



2021

Sustainability Report



streparava





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LETTER FROM THE

PRESIDENT



Pier Luigi Streparava
President of Streparava SpA

**Our report has a theme:
back to the future.**

In the past two years we all have suffered from bans, changes and restrictions brought about by the pandemic: it does not mean that we have now overcome it, but at least we have weapons to limit the damage. This obligatory “stop” has given us a chance to reflect on our past and our future. The most common sentence we have heard many times: nothing will ever be the same again. I do not know if it will be so, but we will certainly not stop. We

We, “Streparava family” care deeply about our business, and that is why we are all committed to understanding what the future “of automotive” will be. It is important for us to understand future trends in order to position ourselves in new technological markets. None of us want to undermine the efforts that are being made to reduce pollution, but we must consider the context in which we operate and formulate times and methods that take into consideration

**WE SHOULD THINK ABOUT WHAT THE FUTURE STEPS SHOULD BE,
WE SHOULD THINK DIFFERENTLY IN OUR APPROACH TO THE DEVELOPMENT
OF OUR INDUSTRIAL SYSTEM AND TO NEW SYSTEMS OF LIVING**

have in any case learned that despite the great strides that technology and medicine have made, we are extremely fragile.

We have learned that globalization in some cases can turn into a binding obligation. We have also experienced how solidarity has snapped to levels we did not expect. However, now that we are enjoying an almost normal life, we should think about what the future steps should be, we should think differently in our approach to the development of our industrial system and to new systems of living. It is, in my opinion, extremely important that the decisions the community will take are not determined by urgency or by slogans.

the current reality. In this moment, we are also committed to ESG, an acronym for environmental, social and governance, which refers to three factors in measuring the sustainability of an investment, which materially means acting according to sustainability principles, to create value for all stakeholders.

We should not only look at the present but also operate with the future in mind so that we are prepared to change our decisions. My wish for everyone is that we continue to operate as a “family”, within the rules, and this will be possible through the joint efforts of all stakeholders.

INTRODUCTION OF THE

CEO



In the coming years, Streparava group will deal with very important challenges,

dictated by the technological trends sweeping through the automotive world, such as electrification and autonomous driving: in the past years, we have focused on the implementation of lean, both in the offices and in the workshop, with the implementation of World Class Manufacturing (WCM), achieving very satisfying results; then, we moved on to strategic orientation, through a shared and collaborative approach of creating

The result of these important preamble is the establishment of a path based on ESG (Environmental, Social, Governance) criteria, led by a special and homonymous committee, that can accommodate the new aspects related to this issue and that will lead our company over the years toward neutrality in terms of emissions, maximum attention to sustainability and the 17 UN goals recently summarized in the 2030 Agenda

Paolo Streparava
CEO Streparava SpA

THE COMPANY'S COMMITMENT WILL THEREFORE BE MULTIDIMENSIONAL, FOCUSING ON THE ISSUE OF SUSTAINABILITY FROM DIFFERENT POINTS OF VIEW

the corporate strategy summarized in the Hoshin Kanri matrix that has visibility until the year 2025. We will also face the future challenges with the passion, energy, and determination that have always characterized our team: being able to count on passionate and, above all, strategically aligned people will make this journey less complicated.

for Sustainable Development. The company's commitment will therefore be multidimensional, focusing on the issue of sustainability from different points of view: from an environmental approach, focusing on the management of resources and ecosystems, emissions and energy consumption; from a social approach, involving and ensuring the wellbeing of all stakeholders from an inclusive point of view and flanking it with continuous skills development; and finally from an economic and financial approach, through careful supply chain management and the adoption of the highest ethical standards in business activities.



Concept

Back to the future

To better understand what the organization wishes to accomplish in the **future**, it is necessary to know its essence, **what it really is by its very nature**.

These have been two difficult years, lived with a psychological pressure that has worried all of us, and today, as we slowly return to a normal life, we realize that we are now different, **men and women changed by an event that has forced us to evolve**.

And in this forced change we find ourselves **living in an organization that has changed with us**; priorities, choices, rules, have changed our habits of living the company.

The Streparava of today is very different from the Streparava of yesterday, but we have never forgotten where we come from, what is our essence, what is the spirit that guides us every day in our choices. This year the consideration of our report is **"Back to the future"**: an expression that literally creates a **logical contrast**, because it merges the idea of return, that is, the past, with that of the future. An **oxymoron** that nevertheless perfectly sums up the tensions that characterize our people: different

generations clinging to yesterday's culture, reinterpreting it with an eye toward tomorrow.

The old and the new, the past and the present, the value essence of the company and the need to make a profit, the focus on people and the fickleness of the market, the experience of the "old" and the speed of the "young."

An ancient and modern culture at the same time. These are the contrasts that coexist in our world, through which we practice listening to our people with the aim of **promoting the culture of innovation, never an end unto itself**. We do not do just to do, **we do to transform** our people's working lives into a wellbeing experience, into something that is useful in improving their lives. And all this is possible by developing a leadership model that can promote and facilitate: interaction behaviors, delegation, growth paths, the ability to self-organize, to interact, to contaminate.

Underlying all of this is the desire to improve relational effectiveness and promote the decision-making autonomy of our people.



Scenario

We can declare that 2021 was also not a year without difficulties and concerns, but it was certainly a year marked by **recovery** and a **desire to start again**.

Over the course of the year, **the overall picture of the economy improved**, although **uncertainties remained** regarding growth expectations related to the evolution of the pandemic. Growth, especially in foreign trade, was supported by **measures launched to support families and businesses**.

Against this backdrop, inflation had an upward enhancement as early as the second quarter driven by the trend in **energy prices**, remaining roughly stable throughout the year. The first months of 2022 then recorded a further upward enhancement, touching the highest value since the start of monetary Union.

In the Eurozone, financial conditions remained favorable in the early months of the year, and credit to businesses and families continued to expand at a good pace. Recovery and the desire to start again involves **looking ahead** to understand, anticipate and know how to meet the **challenges** ahead in a new, unexpected, and still uncertain environment.

As individuals and as a business we have been called to move to **new ways of living and working**, to be **actors in the transition**; a key word that characterizes the change and the future that awaits us. **Green** transition, **technological** transition, and **cultural** transition are the great challenges that all economic sectors are being called upon to face, in a rapid timeframe, to reach

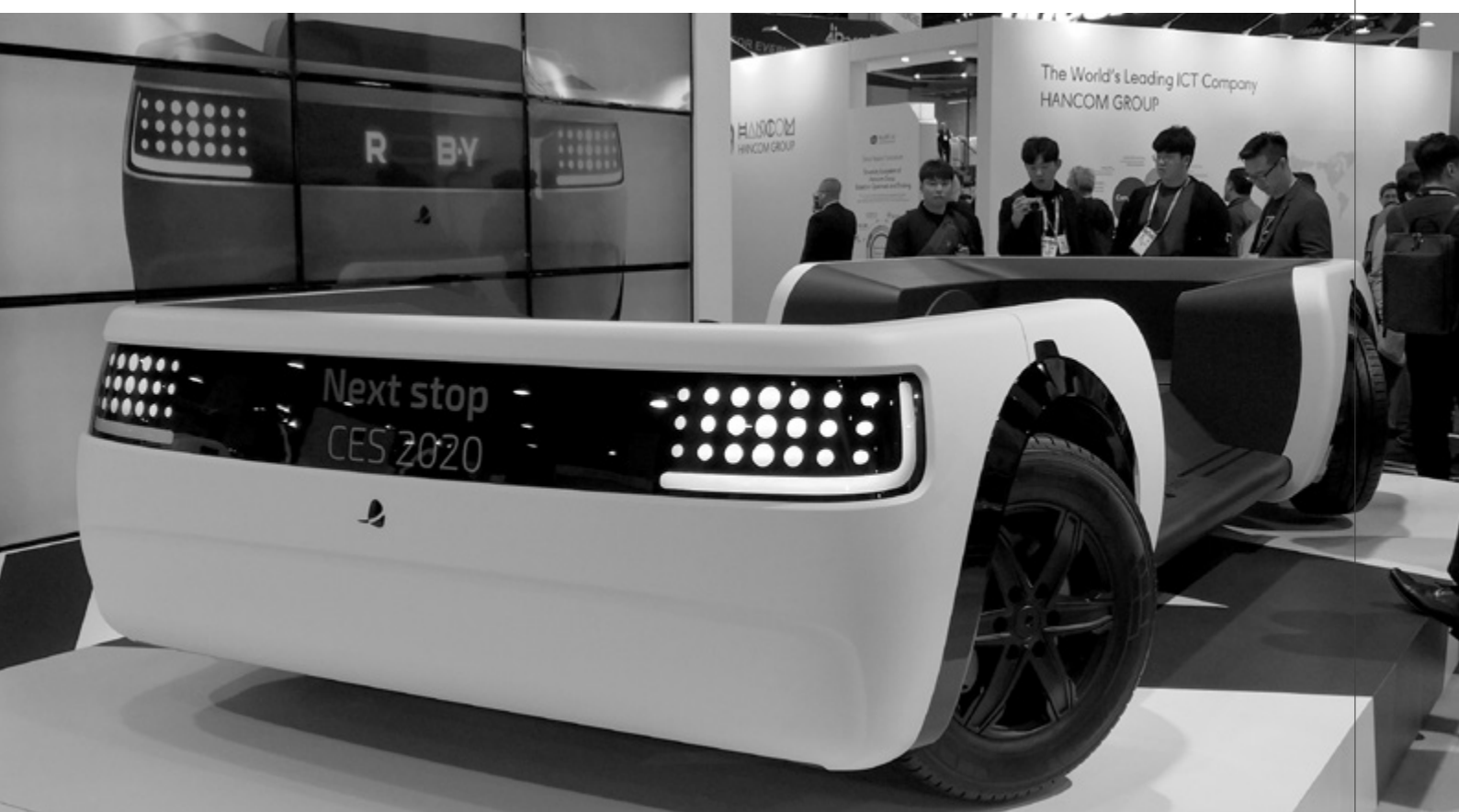
increasingly sustainable productions to continue producing and creating value for people and the environment.

The **automotive sector**, in particular, is being called upon to undergo a profound transformation oriented to **increasingly sustainable mobility**: the enhancement to electrification of components and engines, the transformation of products in a digital sense, and the decarbonization goals for mobility with the proposed Fit for 55 regulatory packages are some examples.

Not only technological innovations, but also a **change in people** through the development of new skills, managerial and market capabilities, and new know-how.

It is a transformation that will impact **the entire value chain of the automotive supply chain**, from research and development to industrialization and production, and that will reward companies that can combine innovation, research excellence, industrial development, and sustainability.

In order to be always ready to face the new challenges required by the market, the global context and our stakeholders, and which we consider to be priority and necessary choices for the future we would like, we are today building a path that knows how to govern change, assessing risks and opportunities and defining objectives and actions in relation to the environmental, social and governance dimensions of our way of doing business, the **ESG Plan**.





2021 Goals

BUSINESS



237 mln €

turnover



16,7 mln €

EBITDA – gross operating earnings



5,4 mln €

investments

PEOPLE



340

employees with open-ended contract



42

new hires



22

new hires under 30



10

internships activated

TRAINING AND NEAR-MISSES



5,642 hours

of training provided



13.9 hours

of training per capita



+5.8 hours

hours compared to 2020



0 accidents

with serious consequences



0 occupational

diseases

ENVIRONMENT



71,481 GJ

of energy consumed



compared to 2019



4,012.5 T

of waste sent for recovery



of total waste

Methodological note

In this Sustainability Report, we transparently report our stakeholders about Streparava Spa's economic, social, and environmental sustainability operations and performance.

The data and information reported refer to the period January 1 - December 31, 2021. To assess the dynamic trend of activities, performance indicators are also reported in relation to the previous years 2019 and 2020.

Compared to the Sustainability Reports published by the company since 2016, this document has been prepared by applying, where possible, the GRI Sustainability Standards, international reference guidelines on sustainability reporting.

The drafting of the document involved the main organizational areas of Streparava Spa, with the coordination and supervision of the ESG Committee and the CEO Committee.



The drafting complies with the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI) under the "with reference" option. For ease of reading, the "GRI Content Index" in appendix illustrates the GRI indicators reported and provides a timely link to the contents of the document.

Principles for defining the content and quality of the information reported



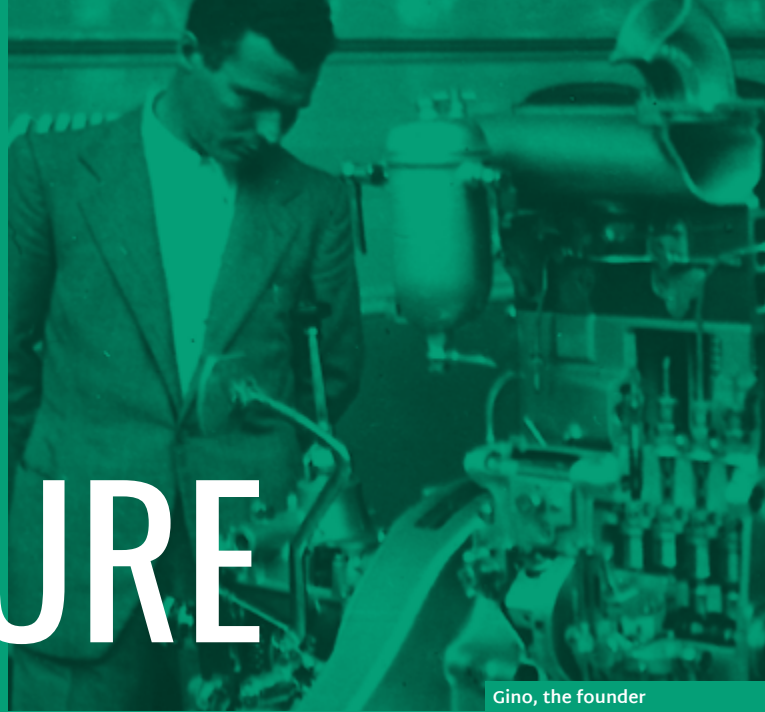
The Sustainable Report is available on the company website: streparava.com
For any or further information, please write to: contact@streparava.com

Sustainability Report

2021



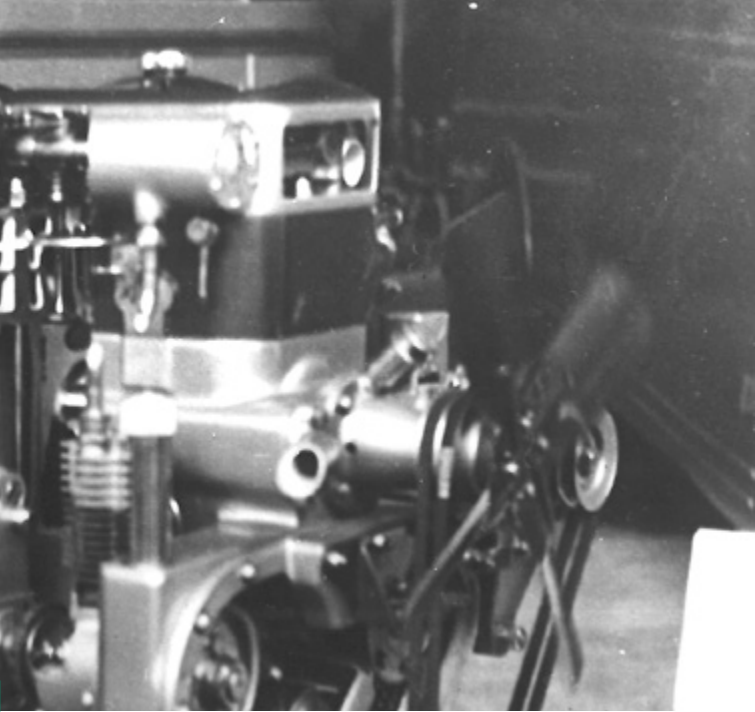
ORIGINS AND FUTURE



Gino, the founder

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1.1 Vision and strategy

Our history

We have been family since 1951

Seventy years is a long time to summarize: starting from 1951, where in Cologne, province of Brescia, in a deconsecrated church, 4 partners with 5 workers began to produce bolts and screws for OM in Brescia. Among them, there was Gino, our founder.

2021, Adro, seventy years of our company, with the presence in the company of the third generation of the family: Streparava has been transformed and today produces complex systems in the automotive sector, counting 2 million engine components (Powertrain) since 1996 until today.

The milestones of Streparava's success pass through the **evolution of the product, processes, and technological applications:** in 1978 we made the first independent suspensions, in 1998 the first rocker arm assemblies, thanks to a fundamental technological leap, up to the latest products in buses, tractors and premium car components.

Besides the continuous improvement of production processes, the **presence in the world** has steadily and profitably increased both on the Italian territory and from an international approach. Today Streparava produces high-precision powertrain and chassis components supplied to major OEMs (Original Equipment Manufacturers) for motorcycles, automobiles, buses, commercial and industrial vehicles.

Streparava is now international, counting **7 production plants worldwide**, including 4 in Italy, as well as Spain, India, and Brazil, with a total of nearly 1,000 employees. Meanwhile, the company has not ignored to pay close attention to what is being developed in the world of sustainable mobility, participating, through its subsidiary **E-Shock**, in a project to develop autonomous driving.





Board of Directors Streparava SpA

Streparava SpA is 100% controlled by Streparava Holding SpA.

