




SUSTAINABILITY POLICY

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SUSTAINABILITY POLICY **STREPARAVA HOLDING S.P.A.**

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INTRODUCTION

Streparava S.p.A (hereinafter also “Streparava” or the “Company”) sustainability policy (the “Policy”) has been developed with the aim of disseminating the principles of environmental, social and governance sustainability (hereinafter also “ESG”).

With reference to the strategy that Streparava has implemented to pursue the goals defined in terms of sustainability, the integration of ESG principles becomes increasingly important.

These principles play an increasingly significant role in the daily commitments of the Company that operates in the belief that sustainability is the “driver” of a continuous improvement process that guarantees results over time and the strengthening of its economic performance, reputation and health and safety of its workers, as well as enabling it to meet its goals in the environmental, social and governance spheres.

Creating Shared Value for the stakeholders represents one of the main characteristics of Streparava sustainability as merely respecting the law is not enough to guarantee its sustainability over time.

Streparava is an important company that has established itself in the world as a reference player in the automotive sector.

At Streparava we provide the most advanced technological solutions and have great experience in the selection and implementation of materials. We provide precision mechanical machining of products obtained from forging, casting and precision casting, as well as the assembly of complex systems, relying on fully automated lines for large volumes.

Streparava pursues a policy of constant updating regarding strategic, instrumental, process and market skills, applying the most modern methods of industrial automation and digital transformation.

Streparava is aware that economic and business activity generates direct and indirect impacts on human rights, on the environment in which it operates and on society, therefore it has defined the areas of responsibility towards its stakeholders: employees, trade unions, shareholders, customers, suppliers and communities, by sharing a corporate culture in compliance with the current regulations and aligned with the international best practices.


The Policy defines and integrates the sustainability model and identifies the principles that inspire Streparava for a responsible management of its impacts, both towards the communities in which it operates and towards its own people.

Streparava is committed to incorporating its Sustainability Policy into its business practices and relations with the various categories of stakeholders. Particularly, this Policy is functional to the identification, assessment and management of the ESG factors, which may involve both risks and opportunities, for the achievement of corporate objectives.

Aware of the key role of the sector in which it operates for a responsible growth, Streparava pursues and supports the respect for internationally established human rights and considers the protection of the integrity, health, rights and well-being of its employees and of the environment as primary and fundamental keys in the performance and development of its activities.

Streparava sustainability strategies pursue a continuous improvement of the environmental, quality, health and safety at work aspects in compliance with the Company Values and Code of Ethics and in compliance with the Sustainability Model envisaged by the United Nations Global Compact.

As a matter of fact, Streparava is certified UNI EN ISO 9001: 2015 and IATF 16949: 2016.

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It also promotes the protection of the environment and workplace safety through the Code of Ethics and a UNI EN ISO 14001 and UNI EN ISO 45001 certification plan.

The compliance with these principles, together with the values already referred to in the Code of Ethics, is essential both in Streparava and towards the subjects with whom it enters into relationship in its daily commitments for the purpose of creating value in the short, medium and long-term.

Streparava's activities comply with the Code of Ethics approved by the Board of Directors and the sustainable development strategies assume a commitment to continuous improvement of the environmental, health, safety at work related to its activities, in full compliance and support of contents of the "Universal Declaration of Human Rights", the "International Labour Organization Declaration on Fundamental Principles and Rights at Work", the "Rio Declaration on Environment and Development" and the "United Nation Convention against Corruption".


GOALS, COMMITMENTS AND SCOPE OF APPLICATION

The goal of the Sustainability Policy is to define the strategies and guiding principles of sustainability, with specific focus on:

- combating corruption;
- social issues and those regarding personnel;
- respect of human rights;
- environment protection

For these purposes, Streparava undertakes to:

- promote the use of the most advanced technologies to achieve excellence in the protection of workers' health, in workplace safety and in the environmental protection;
- assess and reduce the environmental impact of its products and services throughout their entire life cycle
- use resources responsibly with the aim of achieving sustainable development that respects the environment and the rights of future generations;
- govern its activities in terms of health, safety and rights in the workplace, environment, in compliance with the most qualified international standards;
- not to adopt or support the use of child labour and forced labour;
- ensure equal opportunities and freedom to join and associate themselves, promoting the development of each individual;
- take position against the use of corporal punishment, mental or physical coercion, verbal abuse;
- comply with laws and industry standards regarding the working hours and ensure that wages are enough to meet the basic needs of the personnel;
- establish and keep active the procedures necessary to evaluate and select suppliers and sub-suppliers according to their level of social and environmental responsibility;
- not to tolerate any kind of corruption in any form or way, in any jurisdiction, even if such activities were in practice admitted, tolerated or not prosecuted legally;

