

- participant feedback,
- results of assessment tests or examinations set by the training providers,
- where applicable, the practical application of the skills acquired in the workplace.

When new products are introduced or changes are made to existing processes, the Department Manager, in collaboration with the Quality Engineer and the Quality Manager, assesses whether further on-the-job training sessions are required to ensure compliance with product requirements. To assist operators, operational instructions, procedures, photographic documentation or physical samples are also made available and placed directly in the work areas.

Mandatory training also applies to staff on fixed-term contracts or those supplied by agencies. All activities are recorded via the Power Apps application, which automatically generates *the training report* and updates the *skills matrix*. The final assessment of effectiveness is scheduled for three months after the training date.

Genre	Total hours of training
Women	2247
Men	2390
Total	4637

Health and safety

Health and safety is a top priority for Novation Tech. In line with the provisions of the Integrated Quality and Environment Policy, the company operates in full compliance with current national legislation and takes all necessary measures to prevent and mitigate risks associated with accidents and potential harm to health, both in the short and long term.

Upon recruitment – or the start of a temporary contract – the Human Resources Department provides each new employee with all the information and tools needed to ensure a safe and informed start at the company. The instructions cover appropriate conduct, safety procedures and health and safety regulations in the workplace.

Information regarding health and safety at the company is provided through the following channels:

- the guide “Health and Safety at Work”,
- the current evacuation plan,
- the PPE handover record.

Copies of all documents are provided to the employee and countersigned to confirm that they have been read and accepted.

Metrics on accidents

Types of accidents	Number of accidents		Days off due to accidents	
	2023	2024	2023	2024
Collisions / contact	1	2	15	8
Falls / Slips	1	3	34	60
Crush injuries	3	3	199	39
Sprains	1	1	6	2

Electrocutions	0	0	0	0
Injury sustained whilst lifting	0	4	0	131
Accident caused by a vehicle	0	0	0	0
Puncture / cut	1	4	12	55
Driving vehicles	0	0	0	0
Inhalation	0	0	0	0
Ingestion	0	0	0	0
Projectiles / shrapnel	2	1	8	2
<i>En route</i>	2	6	65	120
Burns	0	0	0	0
Insect bite	0	0	0	0
Other	0	0	0	0
TOTAL	11	24	339	417
TOTAL (EN ROUTE EXCLUDED)	9	18	274	297

The increase in the number of minor accidents at the company in 2024 compared with the previous year can be attributed to a number of factors, including the rise in the number of inexperienced staff joining the company. This trend may have affected workplace safety for the following reasons:

- *Increase in inexperienced staff:* With more new employees joining the workforce, who are often less familiar with specific procedures and tools, there is an increased risk of errors or the incorrect use of work equipment.
- *Less experience and awareness:* Less experienced workers may not yet be fully aware of the risks associated with day-to-day tasks, leading to less cautious behaviour or an incomplete understanding of safety practices.
- *Adaptation phase:* New recruits are still learning the correct operating procedures, and during this phase they may be more prone to minor incidents, such as slips or minor collisions, which nevertheless increase the overall accident statistics.
- *Impact on safety culture:* The influx of new staff may temporarily disrupt the established safety culture, requiring a period of adjustment and more intensive training to maintain high safety standards

In response to this situation, the company has taken measures such as stepping up safety checks and increasing training activities. These initiatives aim to raise workers' awareness, correct any incorrect practices and prevent accidents, even minor ones, from occurring. It is therefore essential to continue investing in training and ongoing monitoring to further reduce the risks associated with the recruitment of inexperienced staff and ensure an increasingly safe working environment.

ESRS S2 – WORKERS IN THE VALUE CHAIN

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

For Novation Tech, **value creation** does not stop at the company's doors; it extends across a complex supply chain involving strategic suppliers, technical partners and specialist operators in the production, processing and delivery of carbon fibre components. In a sector characterised by a high level of expertise and innovation, **human capital** represents a critical asset not only for the quality of the final product, but also for the company's ability to ensure operational continuity, flexibility and sustainability.

A COMMITMENT EXTENDED TO THE VALUE CHAIN

S2-1 Policies related to value chain workers

Novation Tech recognises that **corporate social responsibility** extends beyond organisational boundaries and concerns all those involved in value creation processes throughout the supply chain. For this reason, the Company requires its partners to fully comply with the applicable regulations in the countries in which they operate and, where these provisions are less stringent than the Company's values, to adopt the standards set out in the Company's policies and Code of Ethics. This principle underpins every supply relationship and is essential to ensuring transparency, fairness and sustainability.

The **protection of human rights and working conditions** forms the cornerstone of the supply chain management system. Key requirements for suppliers include: the prohibition of child and forced labour; freedom of choice in employment; the guarantee of fair wages; compliance with legal limits on working hours; freedom of association with trade unions; and the use of fair and non-discriminatory recruitment processes.