Pier Luigi Streparava



Paolo Streparava



Enrico Deltratti



Roberto Deltratti





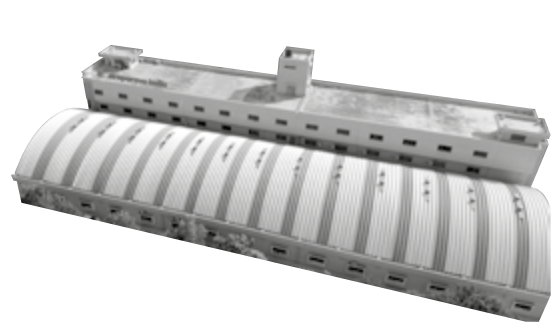
Cologne

19
51

Opening SISA

19
69

Settlement in Adro

20
00

Opening SIND

20
02

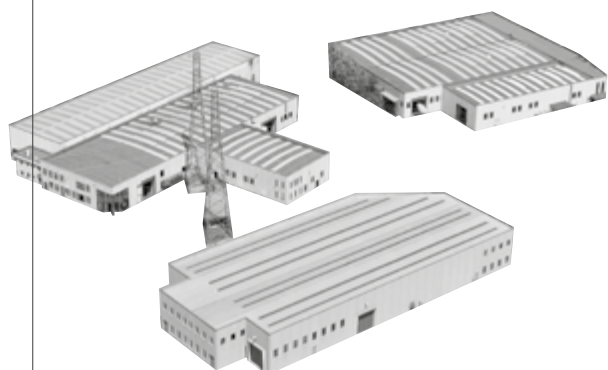
Opening SCAL

20
13

Take-over SPT Srl

20
14

Take-over B.P.T. Borroni Powertrain Srl

20
17

Incorporation Alunext

20
19

e-shock

20
21

Anniversary 70 years since foundation

ITALY

Streparava SpA Headquarter

Adro (BS)

B.P.T. Borroni Powertrain Srl

Saronno (VA)

SPT Srl

Valsamoggia (BO)

Alunext Srl

Sirone (LC)

SPAIN

Streparava Iberica SLU

Valladolid

INDIA

Streparava India PVT LTD

Bommasandra, Bangalore

BRAZIL

Streparava Componentes Automotivos LTDA

Sete Lagoas (MG)



7

Production plants
in the world



4

Plants
in Italy



1000

Employees

Local teams, trained and aligned with the company's mission and values, operate in the Streparava Group offices located in Italy and around the world.

The constant investment in the development of human resources and in the latest technologies, over time, has led Streparava Group to integrate into **one large structure** capable of operating effectively from design to production, through prototyping and testing of our products. Today our Group is among the industry leaders and partners with the most important automotive manufacturers for powertrain and chassis components and systems.



Mission, Vision and Values

No abstract concepts, no empty words: Mission, Vision and Values are the **concrete and solid starting points** from which all our activities are created, the foundations on which we are also building the Streparava Group to come.

The strongest feeling that unites us is surely the **sense of belonging**. We all experience the pride of being part of a company that has the word **"family"** in its mission. Attention, listening, and support for people are key actions for Streparava that have characterized internal relations since 1951. We often hear about "people at the center," but the greatest difficulty is to be consistent. Every choice, every decision finds its origin in **respect for people**, and we can say that this is a distinctive feature of our company.

The words **passion, inspiration, sustainability** are the DNA of Streparava team. It is passion that recharges our energy every day; it is inspiration that accompanies us on our journey as **"automotive professionals"**; it is sustainability that holds the responsibility, as managers, to make conscious choices every day.

To be passionate is to "feel" an additional and unique part to the company and, the moment we stray from this direction, to feel the attraction and return to it. Inspired is always projecting **forward** for the best future of the company, looking forward to the future with utmost commitment. The group's sustainability has various facets, which are not limited to the environmental sphere: it allows us to have and see a **better future** not only for our people or the company, but for the entire social fabric that surrounds us.

VISION

Passionate, inspired, sustainable.

A global professional team recognized as a provider of key innovative solutions for the mobility of the future.

MISSION

We globally deliver high impact solutions through the design, testing and manufacturing of driveline, chassis and powertrain components and systems. Our people are driven by safety, continuous improvement, reliability and wellbeing for all the stakeholders of today and tomorrow. Committed to improve the environmental impact.

**ONE FAMILY SINCE 1951.
READY FOR FUTURE CHALLENGES.**

VALUES



TEAM SPIRIT

we work as a team,
before as individuals



WELFARE

we put people at the
center, fostering a work
environment that treats
our employees physically,
mentally and emotionally



CHALLENGE

we try to find a different
way of doing things,
accepting a new challenge
every day





Our products

In recent years we have followed a path of **growth and differentiation** of Customers and products, managing to offer a complete service from **engineering, prototyping, industrialization to mass production**.

Compared to other companies of the sector, Streparava is recognized for its **speed and responsiveness** in solving problems arising even from external factors that depend on economic and market situations.

From our customers, we are recognized for our uncommon **know-how and ability** as we are able to offer “real” **technical support at the level of development, industrialization of components, definition and choice of the supply chain**, guaranteeing quality and competitiveness to all stakeholders.

Streparava is also credited with the ability to anticipate megatrends that will play a decisive role in the development of the automotive market in the future: **shared mobility, autonomous driving, digitalization and electrification**.

Streparava is positioned as a **provider of key innovative solutions for the mobility of the future**, where both the **reduction of environmental impact** at the product and process level and the **reduction of component and assembly weights** will play a key role.

Streparava is always ready to explore opportunities arising from industry developments for increasingly sustainable mobility:

- since 2010 we have been developing, testing and patenting independent suspension **for zero-emission vehicles**, the new generations of electric commercial vehicles and small city buses;
- we develop, test and manufacture independent front suspensions for **light commercial vehicles**, carrying out the final assembly of the complete suspensions on a dedicated line, with automatic controls and recording of all safety-related data since 1978;
- in addition to special machining for aluminum suspensions, we have designed, validated and patented solutions for aluminum extruded arms or HPDC suspension crossmembers, achieving **weight reduction** benefits of up to 50% compared to the original design;
- the integration of Streparava’s mechanical expertise with the electronic and software expertise of its subsidiary E-shock resulted in the design of a “Digital Rolling Chassis,” which is a complete electrically driven marching chassis with integrated **autonomous driving** features capable of enabling a plurality of uses and services.

Streparava’s two **divisions Chassis and Powertrain** have been working for years in the direction of more sustainable mobility.

We do this with the **highest quality standards** and by committing ourselves **with great care to the workmanship**.



We have the most **advanced technological solutions** and have **great experience in the selection and use of materials**. We have **highly automated lines** dedicated to different products, ensuring **complete traceability of the process** and **extreme flexibility in production**: from prototype to small numbers, up to the production of thousands of pieces per day.

At Streparava we manage the **entire product life cycle**: from design performed to customer specifications to prototyping, testing and validation, and industrialization. We are able to supply both the single component and assembled products with a high level of complexity, acting as a system supplier and ensuring the control of critical features in assembly and the ability to perform any functional tests.



TECHNOLOGIES AND PROCESS DEVELOPMENT

Streparava pursues a policy of constant updating in strategic, instrumental, process and market skills, applying the latest industrial automation and digital transformation methodologies.

Testing and prototypes division

In 2009, the Testing and Prototypes Division was established, equipped with a Testing Center where we examine our products with tests and measurements, reproducing all the conditions they will be subjected to and analyzing the data obtained from the tests performed. Thanks to the tools at our disposal, we can obtain results in a significantly reduced time compared to

tests carried out directly on vehicles. The laboratory was created to be able to work together with our partners to search for the most suitable solutions to their needs, as well as a place where companies that need it can carry out tests to validate their products.



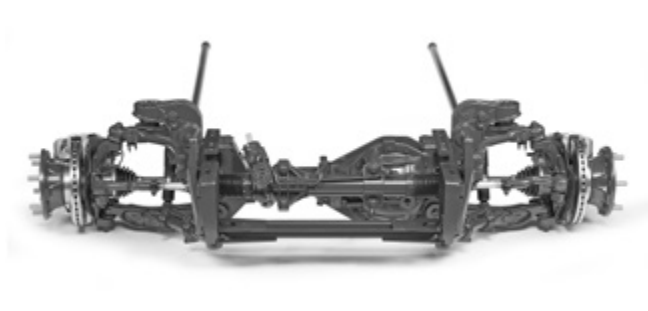


Chassis components

Since the late 1970s, at Streparava we have been designing, testing and manufacturing independent wheel suspension components for vehicles (traction and non-traction), wheel assemblies for axles and mechanical components intended for cars, commercial vehicles, buses, off-road vehicles, trucks and vehicles for the agricultural sector.



Independent front suspension for light commercial vehicle



Tractive front suspension for 4WD commercial vehicle



Independent front suspension for agricultural vehicle



SUV / Off-Road Wheel Assembly



SUV / Off-Road Wheel Assembly

Powertrain components

Since 1995 we have been designing, testing and manufacturing powertrain components for different sectors of the automotive industry. We started by producing rocker arms for heavy vehicles equipped with “heavy duty” engines. From there, we expanded our product range to crankshafts and camshafts, connecting rods, engine brake systems and transmission components.



Rocker arms for diesel engine truck application



Ramp rocker arms for diesel engine truck application



Motorcycle and high-performance car rocker arms



Motorcycle rocker arms



Common rail injection system components



Direct injection pump gasoline engines for cars



Tie rod for sports car



Crankshafts for various applications



Strategy

Complying with the Values, Mission and Vision that animate our company, we **work passionately in an integrated and cohesive manner** in the **pursuit of operational excellence** to improve the overall efficiency and sustainability of all our plants and people.

Always keeping the **company Vision** in mind, 3÷5-year **strategic goals** are outlined and **medium to short term goals** are then defined. This is followed by the association, for each objective, of **specific projects** (called HK), monitored on a dashboard within our share point. Streparava's strategy is developed using the **Hoshin Kanri** tool. This process allows us to define the steps necessary for the success and growth of the company, and, through the CEO HK committee and a series of **organizational commitments**, is concerned with keeping track of the achievement of results and the implementation of this strategy.

Through such planning, over the years we have implemented the drafting and monitoring of **Business Plans** at the Corporate Streparava level. They were drafted in collaboration with the Managers of each production Plant and shared at the target level in the CEO Committee. Each month the performance results are analyzed through the "ONE PAGE" tool and the specific work plan is discussed with the necessary activities to implement corrective actions or new potentials.

The monitoring is done at 360° from the point of view of Quality, Safety, Productivity, MdO and all economic and financial results, allowing to have constantly under control all aspects of the different projects.

Hoshin Kanri allows us to link Vision, strategies, goals and improvement projects and is the basis and support for the **sustainability strategy** Streparava intends to establish.

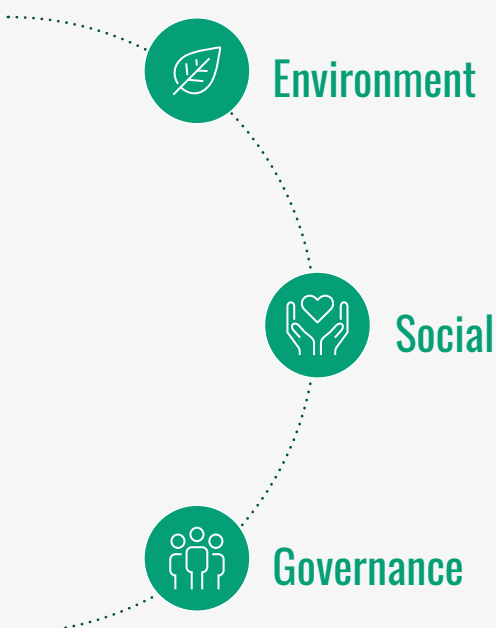


HOSHIN KANRI

The Hoshin Kanri is an integrated management approach that combines management strategic and operational management, aligning a company's functions and activities with its strategic goals. Hoshin Kanri is a pivotal tool for a company that grows and develops based on what it has built in the past, but at the same time cultivates a strong future orientation with long-term strategies and new, ambitious goals.

As a matter of fact, at the beginning of 2022, Streparava started a path aimed at **integrating ESG (Environment, Social, Governance) issues** into the company's strategy and processes to adopt increasingly responsible management that can contribute to the sustainable **success of the company and its stakeholders**.

The ESG path, guided by a special and homonymous committee, will lead to the definition of an **ESG Strategic Plan** that will allow Streparava to define the guidelines that will direct the implementation of sustainability in the business.



The ESG Plan

The ESG (Environment, Social, Governance) Strategic Plan is also a strategic and operational tool and recognizes environmental, social and governance issues as a corporate priority. Respect for environmental, social and corporate governance factors should guide the strategic choices of companies and investors to respond to the increasing focus on sustainable practices.

The ESG Strategic Plan allows to **set priorities**, give oneself (measurable) **goals** and an **action plan** to achieve them, and allows to:

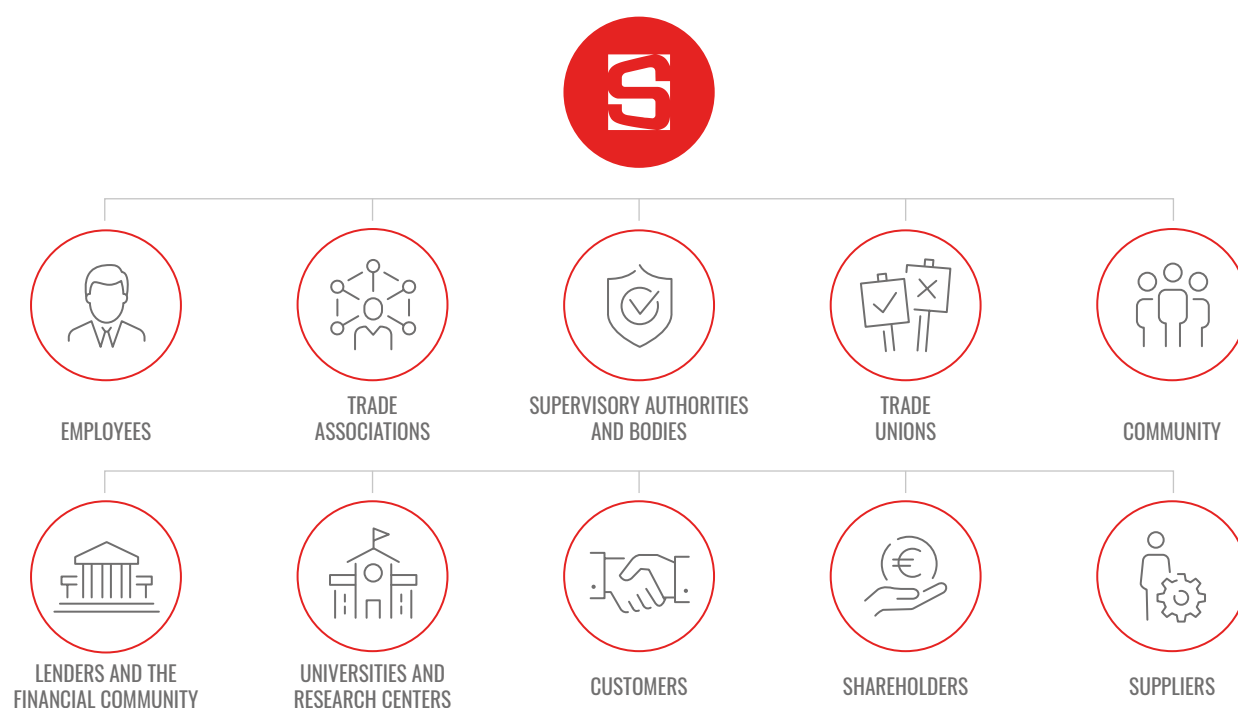
- integrate the sustainability strategy with corporate strategies and business objectives;
- pursue sustainability goals along identified strategic lines;
- keep priorities, actions, costs and timelines under control.

Stakeholders

At Streparava we recognize the importance of cultivating **collaborative relationships** and building **trusting relationships** with our stakeholders, i.e., the individuals and entities that influence and are influenced by our activities. Our way of doing business is founded and based on **listening** to and **respecting** internal collaborators, as well as on creating **lasting and strong**

ties with stakeholders outside the company.

For these reasons, in early 2022 we started a process of **stakeholder mapping** and **active engagement** with those most closely connected to our daily operations, with whom we can truly build an **increasingly sustainable business**.



The purpose of this involvement falls back on the will to **increase dialogue** with all our stakeholders, listening to their needs and expectations, as well as gathering solutions and resources to increasingly collaborate for a **more sustainable future**.





Double materiality approach

In 2022 Streparava implemented a ESG process, whose starting point is the definition of priority issues from a sustainability perspective, what is customarily called “materiality analysis”.

