



Consolidated sustainability statement 2025



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GENERAL INFORMATION

1.1 Basis for preparation

BP-1 – General basis for preparation of sustainability statements

This section represents the Consolidated Sustainability Statement of the Emak Group, prepared pursuant to Legislative Decree no. 125 of 6 September 2024, as implementation of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, hereinafter "CSRD").

The section has been prepared to the extent necessary to ensure the comprehensibility of information relating to the Group's activities, as well as the other qualitative characteristics of the company as outlined in ESRS 1, Appendix B, of Delegated Regulation (EU) 2023/2772.

The reporting covers the relevant sustainability issues with reference to the 2025 financial year, from 1 January to 31 December and shares the same scope of consolidation as the Consolidated Annual Financial Report of the Emak Group ("Group"); the scope is therefore represented by all the companies fully consolidated in the Annual Financial Report.

The information provided by the Group includes material impacts, risks and opportunities ("IROs") related to the company through its direct and indirect business relationships in the upstream and/or downstream value chain for all policies, actions and targets, as represented in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model. No metrics are expressed about relevant IROs on the value chain, except for the information reported on Scope 3 emissions.

The Group did not make use of any of the options to omit information referred to in points (d) and (e) of paragraph 5 of the General Information of Delegated Regulation (EU) 2023/2772.

BP-2 – Disclosures in relation to specific circumstances

With regard to the time horizons adopted, the company has not deviated from the provisions of the European legislation governing this document:

- a) short-term time horizon: the period adopted by the company as the reference period of its financial statements (1 year);
- b) medium-term time horizon: up to five years after the end of the short-term reference period defined in point a); and
- c) long-term time horizon: more than five years.

It should be noted that Scope 3 emissions (E1-6) and the calculation of resource inflows (E5-4) are based on estimates and assumptions subject to uncertainty profiles, as a result of the difficulty of access to primary data by the Group, which is committed to seeking more accurate data in the future. Please refer to the relevant paragraphs for more details on the calculation methods used.

The Consolidated Sustainability Statement includes the information required by art. 8 of Regulation (EU) 2020/852 of 18 June 2020 (the so-called "Taxonomy Regulation") and the Delegated Regulations (EU) 2021/2178, 2021/2139, 2023/2485 and 2023/2486 related to it. The recommendations communicated by the European Securities and Markets Authority (ESMA) in October 2025 were taken into account for the drafting of the section. Emak presents, within the reference chapter ("Environmental information", par. "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852"), a description of the analyses carried out in 2025 in order to communicate to its stakeholders, through the models provided by the regulator, the data relating to Taxonomy-eligible and Taxonomy-aligned economic activities for the 6 environmental objectives (*climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, waste reduction and recycling of materials, pollution prevention and protection of ecosystems*).

1.2 Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Emak has a traditional governance structure, characterized by the presence of the following bodies: the Shareholders' Meeting, the Board of Directors and the Board of Statutory Auditors, governed by the respective applicable laws.

The Board of Directors is the central body of the Corporate Governance system of the Emak Group. In its guiding role, the Board of Directors defines the Group's strategies, integrating social and environmental issues, and monitors their implementation, with the aim of promoting long-term value creation.

The Board of Directors currently in office was appointed by the Shareholders' Meeting held for the approval of the financial statements as of 31 December 2024. On that occasion, the shareholders set the number of directors at 13 (thirteen) and the duration of the mandate at 3 (three) years (2025-2027).