Novation Tech also promotes an **inclusive environment**, based on respect for diversity in terms of gender, age, sexual orientation, gender identity, ethnic origin, religion and personal circumstances. Particular attention is paid to the rights of women, minorities, indigenous peoples and local communities, especially in the most sensitive operational contexts.

The qualification and selection of suppliers are carried out through a process based on objective criteria such as quality, reliability, regulatory compliance, technical capability and ethical integrity. Relationships based on personal favouritism are excluded, as are partnerships with parties that employ illegal labour or fail to meet minimum legal standards. The verification of requirements also includes checks on safety equipment, machinery certifications and the technical and professional competence of contractors and subcontractors operating at the company's facilities.

Through this approach, Novation Tech aims to develop a resilient, responsible supply chain focused on continuous improvement, ensuring decent and safe working conditions throughout the product lifecycle and contributing to the Sustainable Development Goals, with particular reference to decent work, equality and the protection of human rights.

WORKERS INVOLVEMENT

S2-2 Processes for engaging with value chain workers about impacts

In its **supplier qualification and evaluation process**, Novation Tech gives priority to local businesses or those based within the European Union, thereby promoting traceability, geographical proximity and the sustainable development of the communities in which it operates. Where necessary, quality tests are carried out on the materials and processes proposed by the supplier. A partnership is only established once the technical, financial and regulatory compliance of the supply terms has been verified.

For materials subject to specific requirements, an adequate level of safety and environmental compatibility is required. In the case of suppliers carrying out activities with a potential environmental or social impact (such as subcontractors or external service providers), Novation Tech conducts dedicated assessments to monitor their performance and compliance with its standards.

Even in the case of service providers, such as maintenance or transport, the existence of mandatory authorisations and the skills necessary to carry out activities safely are verified in advance.

For the purchase of machinery, plant or infrastructure, in addition to technical aspects, environmental requirements are also considered, including energy efficiency and the impact of the technologies used. Through these processes, Novation Tech ensures the active involvement of workers throughout the value chain and promotes responsible practices that enhance the quality, safety and sustainability of its manufacturing operations.

Etichette di rischio	Qualifica Fornitori			ISO9001:2015		IATF 16949:2016		ISO 14001		Sistema Qualità		Puntualità Fornitura		Qualità Fornitura		Servizio Fornitura		Valutazione	
	Categorie	Tipologia	Aggiornamenti	Punteggi	Certificato	Scadenza	Certificato	Scadenza	Certificato	Scadenza	1° Sem	2° Sem	1° Sem	2° Sem	1° Sem	2° Sem	1° Sem		2° Sem
002452	Diretto	N/A	11/10/2024	90	SI	19/11/2026	NO	-	NO	-	2	3	3	3	3	3	3	3	A
102757	Diretto	N/A	27/09/2023	0	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A
102781	Diretto	N/A	05/10/2023	95	SI	22/08/2027	SI	22/08/2027	SI	07/11/2027	3	3	3	3	3	3	3	3	A
102870	Diretto	N/A	04/08/2025	80	SI	18/04/2027	SI	18/04/2027	NO	-	3	3	3	3	3	3	3	3	A
002239	Diretto	N/A	04/08/2025	85	SI	04/12/2026	NO	-	NO	-	3	3	3	3	3	3	3	3	A
000927	Diretto	N/A	-	-	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A
005861	Diretto	N/A	13/10/2023	90	SI	22/05/2027	SI	27/05/2027	SI	21/05/2027	3	3	3	3	3	3	3	3	A
001667	Diretto	N/A	12/08/2025	60	SI	19/02/2028	NO	-	NO	-	3	3	3	3	3	3	3	3	A
001696	Diretto	N/A	12/09/2023	90	SI	06/10/2028	NO	-	SI	11/07/2028	3	3	3	3	3	3	3	3	A
050129	Diretto	N/A	12/09/2023	50	SI	13/05/2027	NO	-	NO	-	2	3	3	3	3	3	3	3	B
001899	Diretto	N/A	15/07/2024	85	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A