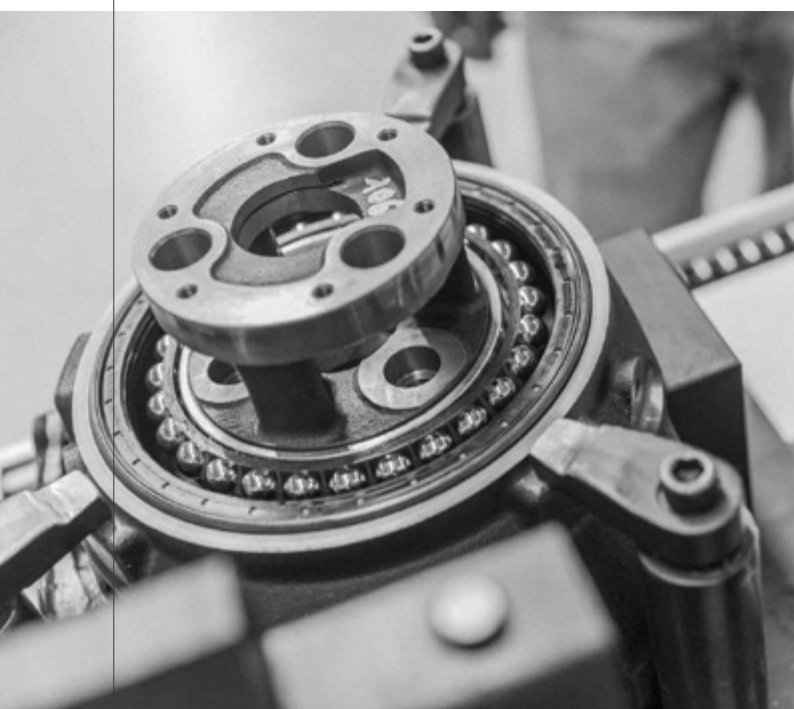
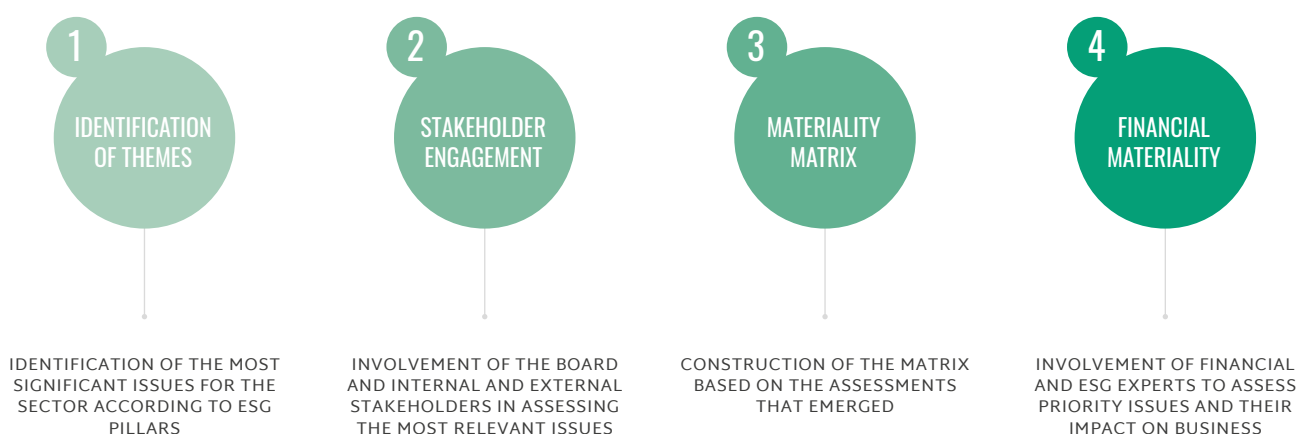
Materiality analysis is a key part of our sustainable business transformation process. It allows us to **focus on priorities** related to ESG factors, i.e., environmental, social and governance factors, on which to focus our strategies and actions to protect and improve our ability to create lasting value over time.

We also wanted to **take up a challenge** in this context: to adopt a recent and not yet fully delineated approach underlying which is the concept of **Double Materiality**.

The concept of Double Materiality invites us to overcome the disjunctive view of financial materiality and impact materiality by offering a unified solution that recognizes the added value in defining material issues by considering both perspectives:

- **Outside-in** where the company considers the risks and opportunities arising from managing, correctly or otherwise, a given ESG issue and the impact these might have on its financial and economic performance;
- **Inside-out** where, on the contrary, the company brings attention to the impacts, positive and negative, actual and potential, that its management of a given ESG issue may create on stakeholders.

Our process of materiality analysis



Identification of themes

A series of ESG pillar issues have been identified that are significant to the industry and the context in which Streparava operates through the analysis of:

- **Benchmark** competitors, customers, trade associations
- **SASB**, standard that defines a set of ESG criteria most relevant to the financial performance of companies in different sectors
- **Rating ESG**
- **Sector report**
- **Global Risk Report**

Themes emerged related to the 3 pillars ESG



Stakeholder engagement

The next step, which is still ongoing, was to involve stakeholders in the process of identifying priorities for our company, to build a more comprehensive vision that also considers their perspectives in identifying and managing the most relevant ESG issues.

We have involved different categories of stakeholders:

- **Employees**
- **Customers**
- **Suppliers**
- **Territory representatives**
- **Representatives of the financial world**

Thanks to this interaction we are gathering **objective and concrete opinions** on the impact of our company and our activities, and thus we are defining the direction Streparava should take to satisfy the stakeholders concerned.

All stakeholders were required to fill out a **quantitative online survey** to gather their views on which of the issues identified in the first step are most relevant in terms of social, environ-

mental, and economic impact for Streparava. In addition, some stakeholders were engaged through **qualitative in-depth interviews** designed to understand in more detail why some ESG issues were considered more relevant than others in relation to the relationship between our company and the interviewed stakeholder.

Sector experts were also interviewed at this stage to better understand the context within which the company is moving.

Materiality matrix

Thanks to the information gathered in the stakeholder engagement phase, it will be possible to build the materiality matrix that will see the vision of external stakeholders (employees, suppliers, customers, representatives of the territory and the financial world) represented in the y-axis, while the vision of the company will be represented in the x-axis.

The materiality analysis process will be completed in 2022 and will accompany us in the definition of our ESG Strategic Plan, also becoming the basis for our future Sustainability Reports, in line with GRI requirements.



1.2 Governance

Streparava Spa is 100% controlled by Streparava Holding Spa.



Governance model

The corporate governance structure of Streparava SpA is organized according to the traditional administration and control model. The Board of Directors, appointed by the Shareholders' Meeting, is entrusted with the management of the company, the evaluation of the adequacy of the organizational structure, and the control of general performance. Its value model ensures its transparency and competence. The Board of Statutory Auditors has the task of supervising compliance with the law and observance of the principles of fairness; the Supervisory Board, composed of two members, is assigned the task of verifying the

functioning, effectiveness, and observance of the Organizational Model pursuant to Legislative Decree 231/2001 and the company's Code of Ethics. The Code of Ethics and the Organizational Model, with their structured system of principles, rules and procedures, are aimed at spreading and guaranteeing ethics and transparency by preventing the commission of crimes and promoting correct behavior in compliance with the commitments and responsibilities assumed by the company in the conduct of its activities, with which all those who come into contact with Streparava are required to comply.

Steering committee and operating committees

An essential tool for the effectiveness of our governance model is the corporate organization, designed to **respond in a timely and effective manner to a global, dynamic and future-oriented market**. The corporate structure consists of 3 levels that complete the corporate governance system:

- the **Steering Committee**: a body active since 2013 and composed of all the first levels, it meets bimonthly and is the guarantor of corporate strategy, also assessing its sustainability risks. It reports directly to the Board of Directors;
- the **Operating Committees**: 5 committees dedicated to the operational management of specific areas of action:
 - CEO Committee, has a monthly cadence and monitors the progress of Hoshin Kanri projects and Corporate KPIs, defining strategy and any changes;
 - Operating Committee, has a monthly cadence and brings together all functions related to manufacturing: production, quality, purchasing, technology, advanced technology, logistics;
 - Commercial Committee, has a monthly cadence; it brings together corporate salespeople who work in sync with operations and research & development;

- Innovation Committee, has monthly cadence; brings together researchers and collaborates with salespeople on the development of customer projects and new technologies/innovations;
- ESG Committee, has a monthly cadence; explores issues related to people, energy, wellness and communication;
- **Daily-meeting Operating Groups**: groups that meet daily, are related to operations and the resolution and scheduling of manufacturing activities.

Operating committees with **computerized management of the flow of information** and with the organization of **alignment meetings** by functions are the basis of our company's governance model. They ensure a **solid knowledge** of the company's activities and organization by all the resources that are part of it, fostering a **continuous contamination between the different areas of the company**, with the purpose of spreading the company culture and help enhance it.

Our business model can **generate strong people engagement and enhancement policies**.



From the left: Marco Rubagotti, Fabio Faustini, Ivano Astori, Enrico Deltratti, Roberto Zerbin, Simona Pani, Pier Luigi Streparava, Paolo Streparava, Roberto Deltratti, Stefano Guerra, Andrea Ferrari, Davide Ferrario, Raffaella Bianchi, Renato Cotti Piccinelli, Paolo Bentivoglio.



1.3 Economic Context

For our Group, the operating performance, overall, shows positive indicators: operating profit increased compared to 2020, **with turnover of 237 million euros, which is +27.5% compared to 2020** and at a higher level than the pre-pandemic situation.

Turnover growth covered both the chassis and powertrain divisions: **+28.2% for the chassis division, +34% for the powertrain division over 2020 turnover.**

Net operating income (EBIT) and gross operating income (EBITDA) are also growing steadily: it is possible to say that a good net result has been achieved again for this year, especially due to the shrewdness applied in containing overhead expenses and streamlining production processes.

In 2021, the cost of raw materials, subsidies, consumables

and goods increased by 41.3 %, and the incidence on the value of production increased from 69.07 % in 2020 to 75.17 %.

Financially, we can say that we have adequately equipped ourselves to cope with sudden drops in turnover and necessary investments

Investments were steady and further affirmed our company's desire for continued growth, substantiated mainly by the purchase of specific equipment, robotic work centers, plant and machinery; the amount for the year totaled **5.4 million euros**.

Finally, investments related to the introduction of the WCM methodology in the company continued during the year in the amount of approximately **200 thousand euros** and investments aimed at implementing and improving lean processes within the company.



Economic value generated and distributed

The economic value generated by Streparava in 2021 is 243,549,748 euros, up 11.3% compared to 2019. Through its activities, the company not only ensures daily operations and business continuity over time, but also redistributes value to the various stakeholders with whom it relates.

 **243,549,748 €**

economic value generated in 2021



+11.3%

% economic value compared to 2019

Economic value provided

(Thousands of euros)

	2019	2020	2021
ECONOMIC VALUE PROVIDED	218,778,164	189,222,791	243,549,748
Economic value distributed	204,090,413	180,549,869	232,869,310
- to Suppliers	174,505,477	153,140,157	202,240,125
- to employees	23,010,088	18,198,110	22,616,922
- to capital providers	606,685	902,385	572,784
- to the Public Administration	3,044,163	1,525,217	2,008,479
- to Shareholders	2,500,000	6,500,000	5,000,000
- to the Community	424,000	284,000	431,000
ECONOMIC VALUE RETAINED	14,687,751	8,672,922	10,680,438

Economic value distributed in 2021



83.8%

Suppliers



9.7%

Employees



2.1

Shareholders



0.9%

Public Administration



0.2%

Capital providers



0.2%

Community

The economic value distributed in 2021 amounts to a total of **232,869,310 euros**, divided among different stakeholders as follows:

- 202,240,125 euros to suppliers, through purchases of materials and services functional to carrying out the company's operational activities;
- 22,616,922 euros to employees, through salaries, pension contributions and various benefits;
- 572,784 euros to capital suppliers, attributable to interest expenses and other charges related to loans;

- 2,008,479 euros to the public administration, through payment of fees and taxes;

- 5,000,000 euros to shareholders, through the distribution of dividends;

- 431,000 euros to the community, through sponsorships, donations and membership contributions

The company retained 10,680,438 euros aimed at investments to ensure the continuity of its operations over time.



STREPARAVA FOR THE PEOPLE

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2.1 Our approach

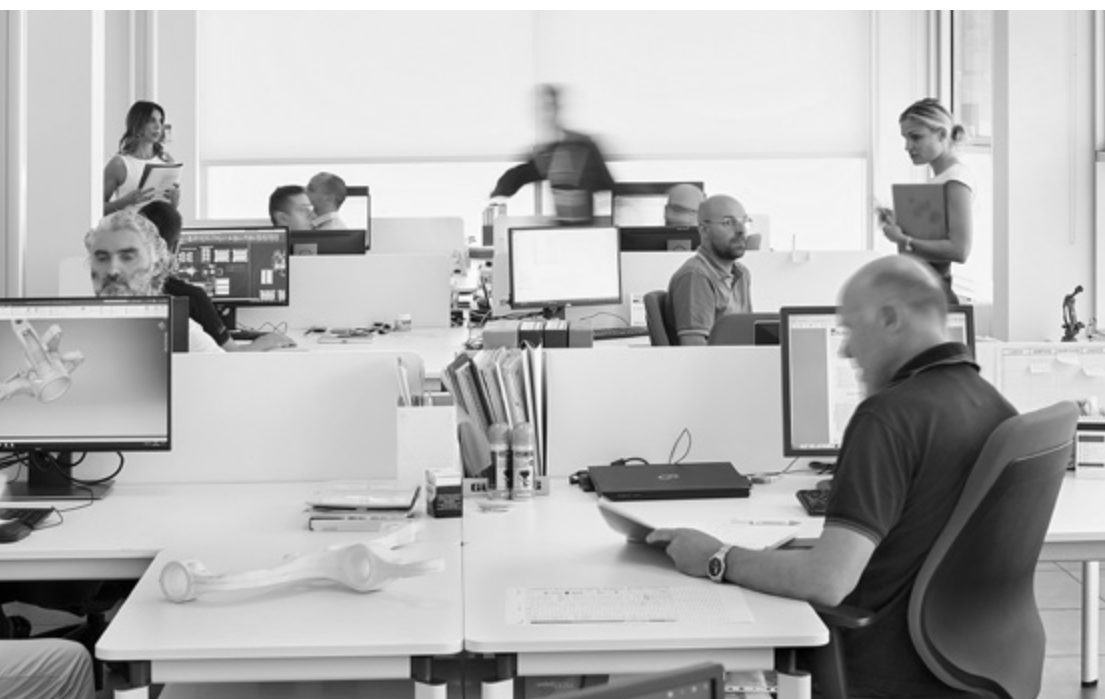
Over the years, the name Streparava has chosen for those who take care of all aspects related to the people who work in the company has changed from **“personnel department”** to **“human resources department”** to **“human capital”**. Even if the difference may seem subtle, talking about resources or instead of capital radically changes the perspective.

A sustainable enterprise truly puts people at the center and even in the face of the inexorable advance of technology, another factor that on the surface might seem to be “rowing against”, it becomes successful only if it considers its main capital to be people. Just think of what has happened in the last twelve months: digitization has accelerated exponentially, taking our society to a point where we would most likely have arrived only over few years. We have made a cultural leap of several years in just a few months without almost being aware of it.

The pandemic swept away inertia and cultural resistance that would have taken much longer to overcome. Only those who have been able to adapt have survived, and it is now possible to say that only the **sustainable enterprise made up of people who continue to learn has endured**. Behind every risk lies an **opportunity**: the same is true for the period we are living through, on the one hand we are facing a pandemic, but on the other hand we have the opportunity to acquire new skills, testing alternative ways of creating value.

Through our approach, we want to emphasize once again the importance of living and working in a **human-centric** context: we believe that the only possible way forward must be based on a cultural approach based on **participation** and the idea of shared **welfare**, and to do this, we strive every day, through all the channels at our disposal, to develop **strong and stable relationships and ties**.

It is up to us, to Human Capital, to be able to seize the challenges of the future and make them opportunities!