Qualification	Members	Year of birth	Gender	Date of first appointment	In office since	In office until	Executive	Non Executive	Independent	No. other offices	Seniority of position since the first appointment	Committee member
Chairman	Livatino Massimo	1964	M	23/04/2013	29/04/2025	App. Financial Statements 2027		X		6	13	
Chief Executive Officer	Bartoli Luigi	1966	M	30/04/2004	29/04/2025	App. Financial Statements 2027	X			1	22	
Director with powers	Becchi Cristian	1973	M	29/04/2022	29/04/2025	App. Financial Statements 2027	X			-	4	
Director	Iotti Elena	1979	F	22/04/2016	29/04/2025	App. Financial Statements 2027		X	X	6	10	CCRS/CORE/CNOM/COPC
Director	Venturelli Valeria	1969	F	29/04/2025	29/04/2025	App. Financial Statements 2027		X	X	-	1	CCRS/CORE/CNOM/COPC
Director	Grappi Silvia	1976	F	29/04/2022	29/04/2025	App. Financial Statements 2027		X	X	-	4	CCRS/CORE/CNOM/COPC
Director	Baldi Francesca	1969	F	23/04/2013	29/04/2025	App. Financial Statements 2027		X		3	13	
Director	Bartoli Ariello	1937	M	24/04/1998	29/04/2025	App. Financial Statements 2027		X		1	28	
Director	Becchi Paola	1967	F	30/04/2004	29/04/2025	App. Financial Statements 2027		X		1	22	
Director	Ferrari Giuliano	1950	M	30/04/2004	29/04/2025	App. Financial Statements 2027		X		-	22	
Director	Salsapariglia Marzia	1961	F	22/04/2016	29/04/2025	App. Financial Statements 2027		X		-	10	
Director	Spaggiari Vilmo	1940	M	30/04/2004	29/04/2025	App. Financial Statements 2027		X		1	22	
Director	Zambelli Paolo	1973	M	29/04/2022	29/04/2025	App. Financial Statements 2027		X		1	4	

Among the appointed directors there are 2 executives and employees of the company, 3 non-executive and independent (equal to 23% of the total directors, 27% of non-executive), 8 non-executive and non-independent; of the 13 members, 6 are female (46%).

Emak's Board of Directors is composed of directors with skills and professionalism appropriate to the tasks entrusted to them.

Knowledge of the sectors, products and geographical areas in which the Group operates is guaranteed by the professional and personal history of individuals as well as by their seniority, which has ensured constant training and updating on the main topics. During Board meetings, the managing directors provide extensive information on the items on the agenda. The Chairman may also invite executives of the parent company or managing directors of the subsidiaries, as well as the Manager in charge of preparing the company's financial reports, to attend the meetings of the Board of Directors in order to provide appropriate insights on the items on the agenda. In addition, if deemed useful to provide the appropriate insights on the topics covered, managers or representatives of the companies most involved in the topic are invited to participate in the meetings.

Within the Board of Directors, four Committees operate with preliminary functions, established to acquire, within their respective areas as provided and defined by the Corporate Governance Code and their respective operating regulations, their propositional and consultative contributions. These are the Remuneration Committee (CoRe), the Control, Risks and Sustainability Committee (CCRS), the Related Party Transactions Committee (COPC), and the Nominations Committee (Cnom).

In its guiding role, the Board of Directors, supported by the preliminary activities of the Control, Risks and Sustainability Committee, is ultimately responsible for managing, also by adopting the necessary procedures, the relevant risks, impacts and opportunities, including those relating to sustainability issues. To this end, the delegated bodies periodically report to the Board of Directors any significant aspects concerning environmental, social or governance issues that may emerge from discussions with the top operational levels not only of the parent company but also of the Italian companies leading the individual business units.

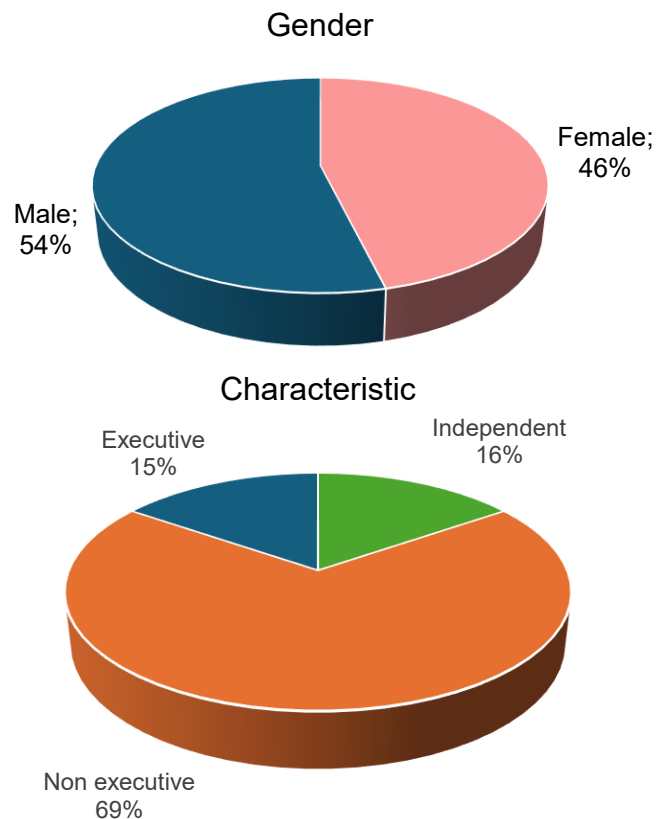
The Board of Directors has established the Control, Risks and Sustainability Committee, with the task of supporting, through adequate preliminary activities, the Board's assessments and decisions relating to the internal control and risk management system, as well as the approval of financial and sustainability reports. Its members collectively possess adequate expertise in the sector in which the Group operates, functional to assessing the related risks; due to the professionalism of its members, the Committee has specific experience in accounting and financial matters and risk management, considered largely adequate by the Board of Directors at the time of appointment.