EXCERPT

004240	Diretto	N/A	22/09/2023	60	SI	18/08/2027	SI	18/08/2027	NO	-	3	3	3	3	3	3	3	3	A
042573	Diretto	N/A	12/02/2025	95	SI	26/01/2028	NO	-	NO	-	3	3	3	3	3	3	3	3	A
000417	Diretto	N/A	04/03/2022	85	NO	-	NO	-	NO	-	2	3	3	3	3	3	3	3	A
005550	Diretto	N/A	29/09/2023	90	SI	06/07/2027	SI	05/08/2027	SI	11/07/2027	3	3	3	3	3	3	3	3	A
005685	Diretto	N/A	03/07/2025	55	NO	-	SI	04/08/2027	SI	30/05/2027	3	3	3	3	3	3	3	3	A
006064	Diretto	N/A	11/09/2023	75	SI	15/09/2026	NO	-	NO	-	3	3	3	3	3	3	3	3	A
006033	Diretto	N/A	03/07/2025	55	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A
006802	Diretto	N/A	17/03/2025	110	SI	12/02/2027	SI	12/02/2027	SI	07/09/2027	3	3	3	3	3	3	3	3	A
007226	Diretto	N/A	04/03/2022	85	SI	30/01/2026	SI	17/01/2026	SI	30/04/2026	3	3	3	3	3	3	3	3	A
007541	Diretto	N/A	08/07/2025	60	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A
007917	Diretto	PERSONALE	09/07/2025	65	SI	09/07/2028	NO	-	SI	07/07/2028	3	3	3	3	3	3	3	3	A
007949	Diretto	N/A	07/07/2025	75	SI	25/05/2027	NO	-	NO	-	3	2	3	3	3	3	3	3	A
012345	Diretto	N/A	-	-	SI	30/11/2026	NO	-	NO	-	2	3	3	3	3	3	3	3	A
010015	Diretto	N/A	-	-	NO	-	NO	-	NO	-	3	3	3	3	3	3	3	3	A
011391	Diretto	N/A	30/05/2025	80	SI	14/09/2027	SI	14/09/2027	SI	12/09/2025	3	3	3	3	3	3	3	3	A
011740	Diretto	N/A	26/09/2023	70	SI	10/04/2026	NO	-	NO	-	3	3	3	3	3	3	3	3	A

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Against the backdrop of a growing commitment by businesses across the board to corporate sustainability issues, Novation Tech organised a free training webinar on ESG in 2024. This initiative, carried out in collaboration with Intesa Sanpaolo, was aimed at a select group of strategic suppliers.

The main objective was to raise awareness and support partners in promoting sustainable practices within their businesses. The initiative formed part of an innovative partnership with Intesa Sanpaolo known as the 'Supply Chain Development Programme' – Sustainable Supply Chains. This programme aimed to support Italy's leading supply chains in their growth across the country, backing

internationalisation projects, the modernisation of production facilities and investments in the ESG sector.

To further strengthen commercial relations with strategic suppliers, an agreement was signed with the Programme, which provided access to innovative tools. Among these, particular mention was made of access to the 'Confirming' service, which enabled liquidity to be managed flexibly and quickly via an online platform.

In addition, selected suppliers had the opportunity to complete a (non-binding) self-assessment questionnaire, which enabled the analysis of results across the three ESG pillars. This direct reporting tool enabled the monitoring of sustainability commitments, comparing results with the average of Intesa Sanpaolo's client companies and with firms in the same sector, thus offering a clear perspective on the company's positioning regarding these issues.

This initiative arose from the collaboration between Novation Tech and Intesa Sanpaolo, with the aim of raising awareness and supporting its partners in promoting sustainable practices, thereby strengthening the path of growth and environmental and social responsibility of the companies involved.

ESRS S3 – AFFECTED COMMUNITIES

STRATEGY

ESRS 2 SBM-2: Interests and views of stakeholders

Novation Tech does not currently have operational sites in areas with particularly vulnerable or disadvantaged communities. Consequently, no significant impacts or specific risks have been identified for isolated, indigenous or other vulnerable communities directly linked to the company's operations or value chain, either upstream or downstream.

However, the company is committed to maintaining a responsible and transparent approach, monitoring any future developments that may involve communities with specific characteristics, and taking appropriate measures to prevent negative impacts should they arise in the future.

Through risk analysis activities, the company will continue to carefully assess the characteristics of potentially affected communities, including in terms of overlaps between different vulnerabilities, to ensure that business activities are carried out with respect for the rights and well-being of the people and communities involved. In all areas where the company has a presence, it maintains an open and ongoing dialogue with local institutions, through direct relations with local authorities, in order to foster constructive dialogue and share the best strategies for action.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS S3-1 Policies related to affected communities

ESRS S3-2: Processes for engaging with affected communities about impacts

ESRS S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns

ESRS S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks, and the effectiveness of such actions

The **double materiality analysis** has highlighted a number of key issues regarding how the company assesses and manages the impacts, risks and opportunities that influence both its own strategy and its relationship with the communities concerned.

In particular, in terms of **negative impacts**, it has emerged that a current issue concerns traffic in the areas surrounding the company's premises. This issue stems mainly from difficulties in accessing and exiting the premises, particularly when joining the main road, due to structural limitations and heavy traffic, given the large number of people present within the facilities and the traffic in the area. It is important to emphasise that this situation is not the company's fault, but is attributable to external infrastructure factors. To mitigate this impact, we are working with local authorities to identify effective solutions that improve traffic flow and reduce disruption, thereby helping to promote a safer environment for everyone.