The profile of Streparava people

Employees by gender

	2019	2020	2021
Men	315	310	321
Women	30	30	31
EMPLOYEES	345	340	352



employees

352



21%

of Streparava employees have or have had a relative in the company



+12

people compared to 2020

Employees by division



46.6%

Chassis

18.7%

Powertrain

18.5%

Operation



13.9%

Services



2.3%

Testing

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Chassis	152	3	155	153	3	156	161	3	164
Powertrain	68	5	73	65	3	68	62	4	66
Testing	8	0	8	6	0	6	8	0	8
Operation	53	9	62	54	10	64	53	12	65
Services	34	13	47	32	14	46	37	12	49
EMPLOYEES	315	30	345	310	30	340	321	31	352

Employees by qualification

71.9%

Blu-collar

23.8%

White-collar



2.3%

Middle managers



2.0%

Managers

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Blu-collar	250	8	258	242	6	248	246	7	253
White-collar	57	19	76	59	22	81	62	22	84
Middle managers	4	3	7	4	2	6	7	1	8
Managers	4	0	4	5	0	5	6	1	7
EMPLOYEES	315	30	345	310	30	340	321	31	352

Streparava also makes use of temporary agency workers by:

Temporary agency workers

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
TEMPORARY AGENCY WORKERS	47	7	54	59	3	62	54	1	55
age under 30	27	0	27	36	0	36	32	0	32
between 30 and 50 years of age	20	7	27	21	3	24	21	1	22
age over 50	0	0	0	2	0	2	1	0	1

Employees by age

↑ 12.2%
under 30 years

58.2%
between 30-50 years

29.6%
over 50 years

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
BLU-COLLAR WORKERS	250	8	258	242	6	248	246	7	253
age under 30	18	0	18	23	0	23	30	0	30
between 30 and 50 years of age	148	5	153	142	4	146	140	5	145
age over 50	84	3	87	77	2	79	76	2	78
WHITE-COLLAR WORKERS	57	19	76	59	22	81	62	22	84
age under 30	2	3	5	4	2	6	9	4	13
between 30 and 50 years of age	40	13	53	35	15	50	35	13	48
age over 50	15	3	18	20	5	25	18	5	23
MANAGERS	4	3	7	4	2	6	7	1	8
age under 30	0	0	0	0	0	0	0	0	0
between 30 and 50 years of age	4	3	7	4	2	6	6	1	7
age over 50	0	0	0	0	0	0	1	0	1
EXECUTIVES	4	0	4	5	0	5	6	1	7
age under 30	0	0	0	0	0	0	0	0	0
between 30 and 50 years of age	2	0	2	3	0	3	4	1	5
age over 50	2	0	2	2	0	2	2	0	2
EMPLOYEES	315	30	345	310	30	340	321	31	352

Employees by educational qualification

42.3%
Secondary school diploma

26.1%
High school diploma

↑ 14.5%
Bachelor's degree, Master's degree and post-graduate qualifications

14.2%
Professional qualification

2.9%
No qualification/ Primary School

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No qualification/ Primary School	12	1	13	11	0	11	10	0	10
Secondary school diploma	161	4	165	150	3	153	146	3	149
Professional qualification	45	4	49	45	4	49	47	3	50
High school diploma	67	11	78	72	13	85	78	14	92
Bachelor's degree, Master's degree and post-graduate qualifications	30	10	40	32	10	42	40	11	51
EMPLOYEES	315	30	345	310	30	340	321	31	352



DIVERSITY IN GOVERNING BODIES

BoD composition by age and gender

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
age under 30	0	0	0	0	0	0	0	0	0
between 30 and 50 years of age	3	0	3	3	0	3	3	0	3
age over 50	1	0	1	1	0	1	1	0	1
TOTAL	4	0	4	4	0	4	4	0	4

Diversity on governing boards (Steering)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
age under 30	0	0	0	0	0	0	0	0	0
between 30 and 50 years of age	8	3	11	9	2	11	9	2	11
age over 50	4	0	4	4	0	4	4	0	4
TOTAL	12	3	15	13	2	15	13	2	15

Diversity on governing boards (Committees)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
age under 30	0	0	0	0	0	0	1	1	2
between 30 and 50 years of age	9	1	10	9	1	10	10	2	12
age over 50	3	0	3	3	0	3	5	0	5
TOTAL	12	1	13	12	1	13	16	3	19



2.2 Jobs and opportunities

Our people are strongly involved within the corporate life of Streparava: we can say that **the passion of “working” in Streparava grows** with the passing years that each employee lives in the company and helps every day to **inspire you to a**

new “doing”, different from the usual, with only one goal: **to do everything so that the company is sustainable and can last over time, for us and for future generations.**

Employees by contract type

96.5%

The share of fixed-term contracts has increased considerably, considering the inclusion of many young people, for whom a plan has been structured consisting of a university internship, followed by a one-year fixed-term contract and subsequent employment in Streparava on a permanent basis.

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term contract	1	0	1	1	0	1	10	2	12
Permanent contract	314	30	344	309	30	339	311	29	340
EMPLOYEES	315	30	345	310	30	340	321	31	352

Employees by type of employment

96.9%

of employees have a full-time contract

16.1%

women with part-time contracts

1.9%

men with part-time contracts

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	309	26	335	305	26	331	315	26	341
Part time	6	4	10	5	4	9	6	5	11
EMPLOYEES	315	30	345	310	30	340	321	31	352

Remote working



10,624

hours of
Remote Working



people with active
Remote Working contracts

48



kg of CO₂ produced due to missed
home-work commute

-7569.25



Induction plan and skills assessment, youth opportunities (internships)

Change and tradition are two fundamentals that have guided the path of renewal and restart after the difficult pandemic months: the will of the entire Streparava Group to continue to invest in the **development of human capital** has been declined in a renewed **search for talent** and through an **onboarding plan** (literally the action of “bringing on board” new people): with regard to the clerical part, an ad hoc onboarding plan (**314 hours** in total during the year 2021) is activated for newcomers, consisting of a series of meetings with company function managers, to ensure rapid knowledge and awareness of the roles and activities of all entities; with regard to the blue-collar part, training begins immediately in the field, directly in the produc-

tion workshops, through a phase of shadowing and mentoring by experienced colleagues, aimed at ensuring autonomy in carrying out their tasks and providing the main concepts on safety and quality issues.

During the year 2021, the number of new hires reached 42, 50% of whom were under the age of 30, compared to 30 terminations, with a high proportion of retirements among them: while still maintaining very low turnover rates over the years, Streparava is showing a willingness to renew, combined with continuity in growth and focus on its Human Capital.

Turnover rate

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
NUMBER OF NEW EMPLOYEES	31	4	35	13	3	16	38	4	42
age under 30	8	2	10	9	0	9	20	2	22
between 30 and 50 years of age	19	2	21	4	3	7	17	2	19
age over 50	4	0	4	0	0	0	1	0	1
NUMBER OF EMPLOYMENT TERMINATIONS	21	0	21	15	3	18	27	3	30
age under 30	1	0	1	1	0	1	3	0	3
between 30 and 50 years of age	3	0	3	2	1	3	6	2	8
age over 50	17	0	17	12	2	14	18	1	19
TURNOVER RATE	7%	0%	6%	5%	10%	5%	8%	10%	9%

Employees by seniority

↑

37.2%

below 5

6.3%

from 6 to 10

26.1%

from 11 to 20

↑

21.9%

from 21 to 30

8.5%

31 and over

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
below 5	81	13	94	88	14	102	116	15	131
from 6 to 10	17	3	20	20	4	24	17	5	22
from 11 to 20	102	6	108	98	5	103	89	3	92
from 21 to 30	86	4	90	70	2	72	73	4	77
31 and over	29	4	33	34	5	39	26	4	30
EMPLOYEES	315	30	345	310	30	340	321	31	352

Thanks to strong ties with leading regional universities, it has been possible, in many cases, to create specific and focused internship paths for recent graduates, through which young people have been able to “touch with their hands” the business reality by testing their knowledge and value from day one. In

addition, Work-Related Learning periods and internships were designed with High Technical Institutes (ITS) divided over several years, to combine organizational and work experience with school and classroom learning.



7
university internships

activated during 2021

6 hired

with Streparava contracts



3
internships with ITS

activated with High Technical Institutes (ITS)



8
students

students with Work-Related Learning projects

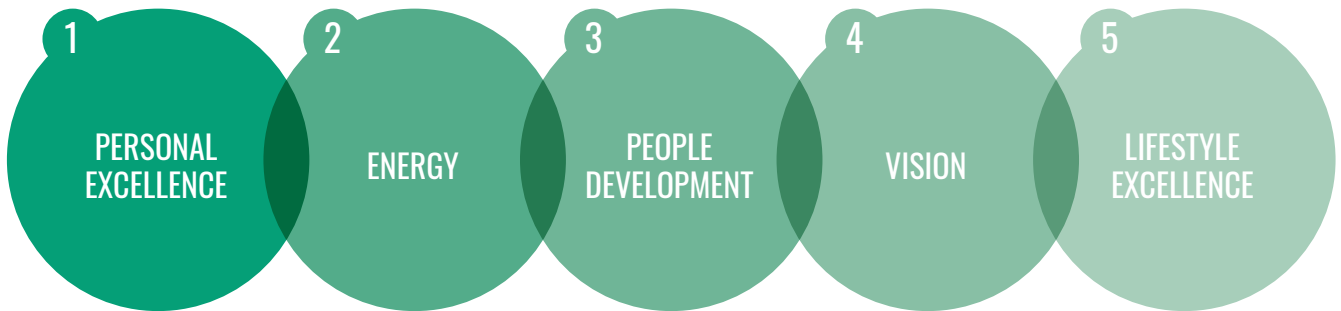
1 hired

with Streparava contract





Lean Culture



Streparava has chosen to spread the **Lean Culture** extensively in the company for several years.

Originated by Toyota in the middle of the last century, Lean Thinking has gradually become a method that has revolutionized the way a company is managed. Briefly, it is a different way of approaching business, **obsessively seeking to add more and more value for the customer while minimizing waste and non-value-added activities in all areas of the business**, starting from production, and ending with all office processes.

But all this was not enough for us.

To truly develop the **full human, organizational and technological potential** of the company and turn Lean Thinking into a real strategic weapon, Streparava adopted the **Lean Lifestyle Company** model.

Lean Lifestyle is an evolution of Lean Thinking that is made available to people and not only to business processes, transforming it into a real **lifestyle** inside and outside the company **to achieve more results and at the same time deep wellbeing for people**. All this is strongly consistent with our founding value of **focusing on people**.

The Lean Lifestyle leadership model is developed around 5 logical levels:

- | | |
|---|---|
| <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">1</div> <div> PERSONAL EXCELLENCE
 lean, agile and digital </div> | <p>Expressing the best of ourselves, with minimal effort is the first step in the Lean Lifestyle journey. It is our task to know how to eliminate the now rampant waste of time and loss of focus.</p> |
| <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">2</div> <div> ENERGY
 energized and wellness oriented </div> | <p>In this period of history, it is very easy to feel tired, frustrated, not in full physical, mental and emotional shape, and this directly reflects on our intellectual and managerial performance. The ability to generate energy in us and around us is therefore a fundamental competence.</p> |
| <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">3</div> <div> PEOPLE DEVELOPMENT
 developers of human potential </div> | <p>To be able to value and develop the full potential of one's team and to guide employees by cherishing their continuous learning and operational autonomy.</p> |
| <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">4</div> <div> VISION
 visionary and pragmatic in execution </div> | <p>Creating a motivating Vision is the basis for then aligning the organization to move compactly toward the future vision in a pragmatic manner, aligned with the stated values.</p> |
| <div style="border: 1px solid black; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto 20px auto;">5</div> <div> LIFESTYLE EXCELLENCE
 excellence as a lifestyle </div> | <p>People are far more than what they experience and express at work. Becoming truly excellent means becoming excellent in all areas of one's life, expanding the concept of welfare to ourselves, our family, and our community.</p> |

At Streparava we have achieved this kind of Lean Culture through a long work of **developing business systems and processes** on the one hand and **people** and their **leadership** on the other.

During this path, we try not only to evolve the company and its products/services but also to optimize and improve processes and the way we work to reduce waste of time and energy.

In parallel, we **systematically train and develop people** to make them more effective and enhance their leadership. We widely apply the **ATRED method** at every level to understand how to focus on our value activities (which we call **Gold Activity**) and at the same time **eliminate wasted time** in our daily routine and way of working. How? For example, by increasing our ability to work focused without multitasking and constant interruptions, reducing time wastage associated with meetings

and e-mails, delegating effectively in a widespread way, growing people, and developing agile organizational models based on autonomy and accountability.

Effectiveness, however, goes **hand in hand with wellbeing for us**, so we not only try **through a different way of working to reduce fatigue and stress**, but we actively work to **monitor and increase the energy** of our people with specific initiatives and with the continuous search for a **winning balance** between professional and personal life.

We have covered a long way in these years and a long way we have left to cover. But we firmly believe that we can **revolutionize the way we work and do business** to achieve **great results and performance** and **simultaneously high levels of wellbeing and energy** for people.





Training

Training is part of our life, of our philosophy of thought; training is always needed, because no one is born with knowledge, we spend half of our life training.

Training is the passage of ideas, thought, culture.

Training in the company means offering employees training activities to acquire the knowledge and skills they need to carry out their work at the highest levels.

To ensure high standards, we have provided a **training system that includes: an induction plan for new hires, a six-monthly evaluation process for operators** and a **strategic process for employees** with evaluation of hard and soft skills, definition of areas of improvement and related targets to be achieved.

Training by course type

Values expressed in hours

5,645

hours of training provided

26.8%

Safety and environment

23.7%

On the job

11%

Digital

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Safety and Environment	2,216	113	2,329	378	96	473	1,394	117	1,511
Quality and Technical Production	1,858	63	1,920	471	0	471	336	50	386
Lean Wcm	2,575	336	2,911	303	71	374	106	6	112
Organization	1,642	176	1,817	166	130	296	655	419	1,074
Foreign Languages	344	95	439	783	145	928	417	81	498
Digital	1,664	39	1,703	231	54	284	542	105	647
R&D and Technology	567	133	700	158	2	160	81	0	81
Welfare	64	16	80	8	11	18	0	0	0
On the job	2,029	0	2,029	168	89	257	1,337	0	1,337
TOTAL	12,958	970	13,928	2,665	595	3,260	4,868	778	5,645

Per Capita training by qualification and gender

Values expressed in hours

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Training hours Executives	391	0	391	104	0	104	113	44	157
Average Training Hours Per Capita Executives	98	0	98	21	0	21	19	44	22
Training hours Managers	168	145	313	23	173	196	30	54	84
Average Training Hours Per Capita Managers	42	48	45	6	86	33	4	54	11
Training hours White-collars	3,560	753	4,313	1,631	423	2,053	1,639	646	2,285
Average Training Hours Per Capita White-collars	62	40	57	28	19	25	26	29	27
Training hours Blu-collars	8,839	73	8,912	908	0	908	3,083	34	3,117
Training hours Per Capita Blu-collars	30	5	29	3	0	3	10	4	10
Total Training Hours	12,958	970	13,928	2,665	595	3,260	4,865	778	5,645
AVERAGE TRAINING HOURS PER CAPITA	35.8	26.2	34.9	7.2	18.0	8.1	13.0	24.3	13.9

Focus Day

For the year 2021 we have organized the Focus Day event too.

A fundamental appointment, which every year brings together **the first lines at a corporate level**, to work on the medium-long term strategy. A special occasion in which to **bring together the wellbeing of the team and the ability to work with a high concentration on strategy**. We are increasingly convinced that creating moments of encounter, in which you can experience the value of beauty, of nature, are fundamental elements to define

the right feeling in the team.

For this reason, we ventured into an experience, tried by few of us, on a sailing boat on Lake Garda. Touching the waves, learning new gestures, driving a boat paying attention to listening to the wind. Experiences that **refine the ability to listen, to be silent, to interpret one's role at the service of the team**. All in the splendid lake setting.



Reward to ideas

At Streparava we have long been committed to a path of **business process optimization**, whether **production-logistics or organizational**, consolidated by joining the World Class Manufacturing program and then integrated with those of Lean Lifestyle and continuous digitization.

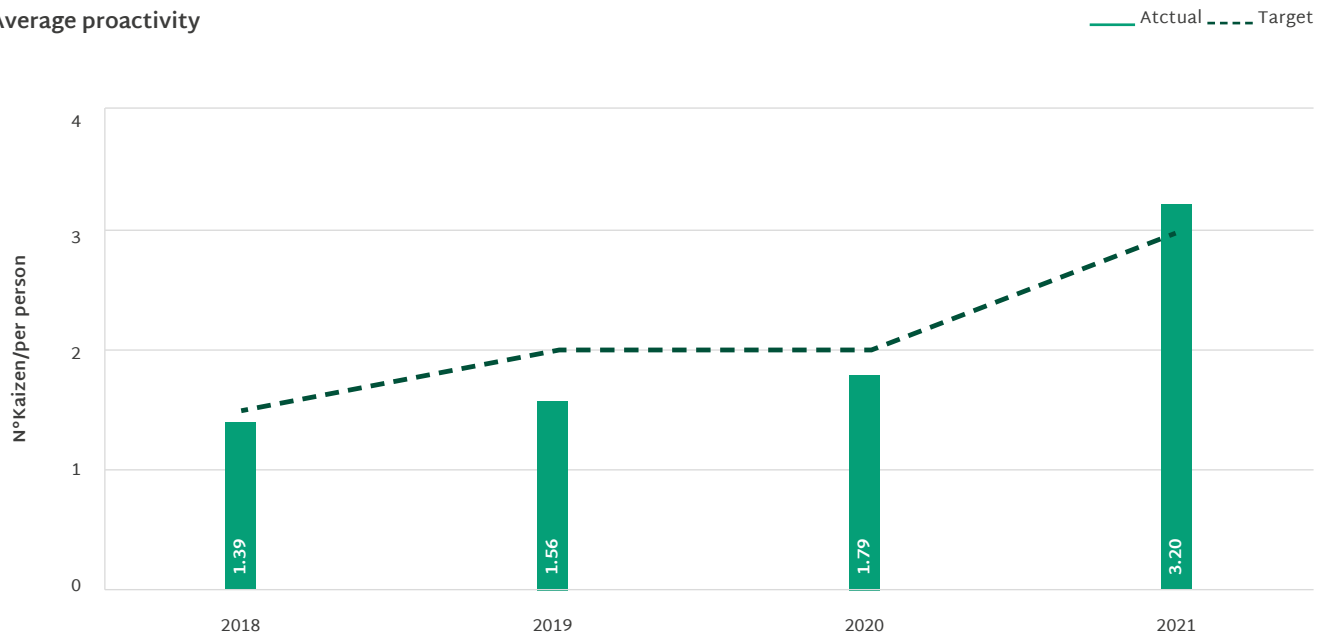
The search for continuous improvement has thus become part of our DNA and has gradually made us aware of the importance of **involving the entire organization**, at every level, in this challenge. Therefore, **a program to encourage proactiveness**

was established, which aims to stimulate operators **to generate ideas and formulate proposals for improvement** that, passing through an evaluation committee, are analyzed, processed and rewarded according to a variety of criteria focused on both form and substance, as much economic as safety.

The main KPI of this process is **average proactivity**, understood as the average number of suggestions proposed per person per year, which has seen steady growth over the years until reaching a value of 3.2 in 2021 against a target of 3.



Average proactivity



Applicants are then rewarded through the delivery of **company gadgets**, which are accessed at the first award ceremony, and **economic bonuses**, whose value is meritocratically proportional to the number and impact of the suggestions made, which occurs by the CEO during dedicated ceremonies.