Its opinion is not binding, however, even if it were to differ from the prevailing orientation within the Board, it would be taken into the utmost consideration, because it would commit the Board to specifically and expressly analyse and deepen the opposing reasons expressed by the Committee, motivating in detail the resolution taken.

Among the tasks assigned to the Committee under its own regulations are the following activities:

- a) evaluate the adequacy of periodic, financial, and sustainability information to correctly represent the business model, strategies of the Company and the Group, the impact of its activities, and the performance achieved;
- b) examine the content of sustainability statement;
- c) express opinions on specific aspects related to the identification, measurement, management, and monitoring of major business risks;
- d) evaluate, supporting the Board, the recommendations contained in the letter formulated by the Chairman of the Corporate Governance Committee, in order to verify their alignment with the practices adopted by the Company, identify any gaps in application or explanations provided, and possibly define any initiatives for governance evolution;
- e) report every half year to the Board on the adequacy of the internal control and risk management system.

Within the Group, issues related to the various sustainability topics are managed and governed by the functions that are most appropriate in terms of operational relevance, expertise and competence in the specific matter, and which oversee and control them. When similar issues may involve multiple functions or companies within the Group, the designated functions work to share knowledge and resources both in formal occasions, such as functional committees, and through informal discussions. Based on the importance of the issues addressed in terms of impacts, risks, and opportunities, operational decisions are taken by the competent hierarchical levels. The initiatives undertaken are periodically reported to the top management, which in turn reports to the Board of Directors in the normal board discussions.



The Board of Directors annually reviews and approves the strategic, industrial, and financial plans¹ of the Company and the Group, as well as their respective annual budgets, with the support of the Control, Risks and Sustainability Committee. During the financial year, the Board has monitored the implementation of the industrial plan on a quarterly basis, evaluating the overall management performance and comparing the results achieved with those planned, as derived from the annual budget approved by the Board itself before the end of the previous year; these activities were carried out, in particular, during meetings dedicated to the approval of interim management reports, the half-year financial report, and the annual financial report.

The Board carries out a self-assessment process every three years, in view of its renewal, focusing on the size, composition and actual functioning of the Board itself and its Committees, also considering the role played by the Board in defining the Group's strategies, in monitoring management performance, and in assessing the adequacy of the internal control and risk management system.

The most recent self-assessment was carried out in February 2025, following a review conducted by the Nomination Committee, with the results presented to the Board of Directors at the meeting held on 27 February 2025. The process was conducted without the involvement of external consultants and was based on a questionnaire submitted to each director.

In the first section of the questionnaire, submitted to all members of the Board, the following topics were included:

- the characteristics of the directors, the Board, and the Committees;
- the adequacy of the induction activities to the Board on relevant topics;
- the scheduling of board meetings;
- the preliminary information provided ahead of Board meetings;
- the conduct of board meetings.

The questions formulated in the second section, reserved for executive and independent directors, focused on the functioning of each board Committee and the coordination among the actors of the Internal Control and Risk Management System.

Following the self-assessment process described above, the Board expressed a positive evaluation of the size, composition, and functioning that characterize its structure and activities; similar conclusions were reached with regard to its Committees. The Board's overall favourable assessment of its structure and operations is accompanied by an equally positive evaluation of the frequency, relevance and effectiveness of Board discussions, as well as of the degree of mutual and constructive oversight exercised among its various members.

With specific regard to sustainability matters, the expertise of individual directors ensures adequate oversight: the members of the Board of Directors possess, on the one hand, an in-depth knowledge of the sectors and markets in which the Group operates and of the dynamics that characterise them (e.g., technological developments, consumer preferences, competitive dynamics); on the other hand, the professional background of certain Board members, particularly the non-executive directors, provides a continuous contribution of skills that complement the Group's core activities.