As part of its double materiality analysis, the company has highlighted a number of **positive impacts** resulting from its activities and initiatives in the local area. Firstly, there is a significant contribution to the development of local infrastructure, which fosters socio-economic growth and improves the quality of life for the communities in question. At the same time, partnerships with educational institutions, such as schools and universities, have helped to strengthen the relationship between the company and

the local area, promoting training and innovation programmes, as well as active engagement through guided tours of the plants in Montebelluna and Trevignano.

A major initiative, launched in 2024, is the establishment of an energy community, realised through the local substation in the municipality of Volpago, which supports the transition towards a more sustainable and participatory energy model. This project was launched in 2024 and will be fully implemented between 2025 and 2026. Furthermore, the company is committed to fostering a culture of technology in the local area, contributing to the development of local artisans and professionals, and supporting the growth of innovative skills.

Among the company’s **community engagement** activities, particular mention should be made of sporting initiatives and support for local clubs through sponsorship, which help to strengthen the social fabric and promote inclusion. A concrete example of this commitment is the company’s participation in the “*Montebelluna in Rosa*” initiative, which it has supported since 2022 through sponsorship and active collaboration. In particular, the partnership with this charity event, aimed at raising awareness and funds for the fight against breast cancer, demonstrates the company’s commitment to the wellbeing of local communities.

Novation Tech also supports other initiatives, such as “*I Bambini delle Fate*”, an organisation that runs and funds social inclusion projects for children and young people with autism and disabilities through fundraising campaigns targeting private citizens, small businesses and established companies. This initiative represents a significant opportunity for Novation Tech, as it allows the company to integrate corporate social responsibility into its business model and make a tangible contribution to the well-being of the local community. Through this partnership, the company can support long-term, supervised social inclusion projects, fostering the development of a more equitable and supportive local area. Regular and consistent participation ensures a real and sustainable impact over time, strengthening the bond between the company and the community in which it operates.

Below is a list of activities supporting local initiatives launched or currently underway in 2024:

INITIATIVE	TYPE
ITS MECCATRONICO VENETO	ITS Academy event sponsorship
PROLOCO MONTEBELLUNA	Montebelluna in Rosa
BAMBINI DELLE FATE	sponsorship of an organisation dedicated to social inclusion
Campus "Education & Sport" - MAURO BERGAMASCO	sponsorship of the association and campus activities for young people
VIMM - Veneto Institute of Molecular Medicine, biomedical research centre based in Padua	sponsorship of a scientific research centre
VISION GARDEN - an innovation fair that promotes the local area and facilitates interaction between businesses, universities, schools and the public.	Innovation Fair in Castelfranco V.to
ASSOCIAZIONE SPORTIVA DILETTANTISTICA GYMNASIUM ACADEMY VILLORBA	sponsorship of a sports club
MONTEBELLUNA BASKET	sponsorship of the local basketball team
UNIVERSITA' DEGLI STUDI DI PADOVA	Formula SAE - Race Up Project (University of Padua)

These initiatives reflect a genuine commitment to sustainable and inclusive regional development, in line with the company's social responsibility objectives.

OBJECTIVES

S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the sustainability strategy adopted, objectives have been set for managing negative social impacts, enhancing positive impacts, and managing risks and opportunities.

With regard to reducing negative social impacts, initiatives are planned to optimise transport at company sites, with the aim of mitigating the effects on local communities through ongoing and transparent dialogue. We also aim to ensure safe and respectful working conditions in our partnerships with organisations that employ people with disabilities.

At the same time, we intend to enhance positive impacts through the development of energy communities, such as the one in Volpago, to foster energy self-sufficiency and promote community involvement. Collaborations are planned with schools, universities and local businesses to support initiatives in education, innovation and skills development, with a particular focus on social inclusion. Events such as Family Day are also planned, along with support for sporting and cultural initiatives, in order to contribute to the social and economic development of the local area.

ESRS S4 – CONSUMERS AND END-USERS: EXCELLENCE AT THE SERVICE OF PEOPLE

ESRS 2 SBM-2: Interests and views of stakeholders

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In the world of **high-performance vehicles**, every component has a direct impact on the driving experience and, above all, on the safety of those on board. Novation Tech's products – in particular seats and vehicle structural components – make a decisive contribution to the protection of drivers and passengers and, consequently, to the safety of consumers and end-users.

Although operating in a predominantly B2B supply chain, the company regards end-users as the ultimate beneficiaries of its commitment: people who rely on the **quality, reliability and performance** of the vehicles in which its components are installed. The company incorporates stringent design, testing and validation requirements to minimise risks related to product safety and ensure that the product performs as expected.