The year 2021 saw the disbursement of bonuses to 92 operators totaling €5,250 and the delivery of gadgets to 37 new applicants.

Starting in January 2021, moreover, the awarding of the **best suggestion of the month** was introduced, characterized by the delivery of a specific sweatshirt that visually identifies the winners of this special award by sponsoring the motto “**Kaizen**” - from the Japanese “**change for the better**”.

All this with the aim of **constantly training in the pursuit of improvement and spreading more and more the culture of change**, because

**TO IMPROVE IS TO CHANGE;
TO BE PERFECT IS TO CHANGE OFTEN.**

WINSTON CHURCHILL



2.3 Welfare and its shades of meaning

The concept of welfare is certainly basic to Streparava's action.

This is due to a dual aspect: on the one hand the **values aspect** and on the other hand the **business issues**.

"We have been family since 1951" is not only marking the time since the founding date, but it is above all, projecting what should be family values onto business values.

This is where the issue of **protecting the welfare of Strepara-**

va employees and collaborators comes from: because just as should happen in families, if there is discomfort it should be addressed and resolved.

On the other hand, by producing safety components, the company must ensure that the product always meets the highest quality standards, and that is why the protection of welfare should evolve into a broader concept of happiness: health, economic tranquility, work-life balance, motivation, personal growth.

Social Responsibility

Streparava Sustainability Program for the year 2021, focused on actions targeting the issues of **work-family balance and school support**. The actions taken were divided into the following areas:



VALUE OF PEOPLE

We wanted to place our people at the center of our daily actions, including through a series of projects and initiatives aimed at improving their welfare and the issue of work-life balance.

- Adhesion to the reconciliation network, through the Local Reconciliation Alliance, with the provision of vouchers to workers aimed at partially covering the charges incurred for care and socio-educational services for children under 14 years of age
- Access to subsidized financing through credit institutions
- Conclusion of agreements with local entities
- Reward program for improvement proposals
- Social and corporate events
- Seniority awards, with an annual awards event for employees reaching 20, 30, and 40 Streparava seniority.



CULTURE

We consider the cultural factor fundamental to personal and human development. As a company, we have decided to intervene with scholarship disbursements to children of employees, support for local schools and company visits by students, support for reading, financial support for foundations.



ECONOMIC WELFARE

For years we have been provided with a welfare platform to access a variety of services (new this year is the supplementary pension and mortgage section). In addition, it was decided to introduce within the variable Results Bonus, an optional welfare portion freely available to the employee with a reward component in the choice: it has proven to be a useful tool to support employees.

On the renewal of the Metal mechanical National Labor Collective Agreement, each employee received €200 in welfare to spend according to his or her family needs, and on the 70th anniversary of the founding of the company, each employee received a financial disbursement of €300 in welfare.



WORKPLACE HEALTH PROMOTION (WHP)

A program concerning the implementation of good practices to prevent the development of chronic disease in workers. Our efforts have been focused in the following areas: nutrition, awareness, and relations with the competent physician.



Welfare consumption National Labor Collectiver Agreement 2021

Values in €

71,000 €

Recorded sum

65,927.51 € (92%)

Amount used

	REQUESTS	AMOUNT USED
Coupons and boxed sets	653	62,049.66
Family	15	2,070.32
Leisure	5	373.47
Supplementary pensions	5	600,00
Mortgages	4	200,00
Welfare vouchers	3	328,40
Travel and vacations	2	205,66
Sports and wellness	1	100,00
TOTAL	688	65,927.51

Award consumption 70° 2021

Values in €

105,900 €

Recorded sum

73,219.23 € (69.1%)

Amount used

	REQUESTS	AMOUNT USED
Coupons and boxed sets	652	60,743.96
Family	34	6,906.76
Supplementary pensions	34	1,874.26
Leisure	12	635,33
Sports and wellness	8	1,020,00
Welfare vouchers	6	690,04
Transportation and mobility	6	394,94
Travel and vacations	4	730,00
Mortgages	3	188,94
Training courses	1	35,00
TOTAL	760	73,219.23

2.4 Contribution to the community

Streparava for young people

Scholarships 2021

Streparava's willingness to invest in young people by rewarding deserving children of employees through the awarding of scholarships was reconfirmed for 2021 as well. The selection of the winners was made by a committee composed of Mrs. Rosella Streparava, together with Prof. Giorgio Bettoni, Alessio Bertuzzi of the HC office and union representative Gian Carlo Abeni who, after careful analysis, chose among the children of employees the students with the best school results. Special mention also goes to colleague Marco Pasinetti who decided to get back into the game by taking on a new school challenge.

Our company, continuing the tradition started and strongly desired by Cav. Gino Streparava, has confirmed its desire to go on supporting young people in the coming years through this initiative: during these 20 years of awards, about 230 students have been rewarded for an amount of almost €185,000. In addition to the economic "award", it is nice to point out that some of the winners of past editions are now an integral part of the Streparava team, specifically Veronica Brescianini, Nicola Turla, Sara Zanni, and Davide Baglioni. For all participants, may this always be a cue for personal improvement and the achievement of ambitious goals.



THE SCHOOL STAR PLAYERS

The company's willingness to invest in students and the awareness that they represent the future of the world of work has been further manifested in Streparava's adherence to the School Star Players project: this initiative is aimed at students in the last three years of secondary schools who are among the winners of competitions on some subjects (such as the Olympiads in Italian, Mathematics, Physics, Computer Science, Chemistry, Natural Sciences, Classical Languages and Civilizations, Astronomy, Philosophy and Statistics, Economics and Finance), with financial awards in the form of Scholarships funded by individuals, companies and foundations.

We, too, have made our small contribution through a disbursement of €2,000 aimed at students of Technical and Professional Institutes, as well as the availability of possible experiences at our company for the winners of the Scholarships.



The goal is to support high potentials, support students, families and schools, raise a generation of excellent and aware young people, strengthen economic citizenship, develop individual human capital and, as a result, increase the country's social capital. All this through a new form of virtuous collaboration between public institutions and private entities to support deserving young people and schools.



Streparava for social welfare

Community

Liberal Disbursements year 2021: **€58,850**

The following is a list of the main institutions and foundations that are recipients of our funding:

- University of Brescia (through disbursement of Scholarship and support for the Electronic Kit Project)
- ITS Foundation (through disbursement of Merit Support Scholarships)
- Ricchino Arts School
- 1000 Miglia Museum
- Brescia White Cross
- AIB Foundation
- Foundation for Financial Education
- Car Racing Team
- Brescia Museums Foundation
- Brescia Community Foundation
- FAI (Fund for the Italian Environment)
- Telethon
- Parish of San Giovanni di Adro
- Lega del Filo d'Oro
- Canossian Sisters

Industry and culture

Streparava, to strengthen its ties once again with the territory, has chosen to invest in ART, signing a three-year agreement with the "Brescia Mostre Foundation" entitled: **"Strategic Project 2021 - 2023."**

Brescia Musei was established as a joint-stock company in 2003 and transformed into a "holding foundation" in 2007 to give continuity of management to the innovative public-private partnership that allowed the reopening of the "Santa Giulia" museum and the progressive enhancement of Brescia as a city of art, through an articulated cultural and exhibition program. The museums entrusted to the Foundation by the City of Brescia under the current agreement are:

- Santa Giulia. City Museum
- Brixia. Archaeological Park of Roman Brescia
- Tosio Martinengo Picture Gallery
- Museum of Weapons "Luigi Marzoli"
- Museum of the Risorgimento
- New Eden Cinema

In a country like ours where public finances struggle to have sufficient resources for the enhancement of such a vast heritage, philanthropic-funded initiatives appear to be one of the most promising solutions. At the same time, covid has not helped. It has put, and continues to put, a strain on the resilience of the business fabric. We have found ourselves in a difficult international situation marked by extended and prolonged crises and issues in many markets.

All conditions that are making this period particularly difficult. That is why, a model of sustainability by private individuals, could represent a strategic turning point capable of revitalizing companies and the territory in which they operate, proposing opportunities for companies and their employees.

A Vaccine for all

Health and well-being are some of the main areas of interest that, as Streparava, we want to enhance, protect and incentivize: our mission confirms that we consider these concepts to be indispensable values for business success and prosperity.

The project **"Un vaccino per tutti"**, conceived by Confindustria Brescia in association with the main trade unions in the province, which Streparava also joined during the year 2021, had the goal and desire to raise awareness of the current vaccination campaign and to spread anti Covid-19 vaccine interventions even in the most economically fragile countries in the world.

To do this, a voluntary fundraiser was created that employees and the company could join by making a financial contribution (in the form of salary or vacation hours) to an international organization working in the field of health care.



un
VACCINO
per
TUTTI



4,600 €

raised through voluntary employee donations and corporate economic contribution.

Sponsorships



Technical
Partner

Streparava continues its journey alongside the Ducati Lenovo-Team, which is about to embark on its 20th season in MotoGP.

Streparava thus renews, for the fifth consecutive year, its partnership with the motorcycle manufacturer from Borgo Panigale, flanking it as Technical Partner, also in the 2022 MotoGP World Championship.

A journey that began in 2018 that saw us initially as FUD (Official Ducati Suppliers) and from 2019 as Ducati's Technical Partner as suppliers of high-precision components for all of the Bolognese motorcycles, from the Ducati Road bikes, passing through the DUCATI CORSE departments with the vehicles engaged in the SBK championships (World Championship dedicated to production derivatives) and to the most emblazoned prototypes engaged in the premier class of MotoGP with the Desmosedici GP.

The agreement with the historic Bolognese motorcycle manufacturer includes the presence of the Streparava brand on the fairings of the bikes of the two official riders #63 Francesco Bagnaia and #43 Jack Miller. From the iconic "Ducati Red" to confirmed partnerships, Ducati's 2022 in MotoGP is shaping up to be rich in satisfaction with the all-new Desmosedici GP-22.

After winning the Constructors' title in 2020 and 2021, the Ducati team wants to continue to look down on everyone in MotoGP, hoping to crown the dream of a riders' title that has been missing since back in 2007 with the success of Australian Casey Stoner.

Pecco and Jack, who last year formed a perfect pair for the Borgo Panigale Rossa's racing around the world, have indeed been confirmed for the 2022 season as well.





2.5 Safety and health

At Streparava, the protection of the health and safety of its people has always been a central element of great attention. This aspect is an indispensable requirement, on which Streparava must continue to place constant attention and commitment to ensure high safety standards for the protection of its workers and employees.

To properly oversee the issue, all company activities are governed with management systems certified according to **UNI ISO 45001** "Management systems for health and safety at work" and the adoption of good practices, which are also promoted and shared with suppliers.

Constant monitoring of accident events, through the evaluation of specific indices, allows Streparava to intervene promptly to correct and eliminate problems and critical issues that may arise.



ISO 45001:2018

During the past 2020 Streparava decided to migrate from the OHSAS 18001 certification system to the UNI ISO 45001:2018 standard, a tool through which it is possible to define the Health and Safety Policy and to plan objectives, with regard to compliance with legislative requirements in relation to the specific health and safety risks of all persons affected by the activity. Such adherence has facilitated and made systematic the control, knowledge and awareness of all possible risks that may characterize situations of normal and extraordinary operations in the workplace.

Accidents

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
TOTAL NUMBER OF ACCIDENTS AT WORK	11	0	11	9	2	11	16	0	16
Work place	10	0	10	9	1	10	15	0	15
On the way to work	1	0	1	0	1	1	1	0	1
TOTAL	11	0	11	9	2	11	16	0	16
Total number of worked hours	410,333			431,407			533,857		
Lost working days due to injury	347	0	347	223	18	241	292	0	292
	2019			2020			2021		
Frequency Index				2.32			2.81		
Severity Index				0.56			0.55		

Index of Frequency is calculated as total hours worked divided by the number of accidents multiplied by 100000

Index of Severity is calculated as the total days lost due to accident divided by the total hours worked, multiplied by 1000



0 accidents

with serious consequences



0 occupational

diseases



1,511 hours

of Safety and Environment training

Pyramids of Heinrich

FATAL Lethal inj.

0

SEVERE-LTA Serious inj. < 30dd

3

INJURES-MTC Minor inj.

12

FIRST AID Dressing

15

NEAR MISSES Accident

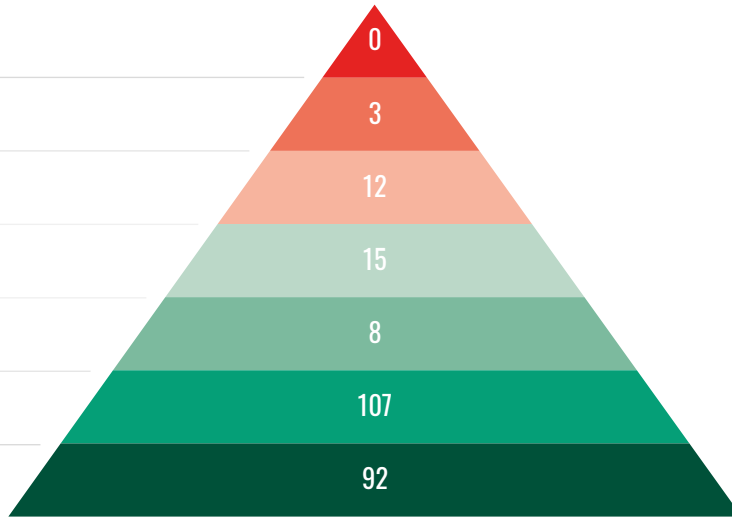
8

UNSAFE CONDITIONS

107

UNSAFE ACTS

92



Streparava and Covid-19

In 2021 our company in 2021 won the “**The Enterprise Beyond the Enterprise**” award for its efforts in the category “**Attention to personnel with protection and support plans and transformation of operating and production methods to protect employees.**” The award was presented on June 10 at the Lombardy Palace in Milan by Lombardy Region’s Councilor for Economic Development Guido Guidesi, who introduced the event by saying, “Today’s initiative is intended above all to be a thank you to those who create jobs. To the many companies in Lombardy including these 20 awardees who have done so much for our territory, Communities, their employees and for their own business.”

The award is therefore an expression of an important recognition towards companies **that faced the pandemic with innovation and strategic vision**: a total of 20 models of excellence of Lombardy companies that, with the emergency caused by Covid-19, distinguished themselves for having activated a virtuous mechanism to the benefit of their employees, customers, suppliers and the territory to overcome that complex and unpredictable period. It is impossible to forget the days when the emergency erupted, the need to suspend our production activities, the lockdown and the uncertainty about the future. It was necessary to figure out what to do, how and when to ensure the continuity of our enterprise and especially the safety of our employees. However, there was our **ability to react and the courage** that everyone, bar none, put forth to face this unexpected moment. We activated numerous initiatives to manage and **safeguard the health of our employees**: starting from the establishment of the emergency committee, to timely communications on updates to the PDCs, to the definition and application of a protocol of internal anti-covid measures within the company, to health surveillance, to the PPE made available, to the adherence to the Sced-Cov project that allowed at first diagnostic tests to be carried out on employees and then monitoring their health status constantly over time.





STREPARAVA FOR THE ENVIRONMENT



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3.1 Our approach

Streparava is a production reality strongly rooted in the territory, so respect for the environment and the community that inhabits it have always been among our primary values.

Managing and minimizing the environmental impacts of our activities is part of the corporate identity inspired by the principles of environmental protection, understood, on the one hand, as the local context of work and life of people and the surrounding community and, on the other, as the global context of the health of our planet.

At Streparava, precisely because of this vision, environmental management is closely connected and integrated with health and safety management, protecting the environment and peo-

ple.





Environmental Policy

Streparava's way of working and policy are characterized by paying special attention to the environment.

Streparava has worked to obtain **UNI EN ISO 14001:2015** certification to enhance and highlight its commitment to sustainably manage its impact on the environment in which it operates. The process started in 2005, the year in which all aspects and impacts of the Plant were first formalized in Adro. Because of this identification, the company undertook to keep the legislative environmental parameters of reference for the engineering sector monitored, analyzing annually all atmospheric emission impacts and those related to water discharges through the best instrumentation present in terms of technology.

ISO 14001 certification attests to the **company's concrete commitment to preventing and minimizing the negative impact of its processes, products and services on the environment**. This commitment is demonstrated through timely reporting, flanked by management changes to its activities with a view to continuous improvement. In fact, the company has defined specific improvement goals aimed at minimizing the en-



UNI EN ISO 14001:2015

Environmental Management System, a voluntary international standard that defines how to develop an effective and sustainable Environmental Management System (EMS).

vironmental impact of both its own activities and those of its suppliers, which are monitored systematically and continuously. The commitment to respect for the environment applies indiscriminately both within the organization, through raising the **awareness** of its employees, and to third parties that collaborate with Streparava.

3.2 Reduction of energy consumption

It has now been more than 7 years that Streparava has paid great attention to the issue of **energy consumption**, through the creation of **targeted projects to reduce waste and raise awareness of energy issues among all staff**.

Among the most important interventions carried out:

- the **renovation of the compressor room**, thanks to which a 35% energy saving was achieved compared to consumption prior to the renovation;
- the replacement of lighting with low-consumption **LED** lamps, which brought savings of 40%;
- the addition of **free cooler refrigerators**, with which savings of up to 50% of the energy used for cooling process water were achieved;
- The complete **revamping of the thermal power plant**, thanks to which, with new condensing boilers managed by a centralized predictive system, methane gas is saved 20% compared to the previous ones;

- an **optimization of industrial vacuum fans**, carried out through the installation of dampers to close the vents during downtime and inverters to modulate motor power, resulting in savings in electricity consumption of up to 40 percent.