Specific training activities were carried out during 2025, involving the members of the Control, Risks and Sustainability Committee, the executive directors and the Chair in the review of the double materiality assessment, thereby strengthening their capabilities and expertise on the Group's relevant impacts, risks and opportunities. Moreover, where necessary, the Control, Risks and Sustainability Committee and, more broadly, the operational functions directly involved may rely on external advisors for specific matters, both to support concrete activities and to organise training sessions on dedicated topics.

It should also be noted that, in performing its duties, the Control, Risks and Sustainability Committee is entitled to access the information and corporate functions required and to make use of external consultants, within the limits established by the Board of Directors. The Committee has an annual ordinary budget of EUR 20,000, which may be increased if needed, subject to a resolution of the Board.

¹ As mentioned in other parts of the document, the Group considers sustainability topics an integral part of its operations, even though it has not yet formalized a multi-year sustainability plan.

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

During 2025, the governing bodies oversaw the preparation and approved the periodic reporting on sustainability matters and participated in the double materiality assessment process. As the Board of Directors primarily deals with high-level objectives, it is directly involved in the most significant and strategic issues for the Group's business, while more specific initiatives are carried out by the competent functions (e.g., energy-saving initiatives, research and development of new products). Throughout the period under review, the delegated bodies (supported by the operational functions directly involved) informed the Board, and, depending on the topics addressed, the relevant Board committees on the policies, actions, metrics and targets relating to sustainability matters during the various meetings, as part of the discussion of the items on the agenda. Specific items concerned, in particular, the refinement and concurrent update of the double materiality analysis, which served as a preparatory step for the drafting of the 2025 sustainability statement and for an initial introduction to the forthcoming regulatory changes in the field of sustainability reporting.

The list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, and by their respective committees, during the reporting period is provided in the General Information section, under paragraph SBM-3 *Material impacts, risks and opportunities and their interaction with strategy and business model*.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Within its Board of Directors, Emak assigns variable remuneration components exclusively to executive directors.

In line with the recommendations of the Corporate Governance Committee, the prevailing best practices in the field, and on the basis of a benchmarking analysis, the remuneration structure for executive directors provides for the following:

- a fixed component, granted in a composite form as managerial remuneration and office allowance;
- a short-term variable component (annual);
- a medium-long term variable component (three-year);
- The criteria identified to ensure a coherent and reasonable pursuit of the objective of properly incentivising executive directors are aligned with those set out in the Corporate Governance Code, as:
 - o a significant portion of their remuneration is linked to the achievement of specific performance objectives;
 - o the balance between the fixed and variable components is appropriate and consistent with the Company's strategic objectives and risk-management policy, taking into account the characteristics of the business and the sector in which it operates;
 - o maximum limits are set on the payment of variable components;
 - o the performance targets linked to the payment of the variable components are predetermined, measurable, tied to a significant extent to a medium-long term horizon, and consistent with the Company's strategic objectives and aimed at promoting its sustainable success and they also include non-financial parameters.
 - o an adequate deferral period is applied – from the time of accrual – for the payment of a significant part of the variable component, in line with the characteristics of the business activity and the associated risk profiles;
 - o the fixed component is sufficient to remunerate the director's performance in cases where the variable component is not paid due to the failure to achieve the performance targets established by the Board of Directors.

The incentive remuneration structure is designed to promote and reward the achievement of strategic objectives that are essential for the growth and consolidation of the company. Each evaluation parameter is closely aligned with the company's priorities, which range from technological innovation to environmental sustainability, as well as the strengthening of leadership and the responsible management of resources. This integrated, results-oriented approach not only supports the continuous improvement of operational performance, but also contributes to long-term value creation, in line with contemporary challenges and the evolution of the global market. The strategy adopted ensures that executive directors, through the implementation of concrete and measurable projects, carry on the company's commitment to excellence and social responsibility. This approach generates a positive impact both within the organisation, fostering development and innovation, and within the broader community, contributing to the creation of shared value.

The CEO's short-term variable remuneration for 2025 included economic and financial objectives (weight 60%) and specific objectives (weight 40%), including sustainability-related targets, as detailed below.