THE CUSTOMER AT THE HEART OF WHAT WE DO: A COMMITMENT TO EXCELLENCE

ESRS S4-1: Policies related to consumers and end-users

ESRS S4-2: Processes for engaging with consumers and end-users about impacts

ESRS S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In its dealings with consumers and end-users, Novation Tech bases its policies on safeguarding the safety, quality and reliability of its products, recognising that the components it supplies must meet the highest quality standards, as they form part of products that represent excellence within their respective sectors.

Underpinning this approach is the adoption of an **Integrated Quality–Environment Management System** that is subject to continuous improvement and aligned with developments in the business and regulatory environment. This system provides the framework through which the company governs its processes, ensuring that the requirements of direct customers and, indirectly, end-users, are systematically considered and met.

A client-centric approach – and, ultimately, a focus on the end-user – translates into a constant focus on satisfaction levels regarding the products and services offered. Novation Tech collects and analyses data from customer feedback on its products, using it to drive a process of continuous improvement in technical performance, perceived quality and component **reliability**. The stated objective is to achieve levels of excellence that enhance trust throughout the value chain and, consequently, the company's competitiveness and profitability.

When developing new products, the company undertakes to accept only contracts for which it is able to guarantee full compliance with quality requirements, applicable standards and regulations, in line with its own know-how and available resources.

Novation Tech's policies also emphasize compliance with and the fulfilment of stakeholder requirements, including those of customers and end-users of the vehicles. The company is committed to ensuring compliance with all legal and regulatory requirements applicable to its products, with a particular focus on environmental, health, and safety matters, and to ensuring compliance with

environmental legislation through periodic environmental assessments and systematic document reviews.

Another key feature of the company's policies is **organizational flexibility**: technical offices, support functions, and production departments are structured to respond promptly to unforeseen events and changes in logistics or design schedules. This ensures the continuity and reliability of supplies, reducing the risk of negative impacts along the value chain that could affect the end-user experience. Finally, safeguarding the health, safety, and hygiene of employees and third parties working on behalf of the company is considered an absolute priority. Novation Tech believes that workplace accidents and occupational illnesses can be prevented through appropriate procedures, training, and constant monitoring of working conditions. Ensuring the safety of those involved in production processes is considered a prerequisite for guaranteeing the inherent safety of products and, consequently, the protection of consumers and end users.

As part of its efforts to monitor and maintain customer relationships, the company adopts an integrated, multi-channel approach designed to ensure that the needs and interests of its stakeholders are consistently addressed. At the operational level, customer interactions primarily take place through interpersonal relationships managed via phone calls, involving various organizational levels, such as the sales and production departments. This approach allows for direct and timely dialogue, facilitating the understanding of emerging needs and an immediate response to any critical issues.

In addition to direct contact, the company utilizes customer-owned web platforms, such as B2B portals, which it accesses in accordance with contractual and security agreements, in order to continuously monitor and update the status of relationships and shared activities. These digital tools represent strategic channels for information management and interaction analysis.

Furthermore, evaluation tools such as customer scorecards—that is, performance and satisfaction reports—are employed, providing a structured and quantified overview of relationships over time. These reports are essential for identifying areas for improvement, planning targeted interventions, and strengthening partnerships.

In summary, the client relationship management model is based on a multi-channel, integrated approach that combines direct, day-to-day interactions, digital tools, and strategic assessment tools, ensuring effective monitoring and ongoing dialogue, in line with the principles of sustainability and the creation of shared value.

MEASURES TO ENSURE PRODUCT QUALITY

ESRS S4-4: Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, as well as the effectiveness of such actions

DATA PROTECTION

Novation Tech takes the utmost care to safeguard the security of the data it processes – whether relating to users, employees, suppliers or other stakeholders – by operating in accordance with the European General Data Protection Regulation (GDPR).

To ensure a high and consistent level of protection, the company has adopted an internal Privacy and Security Policy, which defines roles, responsibilities, organisational and technical measures, as well as best practices to be followed in all data processing activities.

In 2024, Novation Tech launched a cybersecurity training programme, delivering a total of 225 hours of training between October and December. This project will continue over the coming months, running for a total of 12 months, and is aimed at all levels of the organisation, with the aim of strengthening employees' ability to recognise risks and threats in messages received via email, smartphones and other digital devices. Underlining the importance of this issue, the company has also invested in advanced technological tools to prevent and counter cyberattacks.