In 2019, the Energy pillar was introduced at the WCM, working closely with Environment. Energy's goal, achievable through the collaboration of all people who are part of the company, **is to minimize losses**, aiming to reach the goal of **"zero waste"** through continuous improvements and the spread of good usage practices.

At Streparava we source two main energy sources, **electric power and natural gas**, which are used in production processes as electromotive power, compressed air and heat for production, and as lighting and heating heat for processes and other business activities.

PRIMARY VECTORS



ELECTRIC POWER



NATURAL GAS

SECONDARY VECTORS

electromotive force
lighting
compressed air

heat for heating
heat for production

Energy consumption (GJ)

	2019	2020	2021
PURCHASED ENERGY	46,200	35,814	44,186
Electricity	46,200	35,814	44,186
of which from renewable sources	7,920	11,940	14,731
COMBUSTIBLES AND FUELS	28,142	24,344	27,294
Methane gas	28,142	24,344	27,294
TOTAL ENERGY CONSUMPTION	74,342	60,158	71,481

Company fleet fuel consumption (lt)

	2019	2020	2021
Fuel	33,849	25,520	39,243

In 2021, the total energy used was **71,481 GJ**, equivalent to **12,271,028 Kwh** and **692,752 SMC**.

51.82%

Electromotive force
37038,38 GJ



19.35%

Gas
13828,02 GJ



15.95%

Heating
11397,60 GJ



9.68%

Compressed air
6917,40 GJ



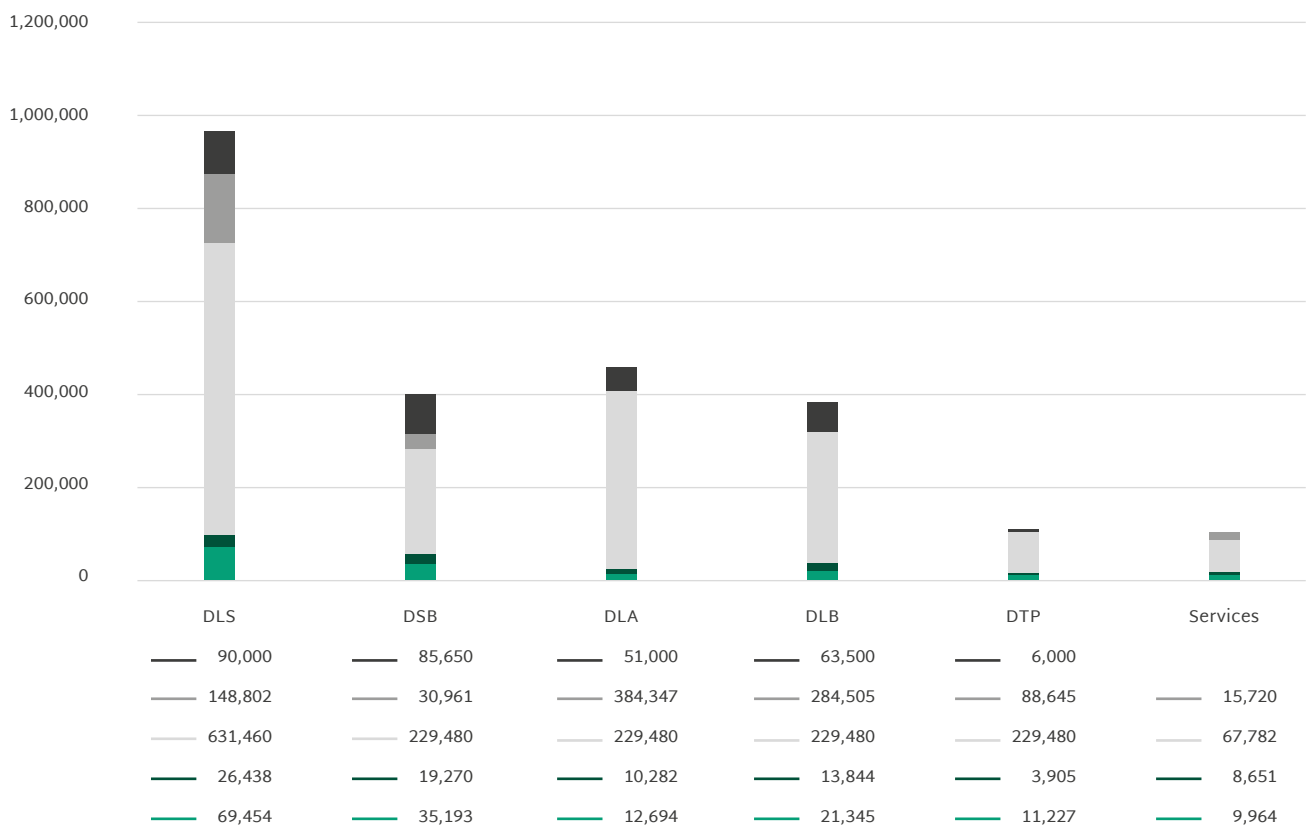
3.20%

Lighting
2285,34 GJ



Energy consumption by vector

Compressed air Gas Electromotive force Lighting Heating





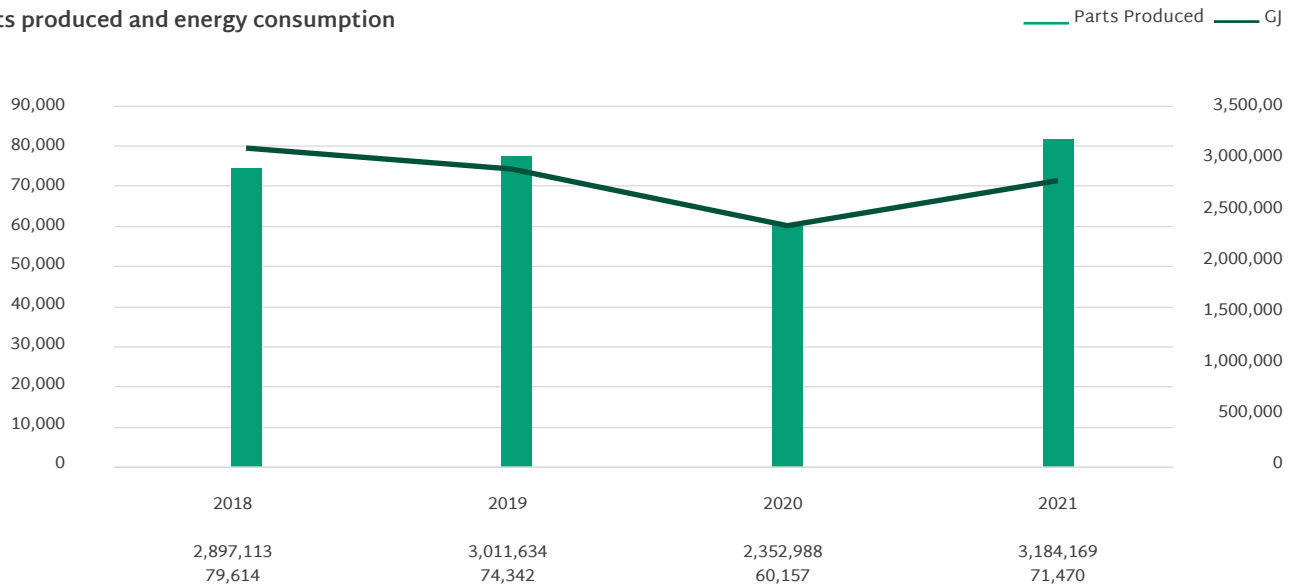
Compared to 2019, we have achieved a **7% reduction in energy consumed**, thanks to some targeted projects, such as:

- the replacement of about 15 low-efficiency motors with **new energy-saving motors**;
- the completion of the replacement of traditional lamps with **LED lamps**;
- **the optimization of the switching on and off of machinery and equipment**, following various improvement proposals made through kaizen;

- **the renovation of the R&D building**, aimed at improving **energy class** through the replacement of windows and doors and thermal insulation, combined with the addition of a **new air conditioning and heating system**;

Besides, the replacement of the **electromechanical machines** is planned soon, a project in collaboration with the Technology and Maintenance entities.

Parts produced and energy consumption



In 2021, while production increased compared to 2019 (the decrease in 2020 was caused by the COVID emergency), **energy consumption in GJ decreased**.

Our goal is precisely to achieve “**zero waste**”, but we are aware that it can only be achieved through the cooperation of the

whole company. The Energy team, through **supervisory systems installed on the company's facilities, monitors and analyzes losses** for the creation of new focused projects; but everyone is asked to contribute with daily expedients that, in their own small way, can make a big difference, for a better future.



**TURN OFF LIGHTS
WHEN NOT NEEDED**



**REMEMBER TO TURN OFF MACHINES
WHEN NOT IN USE**



REPORT ANY AIR LEAKS



**IN WINTER, REMEMBER TO CLOSE
DOORS AND WINDOWS**

3.3 Carbon Disclosure Project



At Streparava, special attention is paid to the fight against climate change, which goes through the reduction of emissions from our products for sustainable mobility and invests in the reduction of emissions produced by our business activities.

The Environmental Policy established by Streparava to reduce its

impact on the environment and decrease energy consumption is the guiding element in long-term investment choices. With reference to the production of CO₂, to ensure transparency and timely information to all our stakeholders both internal and external, since 2015 we have adhered to the initiatives of the **Carbon Disclosure Project (CDP)**, in particular the Climate Change Program.



CARBON DISCLOSURE PROJECT

CDP is an independent nonprofit organization that provides companies, countries, regions and cities with a system to measure, detect, manage and share globally and transparently information regarding their environmental impact, thus enabling comparison between companies in a given sector even at the international level.

The main goals are:

- to increase companies' transparency about their environmental impact, with a particular focus on emissions;
- to make environmental performance central to business and investment decisions by adapting environmental reporting methods to the needs of the financial sector and prompting investors to recognize the importance of emissions limitation programs in evaluating companies;
- to help cities reduce pollution and develop climate change adaptation models;
- to stimulate policies and laws to defend the environment, working alongside governments and supranational organizations.

Concretely, the company has made public information on the following:

Scope 1 – Emissions directly produced by the company,

Scope 2 – Indirect emissions derived from the purchase of electricity and energy for production

Scope 3 – Emissions produced by other sources. In our case, we only publish information for this category related to the company's leased fleet.

Streparava's efforts over time have been highly successful: from 2014 to the present, with the same number of hours worked, there has been a 26 % improvement in CO₂ emissions.

GHG emissions

Values in tCO₂

GHG emissions were calculated according to the principles of the GHG Protocol. Note that the only GHG considered was carbon dioxide (CO₂), in consistency with the source of emission factors used.

- Direct Scope 1 emissions: emission factors found in the "National Standard Parameter Table" of the MATTM (Ministero dell'Ambiente e della Tutela del Territorio e del Mare) on data from the Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA) for the years 2019, 2020 and 2021.
- Indirect Scope 2 emissions: the location-based methodology was used to calculate these emissions using the emission factors in Table 2.25 of "Ispra Report 363/2022".

	2019	2020	2021
DIRECT EMISSIONS SCOPE 1	1,415.6	1,225.8	1,373.7
Energy consumption	1,415.6	1,225.8	1,373.7
INDIRECT EMISSIONS SCOPE 2	3,806.5	2,766.9	3,189.2
TOTAL	5,222.1	3,992.7	4,562.9
EMISSIONS RELATED TO THE COMPANY FLEET	90.8	68.4	105.7



3.4 The green footprint

Attention to the environment is the first necessary step toward an increasingly sustainable future.

At Streparava we believe that **raising people's awareness** of environmental issues is not only a source of a virtuous circuit of good practices in the workplace, but also helps to increase sensitivity on the point, even in everyday life.

These are not just statements of principle, at Streparava we love concreteness: from this awareness comes the decision to create **green spaces** within the departments cared for by our staff and often set up with recycled materials.

The inclusion of plants and green spaces in such an unusual context as the production department has advantages, not only from an aesthetic point of view in terms of beautification,

but especially from a **health point of view**: plants act as sentinels about air quality. Where, in fact, plants keep themselves healthy, so do those who work in the environment in which they are found. The introduction of such ultramodern elements compared to classic production departments is the result of a proposal that originated from two workers in the Magneti Marelli department who presented a kaizen of environmental improvement. Thanks to that input, planters were then made by another operator from salvaged pallets where it was decided to place climbing seedlings capable of purifying the air of polluting particles and others capable of fighting indoor pollution, restoring a healthier, more breathable climate, thanks in part to its bactericidal action. To date, there is a dedicated green corner in each department at the coffee area.

Water

Streparava pays attention to a **responsible water management** and, for this very reason, since 2000 we have equipped ourselves with a **chemical-physical purification plant** and we keep the **wastewater generated by the various production processes monitored** through specific monthly analyses.

The main sources of stormwater collection occur through collection from surfaces made impermeable, which permeate into an

underground collection basin where the same is purified before being fed into the purification receptor body. Aware of the great importance of water as a commodity, in September 2021 the **collection of rainwater** began, which, once filtered, is subsequently used inside the washing machines in the Magneti Marelli department. As for the remaining water, it is collected in the sewer system, sent to the sewage treatment plant and released into related surface water bodies.

Water withdrawal by source (m³)

	2019	2020	2021
Well water	12,372	9,668	17,780
Water from aqueducts	5,945	7,636	7,340
TOTAL WATER WITHDRAWAL	18,317	17,304	25,120

Water discharge by destination (m³)

	2019	2020	2021
Well water	6,580	5,340	9,611
Water from aqueducts	5,945	7,636	7,340
TOTAL WATER DISCHARGE	12,525	12,976	16,951

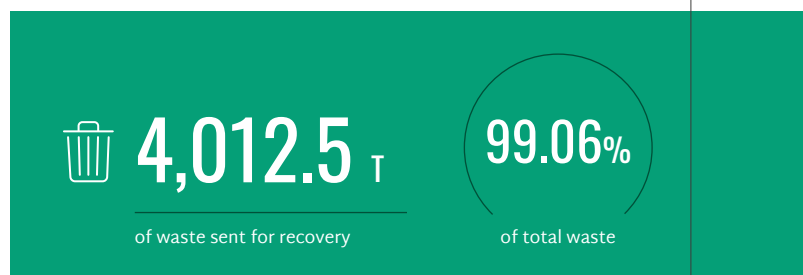
Water consumption (m³)

	2019	2020	2021
WATER CONSUMPTION	5,792	4,328	8,169

Waste

Streparava recognizes the importance of rational use of raw materials and, together with careful and timely **waste management**, aims to **reduce the environmental impact of its processes**. To this end, we have had an environmental management system since 2005, a voluntary choice that has led to the constant analysis and reporting of the waste produced. The company is naturally directed toward **continuous improvement**, especially about **increasing the recovery of waste material**, with particular reference to **wood packaging**.

Referring to the reported data, there is a trend of growth in total waste production, which is related to the company's productivity growth. However, the data show how in both hazardous and non-hazardous waste, the percentage of waste taken to landfills



has sharply decreased, as their disposal with a view to recovery and reuse has grown at the same rate.

Hazardous waste

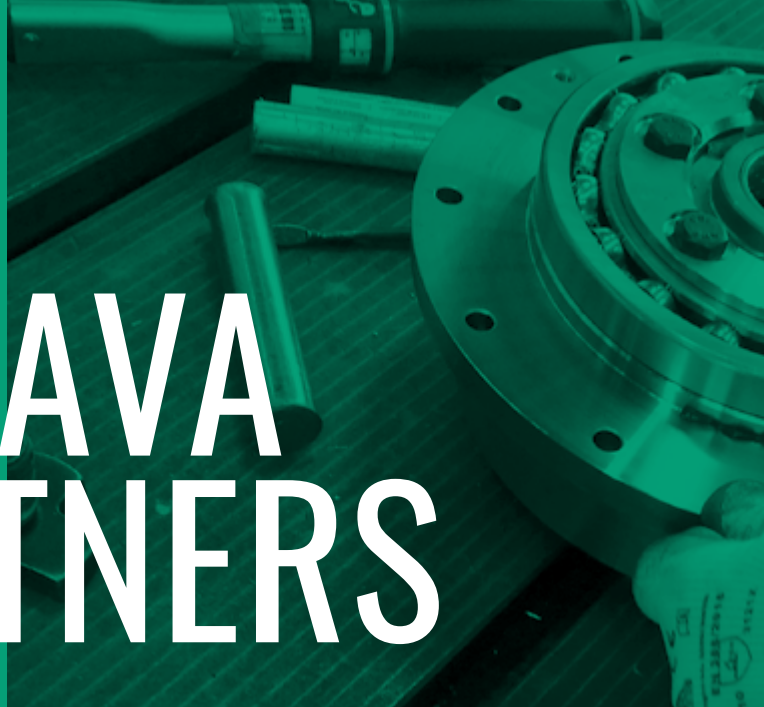
	2019	2020	2021
Destined for disposal	0	25.63	15.37
Landfill	0	25.63	15.37
Destined for Recovery	478.992	392.57	433.8
Preparation for re-use	478.992	392.57	433.8
TOTAL HAZARDOUS WASTE	478.992	418.2	449.17

Non-hazardous waste

	2019	2020	2021
Destined for disposal	37.814	16.01	22.875
Landfill	37.814	16.01	22.875
Destined for Recovery	3,734.98	2,885.56	3,578.66
Preparation for re-use	3,734.98	2,885.56	3,578.66
TOTAL NON HAZARDOUS WASTE	3,772.80	2,901.57	3,601.54
TOTAL WASTE	4,251.79	3,319.77	4,050.71
Destined for recovery	99.11%	98.75%	99.06%



STREPARAVA FOR PARTNERS



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4.1 Our approach

The macro-trends in the automotive world-emission reduction, electrification, light weighting, autonomous driving, vehicle digitization-will have a very **high impact at both the product and supply chain levels**.