A first area of evaluation concerned the expansion of the business through the launch of new products, with particular reference to battery-powered products. This objective, which accounted for 10% of the short-term variable remuneration, required the completion of the development process for two new products within the planned timeframe. In continuity with what was set for 2024, meeting these parameters responded to the need for technological innovation and reflected the company's commitment to greater environmental sustainability, contributing to emissions reduction and to the transition towards more eco-friendly solutions.

A second key objective, which accounted for 5% of the annual variable remuneration, concerned the definition, by the end of the 2025 financial year, of a succession plan for the strategic positions within the Italian parent companies of the Group's three segments, aimed at ensuring continuity and solidity of the company's leadership.

Finally, for a total weight of 25%, the following specific sustainability objectives were established:

- completion of Research & Development projects aimed at developing zero-emission or otherwise low-environmental-impact products;
- achievement by Emak S.p.A., by the end of 2025, of AEO (Authorised Economic Operator) certification, attesting to the reliability and operational efficiency of the company, as a distinctive element of value in the context of international operations;
- achievement of the 2025 objectives included in the strategic plan of Emak S.p.A.'s Gender Equality certification.

The CFO's short-term variable remuneration for 2025 included economic and financial objectives (weight 60%) and specific objectives (weight 40%), including sustainability-related targets not directly linked to ESRS indicators. Specifically (with a weight of 15%) this concerned the operational launch of the Group Treasury project, an initiative aimed not only at improving the efficiency of banking relationships, but also and above all at greater transparency and better supervision of the same.

The remuneration policy currently applied by Emak was introduced following the renewal of the corporate bodies, as resolved by the Shareholders' Meeting on 29 April 2025, and applies for the entire mandate, which will end with the approval of the financial statements for the 2027 financial year.

In compliance with the remuneration limits set by the Shareholders' Meeting, the Remuneration Committee subsequently developed a set of proposals for the distribution of fixed remuneration and the allocation of variable remuneration among the directors. On 15 May 2025 the Board of Directors evaluated the Committee's proposals and resolved on the distribution of the fixed remuneration to directors for the entire term of office of the Board. On the same date, having examined the preparatory activity of the Remuneration Committee, the Board of Directors resolved on the criteria for determining the incentive-based remuneration due to executive directors and to certain first-level managers who, although not holding strategic responsibilities, are engaged in various corporate functions.

GOV-4 – Statement on due diligence

Due diligence represents the process through which an organisation identifies, prevents, mitigates and communicates its approach to addressing actual or potential negative impacts on the environment and on people arising from its activities. The implementation of this process takes place through the adoption of specific policies, operational tools and monitoring mechanisms, culminating in the formalisation of a due-diligence procedure that summarises and documents the entire approach adopted.

While acknowledging that Emak, at the moment, has implemented this process indirectly and does not have a structured and detailed due diligence framework formalized through a dedicated procedure, a set of tools inspired by the fundamental principles that constitute the due diligence process has been adopted.

By way of example, Emak has formalized an Integrated Policy for Quality, Environment and Safety, which, among other purposes, includes the identification, assessment and management of risks and opportunities related to ESG topics. In addition, additional support tools have been implemented, such as the governance model, internal procedures, the risk management framework, along with monitoring and reporting activities.

The table below provides a mapping that illustrates the ways and sections in which the main elements and phases of the due diligence process can be found in the disclosure presented in this Sustainability Statement, thus offering an overview of the corporate documentation that is inspired by the implementation of due diligence.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in governance, strategy and business model	<i>Reference to:</i> <ul style="list-style-type: none"> • ESRS 2 GOV-1 • ESRS 2 GOV-2 • ESRS 2 GOV-3 • ESRS 2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	<i>Reference to:</i> <ul style="list-style-type: none"> • ESRS 2 GOV-2 • ESRS 2 SBM-2 • ESRS 2 IRO-1
Identifying and assessing adverse impacts	<i>Reference to:</i> <ul style="list-style-type: none"> • ESRS 2 IRO-1 • ESRS 2 SBM-3
Taking actions to address those adverse impacts	ESRS 2 MDR-A - <i>Paragraphs relating to remediation actions and action plans for each topic (E1, E5, S1, S2, S4, G1)</i>
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-T - <i>Paragraphs relating to targets for each topic (E1, E5, S1, S2, S4, G1)</i>

GOV-5 – Risk management and internal controls over sustainability reporting

The Emak Group has an internal control and risk-management system that the Board of Directors considers adequate in relation to the size and nature of the business, capable of effectively overseeing the main risk areas typical of the Company's activities and contributing to the Group's sustainable success. Within this system, with the aim of establishing an organisational structure even more suitable for the effective management of the sustainability reporting process, the Board of Directors of Emak S.p.A. has adopted a specific procedure designed to ensure that the Sustainability Statement included in the Management Report complies with applicable regulations and reference standards. The proper implementation of this procedure and of the tools adopted by the Group also helps improve the reliability and transparency of the quantitative and qualitative data and information available to governance bodies, supporting informed and sustainable decision-making and fostering the continuous improvement of the organisation.