PRODUCT MANUFACTURING

The quality standards adopted by Novation Tech are recognised as among the highest in the industry and are governed by the company's Management System, which strictly regulates every stage of the production process. From supplier qualification to the selection of raw materials, from design to process control, right through to final checks on the finished product, every component undergoes structured inspection plans, dimensional and functional measurements, performance tests and durability trials. The results of inspections, complaints and any non-conformities are systematically analysed to identify root causes and implement corrective actions and continuous improvement measures. This approach enables Novation Tech to guarantee consistent and repeatable quality over time, in line with customers' technical specifications and end-users' expectations regarding reliability, aesthetic finish and product performance.

PRODUCT DESIGN

In order to ensure maximum safety and compliance with the standards for the components produced, the company adopts a rigorous and structured approach. During the design phase, the safety standards set by the customer are adhered to, and these are carefully documented in the 2D design file. These requirements form the fundamental basis for ensuring that the components meet the required quality and safety standards.

To support this process, the company has implemented an internal reference procedure, identified by code IL19.01 "*Management of Special Features*". Through this procedure, all design specifications are monitored and tracked, ensuring accurate and transparent management of every technical detail. This methodology ensures that all development phases comply with established standards, facilitating continuous monitoring of the quality and safety of the components produced.

GOVERNANCE INFORMATION

ESRS G1 – BUSINESS CONDUCT

RESPONSIBLE GOVERNANCE

ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies

ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

Novation Tech S.p.A. is guided by the **fundamental principles** of transparency, fairness, participation and accountability, which underpin every aspect of its day-to-day operations, with the aim of ensuring responsible and value-driven governance. The Company promotes a corporate culture that reflects a commitment to integrity, regulatory compliance and efficiency. This approach is rooted in respect for free competition, the adoption of proper conduct towards the Public Administration, and the maintenance of solid and lasting relationships with suppliers. Corporate responsibility also translates into the adoption of sustainable practices, the digitalisation of processes, and the constant pursuit of technological innovation.

To fully understand the roles of the administrative and supervisory bodies, as well as their responsibilities in the management and running of the Company, please refer to the section ‘At the helm of Novation Tech’, which outlines the principles guiding appointments, the individuals involved and the responsibilities for sustainable development. This approach aims to strengthen the transparency of corporate operations, promote ethical conduct and ensure a solid reputation in the market.

As part of the materiality analysis, the identified IROs demonstrate that the company is actively committed to promoting a corporate culture that embraces sustainability, ethics and social responsibility.

The company stands out for its collaboration with secondary schools and technical colleges, through work placements and guest lectures, to educate future generations within a framework of responsibility and innovation. The adoption of the 231 Organisational Model and the introduction of training courses during onboarding reinforce the commitment to transparent and compliant management.

Furthermore, active participation in Confindustria and automotive trade associations, as well as involvement in sports associations, are a further indication of Novation Tech’s commitment to contributing to a responsible economic and social ecosystem. Strong relationships with suppliers, the digitalisation of business processes and the adoption of advanced tools such as Power BI demonstrate the company’s focus on technological innovation and efficiency.

Finally, Novation Tech is constantly committed to seeking out new technologies that enable it to maintain high quality standards whilst reducing costs. Digital exclusion of workers, protection against cyber-attacks and the risk of a disconnect between corporate behaviour and stated values are closely monitored to avoid negative impacts on reputation and operational efficiency. With a proactive vision focused on continuous improvement, the company consistently communicates to its customers its efforts to improve energy efficiency and ensure a sustainable future.

ESRS G1-1: Business conduct policies and corporate culture

Novation Tech has implemented key policies to strengthen **ethical practices** and responsible operations throughout its value chain. These policies aim to mitigate risks related to corruption, bribery and sustainability, whilst improving operational efficiency and stakeholder confidence. A constant commitment to transparent and responsible governance underpins every activity, with the aim of

ensuring sustainable results and regulatory compliance at every stage of the production and management process.

Novation Tech's governance is based on principles of transparency, accountability and ethical compliance, with the aim of ensuring that the company is managed in accordance with the highest moral and legal standards. To uphold these principles, the company has adopted key policies and documents that clearly define the company's expectations regarding ethics and conduct.

The '**Model 231**', known as the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, is a fundamental tool that establishes a set of rules and procedures designed to prevent the commission of crimes within the company. This model ensures that Novation Tech and its representatives operate in compliance with applicable laws, promoting a corporate culture based on integrity, transparency and adherence to ethical standards.