Being able to **provide our customers with key innovative solutions for the mobility of the future** is part of our Vision and a priority for us. From this drive comes our ongoing commitment to research and development and our focus on **reducing**

the cost of products throughout the supply chain.

We understand that to be able to meet new market and societal needs, we must focus on **high-impact innovation** that stems from a clear vision of objectives and the involvement of our entire value chain, particularly our customers and our suppliers and partners.





High-impact innovation

Our role is to preside over these evolutions as much as possible, with all the complexity that this entails for system providers like us.

To support the challenges of the next decade, it is therefore necessary **to expand our scope**, conceptually to the full vehicle and probably beyond to enable a range of functions and services closer to end use.

Into this vision are grafted the **R&D initiatives**, geared both to new products in our traditional scope and to **entirely new opportunities**, of which our Rob.Y, the digital chassis for self-driving vehicles realized through contamination with E-Shock, is a complete example of being “light, digital, electric and autonomous”.

Research and innovation for sustainable mobility

Strength and competitive leverage

Research and innovation support the company's two main product lines - chassis and powertrain - and integrate both the approach to the product and the market and the study of new technological solutions to support manufacturing capabilities.

Technological innovation in Streparava plays an absolutely important role, so we operate completely independently as well as in collaboration with universities and research centers.

For us, at Streparava, research and innovation have always been a strength and a competitive leverage, both in support of our products and those developed in collaboration with the customer.

At Streparava, research and innovation are closely linked to the

operating environment, starting with market analysis, trends, and the main issues and opportunities that may arise in the life of products. The goal is to develop innovative solutions that bring value to our customers and products.

Our main research and innovation themes are:

- light weighting and technologies for CO₂ reduction
- suspension for electric or hybrid drive vehicles
- innovative materials and processes
- flexible and reconfigurable processes
- smart vehicles
- advanced valvetrain systems

The Future of Mobility: Rob.Y

Mobility is increasingly adopting technological solutions ranging from artificial intelligence to electric motors, from autonomous driving to vehicle modularity aimed at more flexible transportation solutions, according to a demand for more personalized mobility. Increased reliability, flexibility and performance are the answer to evolving mobility needs and behaviors.

Rob.Y is the first digital chassis offering the highest standards of autonomous driving and robotization available today for both smart cities and professional services. A more complete robotic vehicle platform designed for professional services and advanced mobility solutions.



In 2021, despite the complexity of the period, research and development activities continued and focused on both **innovative production processes** and the use of **new materials and technologies**.

**THE CHALLENGE IS TO CHANGE OUR SKIN,
BUT WITHOUT LOSING OUR DNA, WITH OUR ROOTS FIRMLY
IN THE GROUND AND OUR GAZE TURNED TOWARD THE FUTURE.**

Technical Cost Reduction (TCR) system

The automotive sector has always faced challenges and changes due to the rapid evolution of technologies with strong implications in the perception of value and cost of products throughout the supply chain.

The Strep-arava team positions itself toward its customers as a reality capable of proposing initiatives that **improve the technical content of its products**, also with a view to **reducing the total cost**, including the management costs (design, prototyping, validation) of the entire life cycle of the products themselves: for example, a cost reduction that is based on weight reduction can bring benefits for both the vehicle manufacturer and the end user, in terms of greater payload capacity and lower consumption. This objective concurs with the company's other **strategies to consolidate and improve technical and commercial relationships** with the current and future customer base.

Technical Cost Reduction (TCR) system deals with the reduction of the total cost of a product in the face of changes in design, process, supply, and logistics that result in a modification of the product as defined by technical drawings and standards or specific current supply conditions, but without reducing the technical, performance, and quality value. Such changes may involve an in-depth approval and validation process to the customer. In addition, TCR works in structuring proposals for improving quality and environmental impact, including evaluating innovative processes.

The content and focus of TCR's activities for the year 2021 - felt to be the year of exit from a period of slowdown in development activities - saw a **change in strategic approach toward customers**: we leveraged the **technical and technological know-how** from the wealth of skills and knowledge gathered in TCR's recent years of activity to support our customers in developing projects for **new products and renewal of current ones**.

We have extracted from our database of TCR proposals, the most useful information to support our customers in choosing **more efficient designs** according to criteria of cost, quality, performance and reliability of new products; information aimed at influencing our customers' design choices toward **aspects and trends of environmental sustainability**: use of lighter, recyclable and environmentally friendly materials, as well as favoring less energy-consuming production processes with reduced environmental impacts.

We can affirm a **renewed integrated approach of the Strep-arava TCR System in the strategic product and process development plans of our customers** to address a new phase of technical, economic, social and environmental transition.



R&S
PE/PD/CQ
SUPPLIERS
PURCHASE
CLIENTS



IDEA TO BE
EVALUATED
KPI 1



TECHNICAL
AND ECONOMIC
FEASIBILITY
KPI 2



PROPOSAL
TO THE CLIENT,
VALIDATION CYCLE
KPI 3



INTRODUCTION
KPI 4



SAVING
KPI 5



4.2 Streparava customers

In 2021 too, Streparava has confirmed its desire to face the market with a one-stop shop perspective, that is, with the desire to be a single point of reference toward its customers and continuing the path of expanding the value proposition, placing alongside purely mechanical components, mechatronic and electronic areas.

For this reason, the company has continued its path of contamination with universities, research centers and start-ups, to give our products more and more functionality at the intelligence and service level. In addition, a further trend has been that of verticalization, so that we can be a single point of contact starting from the raw material all the way to the finished product.

Finally, the concrete follow-up of our customers, even during the lockdown period, was possible through webinars, which were useful to foster and match the exchange of ideas and strategy: new products and new platforms were developed with some of them, which will be the subject of analysis in the coming years.

During 2021, relationships with major customers have been maintained positively, and collaboration is always proactive and aimed at continuous improvement. Concrete follow-up of our customers, even during the lockdown period, was possible through webinars, which were useful to foster and match the exchange of ideas and strategy: new products and new platforms were developed with some of them, which will be the subject of analysis in the coming years.

Customers by geographical areas 2021

	2020	2021
Italy	45.6%	46.9%
Abroad	54.4%	53.1%



46.9%

Italy

53.1%

Abroad

Business divisions by geographical areas (% revenue)

	2019	2020	2021
Chassis	81.3%	84.3%	84.2%
Powertrain	18.1%	14.7%	15.2%
Testing and Prototypes	0.6%	1%	0.6%

CHASSIS



53%

Italy

47%

Abroad

POWERTRAIN



33%

Italy

67%

Abroad

4.3 Certifications and WCM

Talking of sustainability for us means considering the Environmental, Social and Governance aspects, according to a medium-long term perspective, which leads us every year to review and update the management models, in order to keep in mind what has been done in the past to effectively manage what awaits us in the future.

Our policies, which concern the management systems of quality, environment, safety, social responsibility, energy and privacy management, fully consider the needs and requirements that come from the physical and landscape context in which we operate, as well as those of the various speakers and stakeholders.

Certifications



Certifications and reference manuals

IATF 16949	2016	Standard for the Automotive Quality Management System
UNI EN ISO 9001	2015	Quality Management System - Requirements
ISO/IEC 17025	2017	General requirements for the Competence of testing and calibration laboratories
UNI EN ISO 14001	2015	Environmental management system - Requirements and guide for use
ISO 45001	2018	Worker health and safety management system
REFERENCE MANUALS		ANFIA, AIAG and VDA Operations Manuals



QUALITY POLICY

Going beyond customer expectations by improving business efficiency.



ENVIRONMENTAL POLICY

Assisting the customer, respecting the environment.



TESTING CENTER POLICY

The Testing Center must work according to the principle that the Quality of services arises in the management process and that prevention therefore takes precedence over the identification of defects and inconveniences.



SAFETY POLICY

It is inspired by the principle of safeguarding the safety and dignity of the person.



Product quality and safety

The company's activities are oriented toward customer satisfaction and protection by listening to requests that can foster an improvement in the quality of products and services offered. Streparava Group has implemented a special Quality Management System (ISO 9001-ISO/TS 16949) and directs its research, development and marketing activities to high quality standards of its services and products.

The use of substances or chemicals that are potentially hazardous to people and the environment is minimized and, where possible, banned completely. All Streparava Group products undergo

risk and safety analyses and assessments throughout the development process.

Streparava Group pays careful attention to avoid even mistakenly selling products with quality and quantity specifications that do not conform to what is represented or guaranteed to the customer.

Streparava Group also condemns conduct aimed at counterfeiting domestic or foreign patents, designs, and industrial models and the use of the same. Streparava Code of Ethics

World Class Manufacturing (WCM)

The company's continuous improvement philosophy finds structure in the development of **World Class Manufacturing (WCM), a methodology for identifying and reducing inefficiencies and waste** that allows the optimization of production performance and increased quality.

This structure, composed of Managerial and Technical Pillars, is annually subjected to an auditing process intended to ensure its correct functioning and score the company's system.

In a year when the WCM audit is coming back to an in-person

audit, **Streparava's score improves once again**. We know, it is not easy to improve all the time, but even in this audit we managed to reach 45 points with an increase of 7 points over 2020.

These are the considerations and words of auditor Alberto Autino, who brought us important feedback helping us in our growth path:



THE PLANT IS PROGRESSING ON ITS PATH TO BRONZE BY SHOWING REMARKABLE COMMITMENT AND INVOLVEMENT IN THE EXECUTION OF THE WCM PROGRAM.

REMARKABLE WAS THE INVOLVEMENT OF ALL THE MANY PEOPLE WHO SPOKE DURING THE AUDIT, WITH PARTICULAR FOCUS ON YOUNG ENGINEERS, DEMONSTRATING THE PLANT'S GOOD INDUCTION WORK.

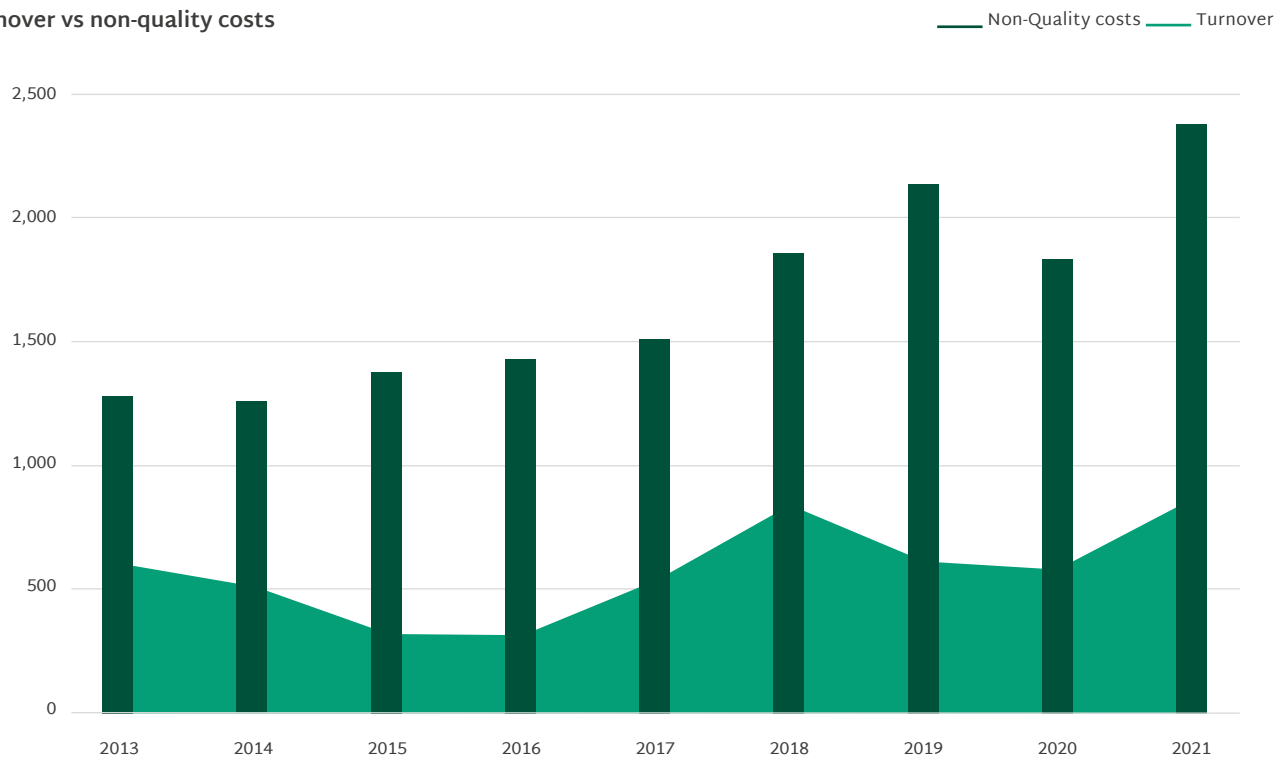
ONE OF THE PLANT'S FUTURE CHALLENGES IS TO CONTINUE TO INCREASE THE LEVELS OF DETAIL, DEPTH, AND EXPANSION REQUIRED TO ACHIEVE SCORE 3 ON THE TECHNICAL PILLARS, CONSISTENT WITH THE ATTACK ON LOSSES AND THE MEDIUM-TO LONG-TERM BUSINESS STRATEGY.

ALBERTO AUTINO
Auditor

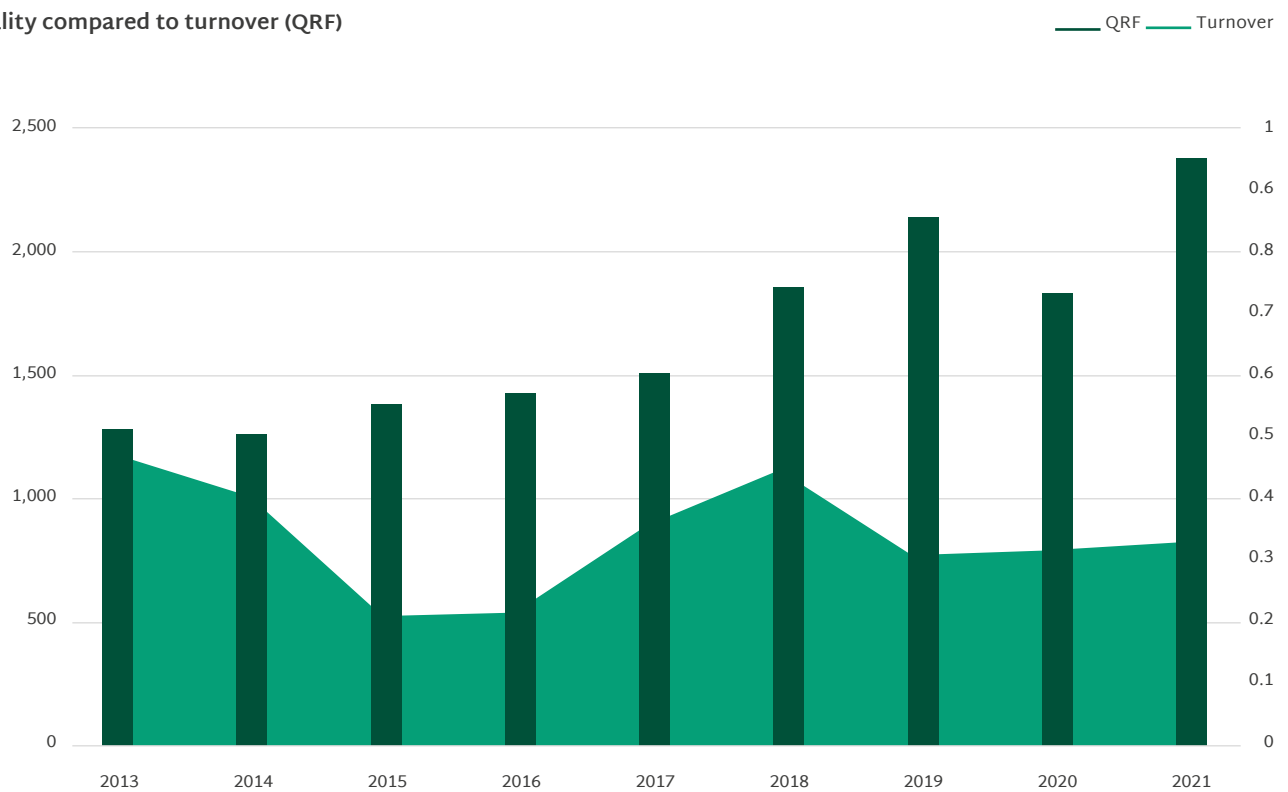
We believe that with these 3 sentences we can really summarize both the great work done thanks to our **team spirit**, but also what the challenge will be for the future in the continuous

improvement of our processes; we can no longer do without it now, it is our way to stay competitive in the market, to bring **wellbeing** in the way we work.