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- involve all levels of the organization and all employees ensuring that responsibilities and operating procedures are precisely defined, appropriately communicated and clearly understood;
- identify, assess and prevent risks to health and safety in the workplace aimed at a continuous reduction in the number and severity of accidents as well as occupational diseases, implementing health surveillance plans in order to protect workers from specific risks associated to their company duties;
- pursue the reduction of the environmental impact of the activities through the timely identification, assessment and prevention of environmental risks, allowing the identification of appropriate action plans;
- develop and implement emergency management programs aimed at preventing and avoiding damage to people and the environment in the event of accidents;
- develop safe products and safe production processes aimed at minimizing polluting emissions, the production of waste - also through the reuse and recycling of the materials used -, the consumption of available natural resources and the causes of climate change, in order to preserve the environment and biodiversity;
- empower, train and motivate its employees to work safely and respecting the environment, involving all levels of the organization in a continuous training and information program, aimed at promoting the culture of safety in the workplace and respect for the environment and to ensure that corporate responsibilities and procedures in these contexts are appropriately updated, communicated and clearly understood;
- manage its supply chain responsibly including, specifically, the respect for the environment and occupational health and safety issues in the supplier selection criteria, contractual clauses and audit criteria. It also requires its suppliers to implement a similar management model in their supply chain that complies, for environmental and occupational health and safety issues, with international standards and with the laws and regulations of the countries they operate in.


To maintain the alignment of the business strategy with the sustainability approach, Streparava draws up a strategic sustainability plan through the periodic activity of the SBS, People & Energy Committee, in conjunction with the Business Plan issued by the CEO Committee. These commitments are naturally part of the wider scope of the Sustainable Development Goals (SDGs) defined in the 2030 Agenda of the United Nations.

PEOPLE

This Policy can be applied to all corporate bodies and all persons linked by working relationships with the Company and with the companies part of the group controlled by the same, as well as all to those who work for the Group, whatever the relationship that binds them to the same. This policy is disseminated to all Group employees and disclosed, Streparava undertakes to continuously improve the policy itself and its programs and to implement procedures, rules and instructions to ensure that the values expressed in this policy are reflected in the behaviour of its employees and collaborators.

Streparava, through the application of this policy, believes that it contributes to ensuring the conditions and tools for a better quality of life for the generations of today and tomorrow.

Streparava undertakes to disseminate this Policy through its website (www.streparava.com) so to ensure its compliance and correct application by all employees within the organization and interested parties. The policy is subject to periodic review by the SBS Committee: any changes are subject to examination by the Board of Directors, which decides on the approval of the Policy and is responsible for compliance with the principles it provides. Contents and updates of the document are published on the website.

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COMMITMENT

The ESG principles outlined in this Policy are closely connected to the distinctive criteria that have always contributed significantly to the success of Streparava. Based on these assumptions, the principles underlying the Group's work from an environmental, social and governance point of view are outlined below.

The Sustainability Policy is implemented through the following action areas:

Environmental

Streparava commits to minimizing and optimizing the impact that its activities generate on the environment - directly and indirectly - in the short and long term and to constantly monitor the risk factors associated with environmental aspects. Particularly, Streparava is active in the use of processes and technologies aimed at reducing consumption and greenhouse gas emissions, to contribute to the mitigation of climate change. With reference to direct impacts, the Group sensitizes its employees to the responsible use of resources and the correct disposal of waste. Streparava also undertakes to monitor its indirect impacts, strictly connected to its work, in an always increasingly structured way.

These principles are to be considered valid both within the Group and externally, through the offer of products capable of generating positive environmental impacts and fostering virtuous behaviour.

In term of its business culture, environmental protection is one of the key values.


For this reason, Streparava pledges to adopt Environmental Management Systems certified according to recognized standards, with the aim of continuously improving its performance and mitigating risks.