Alongside Model 231, the company has developed a Code of Ethics that sets out the moral and professional guidelines to be followed in every area of its operations. The Code establishes the following fundamental principles:

- **Integrity and Honesty:** Conducting business with absolute integrity and transparency, avoiding conflicts of interest and any form of unlawful activity, including corruption, money laundering and fraudulent practices.
- **Compliance with laws and regulations:** Complying with all local, national and international laws, regulations and standards, always operating within the legal boundaries of the jurisdictions in which the company operates.
- **Financial Responsibility:** Provide accurate and timely information to all stakeholders, ensuring that financial statements and reports are transparent and accurately reflect the company's financial position.
- **Fair Competition and Antitrust:** Promote fair competition by avoiding anti-competitive practices such as price-fixing or monopolistic behaviour, respecting intellectual property rights and safeguarding competition.
- **Product authenticity and intellectual property protection:** Ensuring the quality and authenticity of products, preventing the production of counterfeit parts, and respecting intellectual property rights such as patents, trademarks and copyright.
- **Responsible marketing and data protection:** Adopting ethical and responsible marketing practices, respecting customer privacy and handling sensitive data in accordance with data protection regulations.

A key aspect of Novation Tech's governance is its **whistleblowing** procedure. The company encourages all employees and stakeholders to report unethical practices confidentially, ensuring that such reports are dealt with promptly and without risk of retaliation. Novation Tech does not tolerate any form of retaliation against those who report illegal activities or breaches of the Code of Ethics in good faith.

To ensure that corporate governance and policies are always up to date, Novation Tech promotes a culture of continuous improvement through the regular review of ethical policies, ongoing employee training and raising awareness of issues related to ethics and sustainability. In this way, Novation Tech ensures that its operations are always in line with emerging social and ethical expectations.

RESPONSIBILITY IN THE SUPPLY CHAIN AND FAIR PAYMENT PRACTICES

ESRS G1-2: Management of relationships with suppliers

ESRS G1-6: Payment practices

At Novation Tech, the management of **supplier relationships** is a key element in ensuring sustainability and integrity throughout the value chain. The importance of suppliers is recognised through the adoption of a comprehensive approach that integrates ethical values, social responsibility and sustainability at every stage of the commercial relationship. The sustainability policy applies to all suppliers who provide goods and/or services directly to Novation Tech, as well as those contractually linked to the company. All suppliers are expected to comply with applicable local and international laws; where these do not meet the standards set out in the policy, they are expected to adhere to the higher standards set out in the code of conduct.

Human Rights and Working Conditions

At Novation Tech, we believe it is essential that everyone is treated with respect, dignity and fairness. We therefore require our suppliers to respect workers' fundamental rights and ensure safe and healthy working conditions. This includes upholding equal treatment, ensuring there is no discrimination, and guaranteeing fair wages, reasonable working hours and working conditions that respect human rights.

Health and Safety at Work

Health and safety are priorities for Novation Tech, and suppliers are expected to adopt practices that ensure a safe working environment. Suppliers must comply with local health and safety regulations, provide appropriate personal protective equipment, and have well-defined emergency plans in place to deal with any unforeseen situations.

Corporate Ethics and Compliance

At Novation Tech, we aim to build relationships of trust with our partners, based on transparency, integrity and mutual respect. Suppliers are required to adhere to ethical principles, such as the prohibition of corruption and unlawful practices, and to ensure the protection of sensitive data. It is also necessary to maintain accurate financial records that comply with legal regulations, thereby ensuring transparency in operations.

Sustainability and Social Responsibility

Suppliers are expected to share our commitment to environmental and social sustainability. They are encouraged to implement practices that reduce their environmental impact and promote the well-being of their employees, thereby contributing to a responsible and sustainable supply chain.

Monitoring and Compliance

Novation Tech is committed to regularly monitoring suppliers' compliance with its policies and expectations. In the event of non-compliance, it reserves the right to take corrective action to ensure that ethical standards are upheld throughout the value chain.

The high expectations placed on suppliers are based on the principle of reciprocity: we are committed to honouring the agreements entered into by both parties. As evidence of this, in 2024 all payments were made within the agreed terms, ensuring consistent and timely payments to the supply chain.

INTEGRITY AND TRANSPARENCY IN CORRUPTION PREVENTION

ESRS G1-3: Prevention and detection of corruption and bribery

ESRS G1-4: Incidents of corruption or bribery

Acting with integrity and transparency is not merely a legal obligation, but a commitment undertaken by Novation Tech towards its customers, suppliers, employees and the communities with which it interacts. The company places a central emphasis on legal compliance, the prevention of corruption and, more generally, the promotion of a culture of integrity, which is essential in a highly regulated and competitive sector such as the automotive industry.

The Board of Directors sets the strategic guidelines regarding **business conduct** and the management of compliance risks, approving the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (Model 231) and ensuring its periodic updating. The Board of Directors receives structured reports on the implementation of Model 231, the results of control activities and any violations identified, so as to be able to assess the effectiveness of the system and direct improvement measures.