The internal control system tools identified and implemented by the Parent Company, which is ultimately responsible for preparing the consolidated reporting, are as follows:

- 1) Procedure for drafting the Sustainability Statement;
- 2) Standard Group package;
- 3) Instruction manual for package compilation;
- 4) Software for data management and consolidation;
- 5) Definition of the checklist for compliance verification;
- 6) Declarations of compliance;
- 7) Internal Audit plan.

Of primary importance in the internal control system is the procedure for drafting the Sustainability Statement. The document was approved by the Board of Directors of Emak in its meeting on 30/01/2025, following a specific review by the Control, Risks and Sustainability Committee, to comply with the new regulations and ESRS. The procedure outlines the roles, responsibilities, and timelines for preparing the information. Furthermore, consistency and completeness analysis of the data are carried out by the Investor Relations (IR) office, responsible for drafting the report. The procedure also requires the persons in charge of the individual companies to provide the Parent Company with a certification regarding the correctness and compliance with reporting standards of the information provided. At the end of the process, the head of the IR office, as the person responsible for preparing the report, is required to sign a specific declaration of compliance with the reporting procedure approved by the Parent Company's Board of Directors, addressed to the Manager in Charge and to the delegated administrative bodies.

An additional control tool is the Compliance Checklist, developed to enable the Manager in Charge and the delegated administrative bodies to assess the disclosure's compliance with the applicable regulations. The Checklist, prepared in accordance with current regulatory requirements, is structured around twelve main areas of analysis designed to evaluate the effective application of the various regulatory provisions and to map the key evidence supporting the assessments carried out.

Structured to focus primarily on verifying the compliance of the reporting with the obligations set out by applicable regulations and standards, the Checklist identifies the main areas subject to review. The document is completed by the Manager in Charge and the Delegated Administrative Body, with the support of the Head of Internal Audit, prior to the approval of the Sustainability Statement by the Board of Directors. The findings are shared annually, first with the Control, Risks and Sustainability Committee and subsequently presented to the Board of Directors.

The internal control system described above represents a starting point for ensuring proper oversight of the information disclosed and will be progressively articulated and strengthened over time in line with relevant best practices, with the aim of making it increasingly consistent with and integrated into the economic-financial reporting system.

To date, the Group has identified two risk areas related to sustainability statement and the corresponding prevention and mitigation strategies:

- Prompt understanding of changes related to regulatory evolution.
Related prevention and mitigation strategy: provision of training to key figures involved in corporate governance and the reporting process, participation in working groups and discussions on these topics, collaboration with external consultants to integrate internal skills and perspectives, application of the compliance checklist to support the Internal Audit and the Manager in Charge, whose results are brought to the attention of the Control, Risks and Sustainability Committee and the Board of Directors at the end of the reporting process to evaluate how to further strengthen the reporting in the following year.
- Complexity and size of the Group.
Related prevention and mitigation strategy: formalization of the organizational structures for sustainability reporting through the specific procedure, use of enabling software to support data collection, collection of cascading declarations from representatives of the subsidiaries to ensure the accuracy of the data provided to the person responsible for drafting the report.

The following are the steps of the process aimed at ensuring that the data and the document provided are correct and compliant with reporting principles:

1. **Project initiation:** in this phase, a proposal for setting up the activities for drafting the consolidated sustainability statement is defined;
2. **Perimeter analysis:** annually, the IR office verifies, based on the evolution of the organization, the possible need to update the reporting perimeter both with regard to the companies involved and the information to be requested from the individual entities;
3. **Materiality analysis according to the double materiality approach:** targeted stakeholder engagement initiatives are prepared for the double materiality analysis. Annually, the Control, Risks and Sustainability Committee and the Board of Directors confirm the validity of the materiality analysis. The double materiality analysis is conducted in compliance with ESRS requirements;
4. **Preparation of the information set:** based on the results of the previously described activities, the IR Office completes the identification of the list of ESRS data points to be reported in the statement. Based on these considerations, the IR Office annually prepares a common information set for all companies (the so-called ESRS reporting package), which is sent to the individual contacts with an indication of the parts to be completed. The development of this reporting package is associated with the preparation of specific data sheets for collecting the information necessary to calculate the KPIs of 'eligibility' and 'alignment' according to EU Regulation 2020/852 (EU Taxonomy reporting package) and the update of the scope 3 emissions inventory indirectly related to the Group's activities (GHG Inventory reporting package) following a specific 'screening analysis' aimed at identifying the relevant scope 3 emission categories for the Group;
5. **Compilation of the reporting packages:** the various packages are sent to the responsible contacts for data collection and each Company is required to complete all the requested fields within the specified timeframes, according to the instructions provided in the specific compilation manual. Any information related to aspects managed centrally is compiled/provided at the Group level by the competent function;
6. **Submission of the completed reporting package:** by a specific date, the Group companies complete their information set and send it to the IR Office;

7. **Consistency analysis and fine-tuning:** the IR Office performs consistency and completeness analysis on the data provided, requesting adjustments and/or explanations if necessary. In this regard, evidence regarding the information reported in the package may be requested. The main control functions are:
 - Numerical consistency between data for the current reporting year and those available for the previous year;
 - Completeness of the data provided compared to the data requested;
 - Central re-performance of some information;
 - Verification and updating of conversion factors (consumption-emissions) from official sources;
 - Analysis of sample documentation that certifies the data provided;
 - Verification of the correctness and consistency of any financial data reported in the section with what is reported in the annual financial report.
8. **Processing and consolidation of collected data:** the IR Office then proceeds with the consolidation of quantitative data, the reworking of qualitative information and the drafting of the sustainability statement (including disclosure pursuant to EU Regulation 2020/852) to be included in the management report of the annual financial report;
9. **Review by Control, Risks and Sustainability Committee:** the draft of the consolidated sustainability statement is presented to the Control, Risks and Sustainability Committee at the meeting;
10. **Approval by the Board of Directors of Emak S.p.A.:** the final approval of the document is carried out by the Board of Directors of Emak S.p.A., which is called to approve the Group's annual financial report as a whole and all its components (including the sustainability statement).

1.3 History

The history of the Emak Group begins in the early 70s, with the foundation by local entrepreneurs in 1972 of Oleo-Mac, a company specialized in the production of chainsaws, and in 1978 of EFCO, specialized in the production of brush cutters. In 1992, the two companies joined forces by merging and creating Emak. The first moves for growth started immediately, both in production, with the creation of the plant for lawnmowers in Pozzilli (province of Isernia), and in international expansion with the creation of the Spanish subsidiary Emak Suministros. A milestone in the Group's history is 1998, the year of its listing on the stock exchange. Thanks to the resources collected, the Group began its first true international expansion, with the creation of commercial subsidiaries in major European countries through the acquisition of its distributors. In the early 2000s, there was an expansion of production capacity with the creation of the Chinese company Emak JM (2004), dedicated to the production of machines for price-sensitive markets, and the completion of the outdoor power equipment catalogue with the acquisition of Bertolini, a historic producer of small agricultural machines. 2011 marks the year of transformation. Emak enters the Pumps & Water Jetting segment and the Components & Accessories segment, almost doubling its size and entering adjacent segments with the possibility of achieving operational and technological synergies and differentiating its activity. Starting from 2012, the Group's evolution focuses mainly on the expansion and consolidation of the PWJ and C&A segments, through a series of acquisitions that further expanded its product offering and geographic presence.

In 2012, in addition to the creation of the Emak do Brasil commercial subsidiary, the group completed the acquisition of Valley Industries, a US company active in the PWJ sector. 2013 and 2014 were years of consolidation of the PWJ and C&A businesses with the entry into the Group of the companies Master Fluid (PWJ - urban cleaning), SI Agro Mexico (PWJ - commercial subsidiary), Geoline Electronic (C&A - precision farming, later merged into Tecomec S.r.l.) and Speed South America (C&A - production and packaging of brush cutter line).