Streparava's main research and innovation themes are:

- lightning and CO2 reduction technologies
- suspensions for electric or hybrid vehicles
- innovative materials and processes
- flexible and reconfigurable processes
- smart vehicles
- advanced valvetrain systems

In accordance with the principle, Streparava pledges to:

- minimize the environmental impact of its activities, reducing its energy consumption, atmospheric emissions and waster production, also by improving the quality and efficiency of its plants;
- consider the protection of biodiversity, natural habitats and ecosystems as a key component of sustainable development when developing its projects;
- promote the informed and responsible use of all the natural resources available to the Group: in particular, the territory and water resources are managed appropriately, judiciously and with the smallest possible impact, as they are necessary for the development of future generations;
- prioritize and reduce energy consumption with consequent reduction of the impact on the environment due to CO2 emissions and other pollutants;

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- Investments in R&D to improve the environmental performance of products, with particular reference to the selection of materials, design and end of life;
- Promotion of concepts related to sustainability to employees, collaborators, partners and stakeholders
- Preference for advanced technology transport systems (electric, hybrid engines, etc.)
- Definition of a rational system for collecting and monitoring ESG data

Social

Streparava's sustainable approach can be seen in its Human Capital protection and development policies and the achievement and maintenance of these principles are also pursued by monitoring compliance with the principles recognized in the Universal Declaration of Human Rights and the declarations of the Labour International Organization.

In the awareness that the active contribution of all people is essential for the achievement of the above goals, Streparava pursues continuous and targeted information, awareness and training.

The relationships between Streparava people are based on the values of fairness, transparency, freedom, loyalty and trust.

In this context, Streparava has always been committed to offering working conditions that respect personal dignity, human rights, equal opportunities and a professionalizing and participatory work environment.

The personnel selection process is performed in full respect of diversity, equal opportunities, heterogeneity and non-discrimination, avoiding favouritism and facilitations of any kind.

Streparava also promotes the management and development of its people by providing specific programs aimed at enhancing its talents in all roles and levels of responsibility. In terms of health and safety, the Group fulfils its legal obligations and undertakes to ensure the well-being of the employees and to preserve the balance between private life and working life.


Governance

Ethics and integrity in managing relations with legitimate stakeholders are foundations of our way of doing business. Maintaining and protecting its reputation is essential for Streparava to be adequately perceived as an honest and reliable partner by all its stakeholders. In particular, Streparava commits to preventing corruption through a series of rules of conduct, control instruments and procedures for ex ante and ex post verification of the methods of conducting business, in order to prevent and eliminate any type of unethical behaviour or corruption.

To that end, Streparava's activities comply with the laws and the regulations of the individual countries in which it operates, in addition to the international conventions on the matter, implementing measures to prevent and combat corruption and illegal practices.

In particular, it has adopted:

- Organisation and Management Model pursuant to Italian Legislative Decree 231/01;
- Code of Ethics;
- Business Ethics Policy Statement

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in order both to mitigate operational and reputational risks, and to prevent the crimes envisaged by Italian Legislative Decree 231/2001, since it contains a series of principles of "corporate ethics" with which it aims to recommend, promote or prohibit certain behaviours, beyond and regardless of what is required by law.

To this end, Streparava does not tolerate any form of corruption or unethical conduct, viewing it as a risk for a sustainable development economy, for good governance and fair practices and pledges to raise awareness and, where necessary, train all of its people, suppliers and partners, in addition to developing suitable procedures, particularly as regards relations with the community, suppliers and customers.

Streparava adopts a governance system aimed at controlling business risks, transparency in the market and balancing the interests of all stakeholders. Streparava condemns any forms of corruption, extortion, undue inducement to give or promise benefits and adopts all the most suitable measures in order to prevent and avoid committing such crimes.

In the era of sustainability, Streparava has decided to strongly communicate the path taken, in compliance with ESG (Environmental, Social, Governance) criteria, in line with the Group's values. The integration of ESG criteria in business management and investment processes is a necessity and a value capable of creating a positive impact on the world.

REPORTING

Starting from 2016, the concrete implementation of the commitments undertaken is outlined in a detailed annual sustainability report that describes all the activities performed by the company in the ESG field.

Streparava considers the Sustainability Report a moment of synthesis of the work as well as a very important tool, which certifies its ethical profile and legitimizes the role it intends to play towards the community in which it is inserted, not only in economic terms, but mostly moral.

The Sustainability Report offers the opportunity to confirm the concept of business as a "good citizen", that is, an economic entity that by pursuing its overriding interest also contributes to improving the quality of life of the members of the community in which it operates.