In accordance with the Italian **Legislative Decree 231/2001**, Novation Tech has established a Supervisory Body (SB), which is vested with independent powers of initiative and oversight. The SB is an integral part of the internal control system: it monitors the implementation of the 231 Model, verifies the correct management of processes considered at risk of criminal offences (e.g. procurement, relations with the Public Administration, gifts and sponsorships, supplier management), analyses any critical issues and manages reports received, reporting periodically to the Board of Directors and senior management.

The **Code of Ethics** serves as a guide to the conduct expected of directors, management, employees, contractors and business partners, and forms the ethical foundation of the 231 Model. It translates the principles of legality, integrity, transparency, health and safety protection, and respect for the environment into operational rules applicable to the various company functions. To support its effective implementation, Novation Tech provides targeted information and training programmes on the Code of Ethics and the 231 Model, aimed at staff and roles most exposed to the risks of non-compliance, including through digital tools in line with the company's innovative approach.

The existence of dedicated reporting channels and procedures for handling reports ensures that any non-compliant behaviour can be reported confidentially and without fear of retaliation, in accordance with current legislation. The information gathered feeds into the process of assessing and updating the 231 risk, which is carried out periodically with the involvement of key functions, with the aim of integrating, where necessary, new prevention and control measures.

TRANSPARENCY IN INSTITUTIONAL RELATIONS

ESRS G1-5: Political influence and lobbying activities

The company recognises the importance of transparent and responsible conduct in the areas of political influence and lobbying, in accordance with ESRS G1-5 standards. As a member of Confindustria Veneto Est and Assosport, and a registered member of ANFIA ("*National Association of the Automotive Industry Supply Chain*"), the company is committed to maintaining a constructive dialogue with institutions and trade associations, contributing to the development of economic policies that promote innovation and sustainability within the sector. The company's CEO holds prominent roles in the national economic landscape, having served as National Arbitrator of

Confindustria's Special Board since June 2019 and as a member of the General Council of Confindustria Veneto Est since 2023. These appointments demonstrate his direct involvement in decision-making and advocacy activities, ensuring that the company's interests are adequately represented at an institutional level. Furthermore, in 2022, the CEO was appointed Chairman of Certottica Group, a world leader in certification within the eyewear sector and a certified training body, further strengthening the company's role in the dialogue between industry, certification and sustainability.

These commitments highlight the company's responsible approach to managing its relations with public authorities and industry organisations, ensuring that lobbying activities are conducted in accordance with ethical and transparent standards, thereby contributing to the promotion of a more sustainable and responsible economic environment.

Reading guide: where to find the information required by the ESRS

ESRS 2 IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Below is a list of the disclosure requirements set out in the ESRS, which are addressed in this document. These requirements have been identified on the basis of the issues identified as material following the double materiality analysis.

ESRS 2 GENERAL DISCLOSURES			
Disclosure requirements		Comments	Page
CRITERIA FOR PREPARATION OF THE SUSTAINABILITY STATEMENT			
BP-1	General basis for preparation of the sustainability statement		14
BP-2	Disclosures in relation to specific circumstances		14
GOVERNANCE			
GOV-1	The role of the administrative, management and supervisory bodies		15
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		18
GOV-4	Statement on due diligence		19
GOV-5	Risk management and internal controls over sustainability reporting		20
STRATEGY			
SBM-1	Strategy, business model and value chain		21
SBM-2	Interests and views of stakeholders	Novation Tech has now completed the mapping of its stakeholders, identifying key stakeholders across the value chain. In line with a phased reporting approach, the company has defined its material issues through an internal analysis, with plans to incorporate direct stakeholder engagement in future reporting cycles.	31
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	As this is the first year of reporting, it is not possible to provide comparative information regarding the analysis of impacts, risks and opportunities.	25
MANAGING IMPACTS, RISKS AND OPPORTUNITIES			
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities		26
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement		80-82
MDR-P	Policies adopted to manage material sustainability matters		32
MDR-A	Actions and resources in relation to material sustainability matters		34
METRICS AND TARGETS			
MDR-M	Metrics in relation to material sustainability matters		34

E1 CLIMATE CHANGE			
Disclosure requirements		Comments	Page
ESRS E1 CLIMATE CHANGE			
E1-1	Transition plan for climate change mitigation	The company has not yet adopted a formal climate transition plan. This document will be drawn up once two consecutive carbon footprint (CFP) analyses have been completed, which are necessary to establish a comparable and representative database.	38
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		37
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		26
E1-2	Policies related to climate change mitigation and adaptation		38-39
E1-3	Actions and resources in relation to climate change policies		38-39
E1-4	Targets related to climate change mitigation and adaptation		38
E1-5	Energy consumption and mix		39-41
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions		41

E2 POLLUTION			
Disclosure requirements		Comments	Page

ESRS E2 POLLUTION			
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		42
E2-1	Policies related to pollution		43
E2-2	Actions and resources related to pollution		43-44
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