Turnover vs non-quality costs



Quality compared to turnover (QRF)





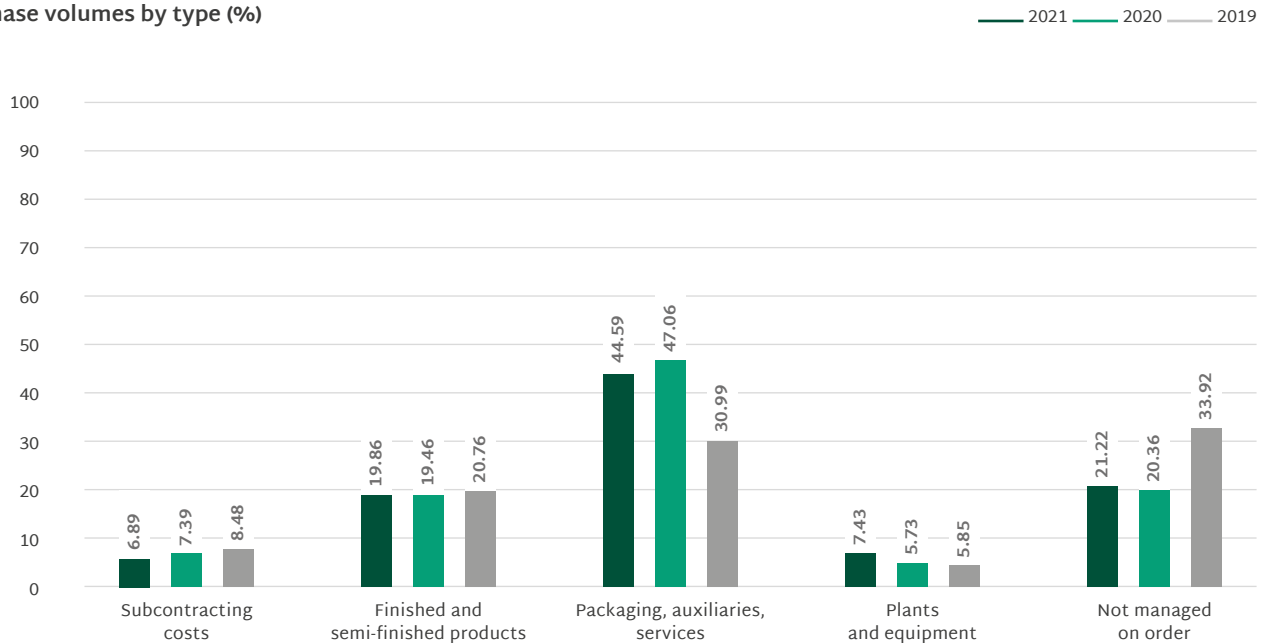
4.4 Streparava chain production

The costs of raw materials and energy have experienced strong variations and price increases with an impact on all production sectors that have had to, and will have to in the future, face difficulties related to material shortages, extended delivery times and logistical problems compromising in many cases marginality, competitiveness and investment capacity.

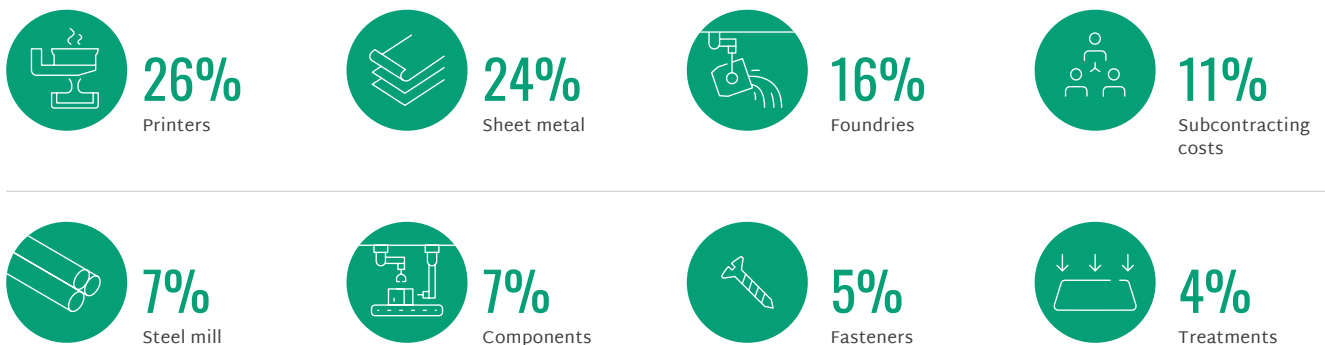
Procurement therefore plays an increasingly strategic role in business management, and this is even more relevant for Streparava since about $\frac{3}{4}$ of our turnover is “purchasing”. Hence, a key role of procurement should be translated into the ability to become a “profit center” rather than a cost center for the company, as well as one of the main “business partners” in the company itself.

Streparava pays great attention to the management of its supply chain and has for some time been running the “Corporate Purchasing Evolution” project, which has as its main goals the development of a sustainable supply chain over time, leadership within and outside the company, the pursuit of significant economic efficiencies (savings) as well as the extension of the “procurement” development and improvement programs to a corporate level. The extension of all development and improvement programs to the corporate level allows to benefit from best practices at the group level and to have extended results and important synergies. This extension translates into the involvement of all Plants in the Group through a calendar of monthly visits as well as weekly sharing meetings that allow a constant exchange of ideas, information, best practices, visions and behaviors.

Purchase volumes by type (%)



Purchase volumes by commodity category (%)

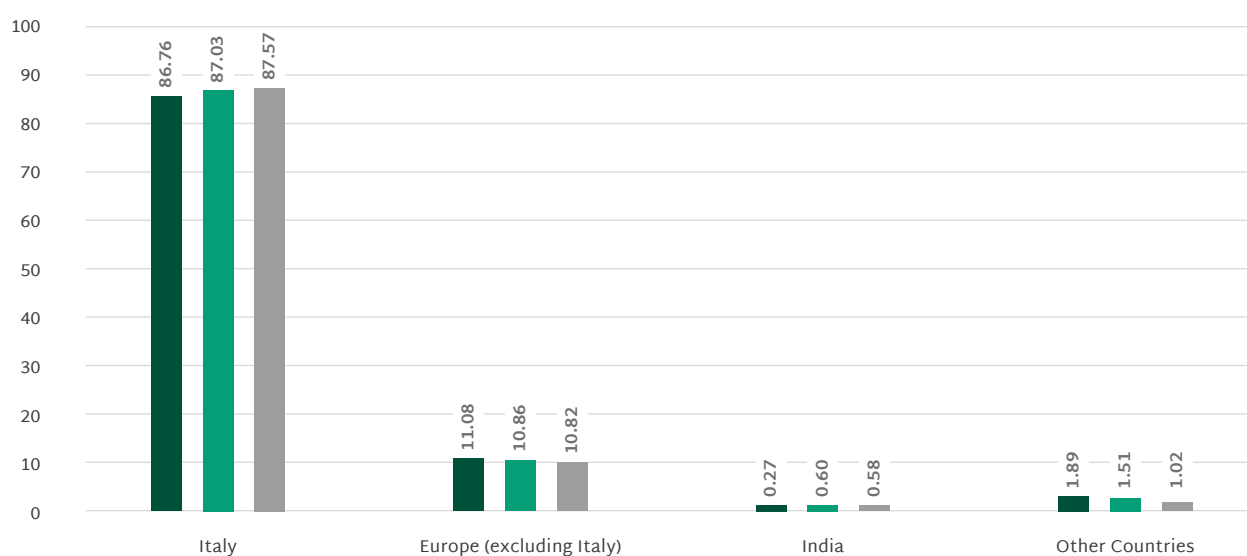


Risk management is fundamental in the development of a sustainable supply chain over time, a very topical issue that cannot be experienced only in an emergency or, as the result of planning. Risk management must be, today more than ever, **an integral part of a company's strategies**, both to protect activities and ensure business continuity, and to inspire and indicate choices that allow to prevent and reduce "natively" the main risk factors.

In Streparava, the **development of a sustainable supply chain over time** passes through the implementation of a **structured risk-management system** that allows for a complete and constant analysis of the supplier base, highlighting critical issues and opportunities, always with a view to **continuous long-term improvement**, combined with **constant supervision of the suppliers themselves**.

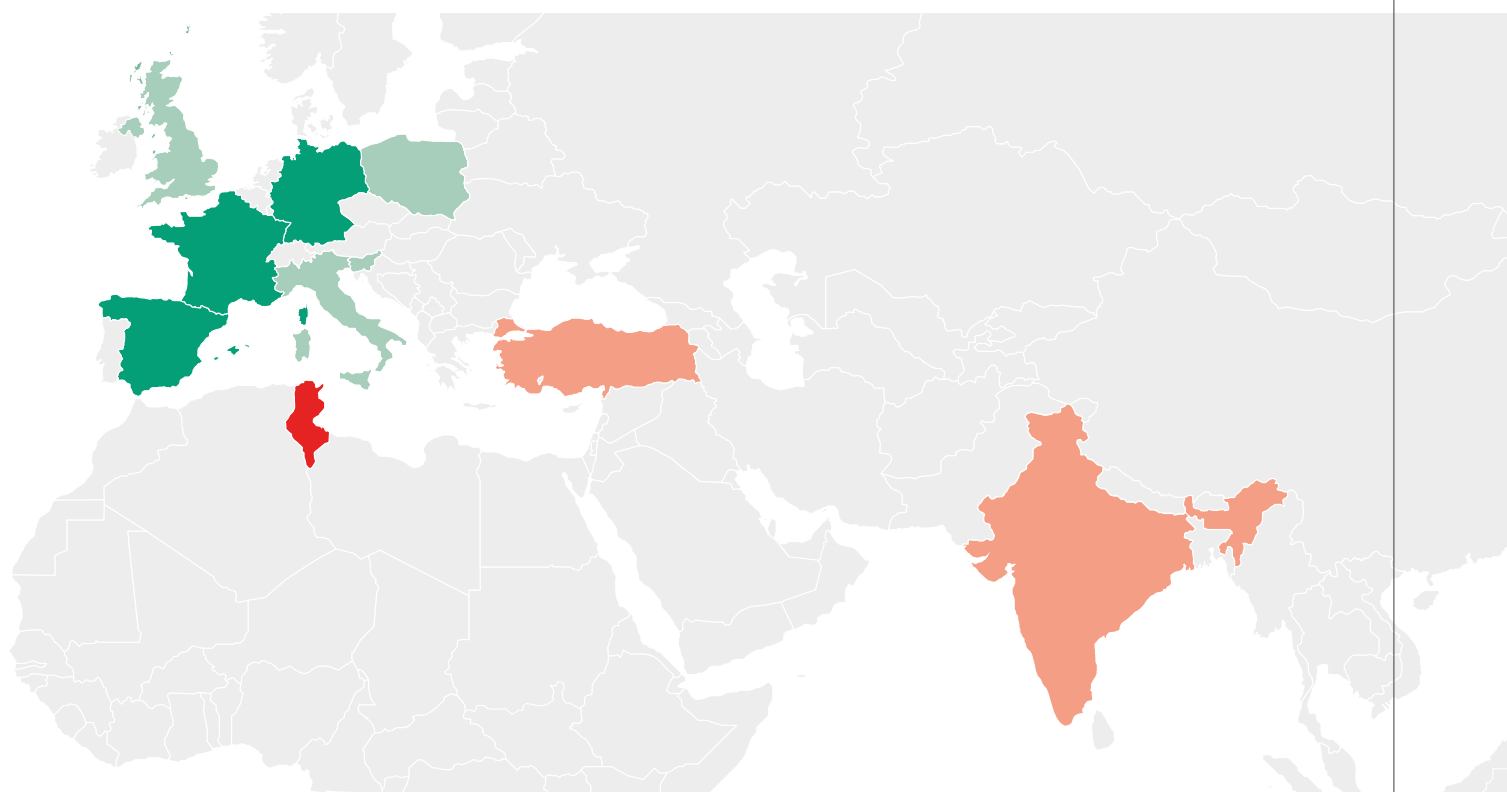
Purchase volumes by geographical area (%)

— 2021 — 2020 — 2019



Geographical distribution of suppliers and country risk

4 3 1





Another central element of the supply chain management is the active support and collaboration with our suppliers and partners.

Through the application of the “*veni vidi vici*” concept, which translates into a constant presence of Streparava “procurement” in **support of suppliers and partners**, the development of internal and external leadership must be expressed starting from the concept that **there is not success without knowledge** and this knowledge must guide company decisions in **identifying partners that allow growth in terms of products, processes and competitiveness**.

A better **knowledge and leadership of procurement towards its suppliers and partners** promotes the pursuit of economic efficiencies (savings), which must be sought through Technical Cost Reduction (TCR) activities, actions deriving from workshops, search for alternative suppliers as well as productivity deriving from technical-commercial actions.

A fundamental role in this whole scenario is represented by **Supplier Development**, an integral part of the Streparava purchasing area, which we could define as the “armed wing” of procurement.

Supplier Development has as its main objectives the development and strengthening of suppliers, the development of a reliable Vendor Rating that represents the “credibility” of the internal assessments of the company, constant supervision of suppliers to be recognized as authoritative and prepared speakers, as well as the development of the sustainability of the entire supply chain by promoting the application of a Code of Ethics.

Through constant support to the entire supply chain, Supplier Quality can truly represent an element of growth and development of the entire supply chain, a fundamental and essential element to allow the company to achieve its goals.

Streparava maintains profitable relationships with all the parties in its supply chain based on transparency, fairness in payments and compliance with the contractual conditions. Our suppliers and partners contribute to the success of our company, and it is essential for us to know how to correctly interpret and meet their needs: they know that they are not just words and are ready to support us to win, together, the new and great challenge that we will face, in a scenario in which the possibility of counting on a regional and local supply network will be fundamental.



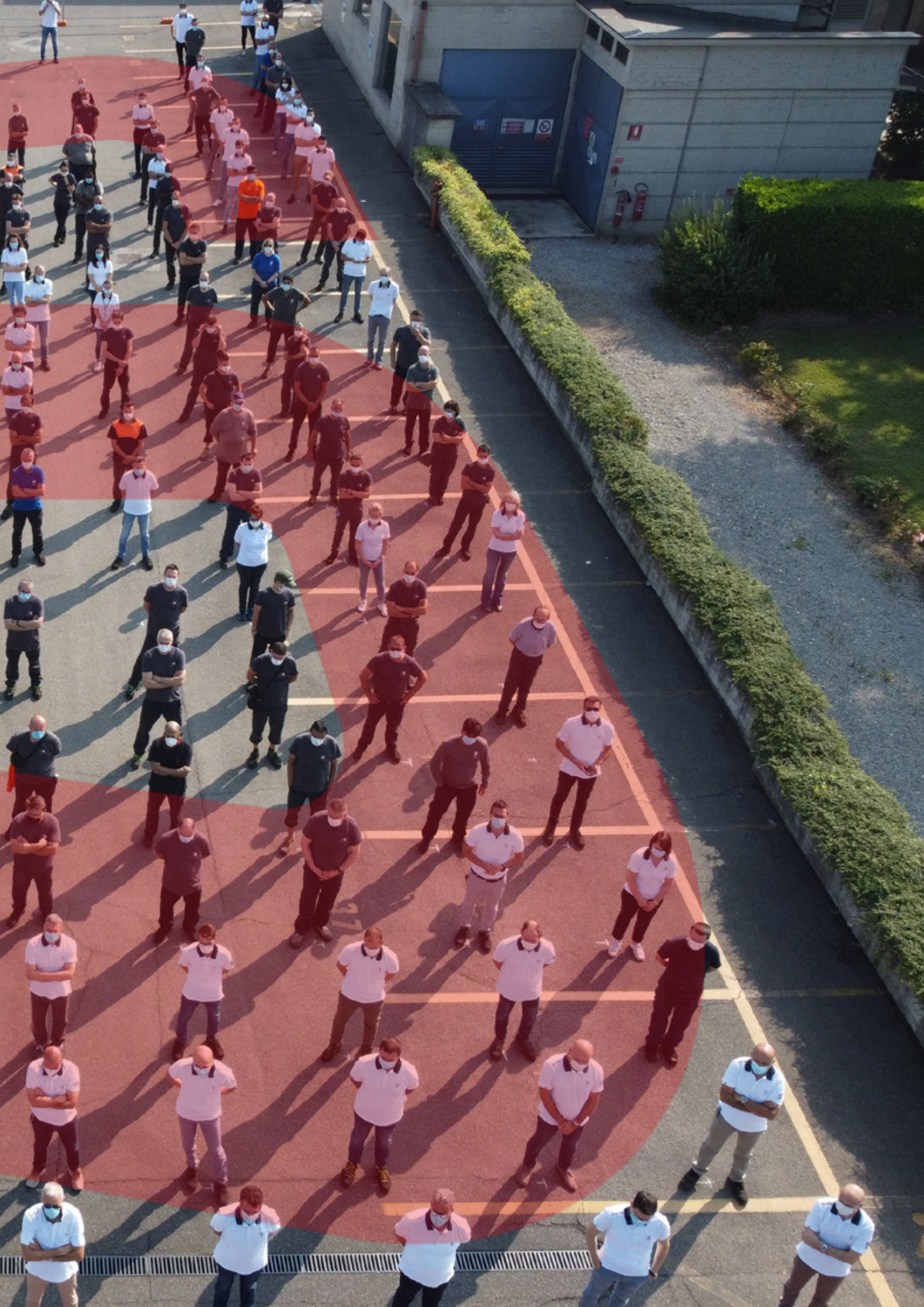
APPENDIX GRI CONTENT INDEX



GRI STANDARD	GRI INDICATOR CODE	DESCRIPTION	REFERENCES IN THE REPORT - NOTES
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	102 - 48	Information review	Methodological note
	102 - 49	Changes in reporting	Methodological note
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