In 2015, the Group expanded its range of products for industry with the acquisition of the Brazilian company Lemasa, a local leader in the sector of very high-pressure pumps and industrial washing plants (PWJ) and in 2016 with the acquisition of Acquatecnica S.r.l., immediately incorporated into PTC S.r.l. The external growth path continued in 2017 with the acquisition of the Lavorwash Group, which completed and strengthened the Group's positioning in the PWJ washing sector. At the beginning of 2018, the Group sold its stake in Raico, a company specialized in the distribution of components and accessories for agricultural tractors, industrial and earth-moving machinery. In the same year, the Group acquired a stake in Spraycom, a Brazilian company active in the distribution of components and accessories for agriculture such as nozzles, valves, pumps, electronic components, thus strengthening the commercial activities of the Components & Accessories segment in Brazil.

At the beginning of January 2019, the Group strengthened its presence in the agricultural sector of the C&A segment with the acquisition of the Brazilian company Agres, active in the development and supply of electronic solutions and systems (precision farming) for agricultural machinery, particularly for spraying and weeding.

In 2020, the expansion path in the Components & Accessories segment continued with the acquisition of 51% of the share capital of the Swedish company Markusson Professional Grinders AB ("Markusson"), active in the development and commercialization of professional sharpeners for chainsaw chains.

In 2021, the Group expanded its catalogue of cleaning machines (PWJ) by finalizing the acquisition of 80% of Poli S.r.l., an Italian company active in the production and commercialization of motor sweepers. To expand its direct presence in the Components & Accessories segment in one of the main European markets and to broaden its spare parts catalogue, in 2022 the Group acquired the Spanish company Trebol Maquinaria y Suministros S.A., active in the commercialization of spare parts and accessories in the gardening and forestry sector.

In 2023, the Group expanded its activities in the agricultural sector of the PWJ segment through the acquisition of the Bestway business, a key player in the US market for the production and commercialization of sprayers, equipment for agricultural applications with spraying tanks under its own brand and for the sale of pumps and accessories from other market-leading brands.

In 2024, the growth and development path continued with the acquisition of the PNR Group, which will allow the Group to expand the product range offered to its customers and access new sectors in synergy with the current business areas of the Components & Accessories segment.

1.4 The profile of the Group

SBM-1 – Strategy, business model and value chain

Emak is a Group active in the gardening and forestry, agriculture, washing and industrial markets. The Group operates through three divisions (Outdoor Power Equipment, Pumps & Water Jetting, Components & Accessories) specialized in offering specific solutions for the best satisfaction of customers and users, united by knowledge of the sectors and reference markets, the sharing of know-how and the exploitation of organizational efficiencies along the entire value chain.

In general, the Group's business is influenced by the seasonality of demand. Sales of products for gardening, agriculture and cleaning are concentrated in the first half of the year, a period in which green care, land processing and outdoor cleaning activities are carried out. On the other hand, the demand for industrial products is less seasonal, due to the diversity of the target sectors and the multiple applications for which they are intended. The three segments enable the group to diversify risk and to seize more opportunities with a view to long-term sustainable growth. The meeting point of the three businesses is the pooling of knowledge of the markets, distribution channels and technologies that characterize the outlet sectors of the Group's activities: green care, agriculture, washing.

Outdoor Power Equipment (30% of the Group's total sales)

The Outdoor Power Equipment segment includes the development, manufacturing, and marketing of products for gardening, forestry, and small agricultural machinery, such as brush cutters, lawnmowers, tractors, chainsaws, and tillers. The Group is one of the main players in the European market, where it operates with commercial subsidiaries in the main markets, supported by a vast network of independent importers in the remaining ones. Globally, the Group relies on a network of 150 distributors in over 115 countries. In consideration of the technical content of the products, sales are mainly carried out through the network of specialized distributors, characterized by high pre- and after-sales service, while the large distribution channel is approached only in some countries. Online sales take place through a dedicated proprietary portal, agreements with sector marketplaces and platforms developed by its network of distributors.

The Group distributes its products under the main brands Oleo-Mac, Efco, Bertolini, Nibbi, and, limited to the French market, Staub. The Group's offer is mainly aimed at private users and, to a lesser extent, professionals. In this sector, the Group focuses its resources on product innovation (electrification and development of clean engines, safety, comfort) and process innovation, on strengthening its market position and on penetrating new high-potential markets.

The sector's demand is generally linked to economic trends and the level of users' disposable income. Finally, sales trend is influenced by weather conditions: during the year, in fact, the business has a seasonality that is strongly unbalanced on the first half of the year, so a spring season with a more or less favourable weather can lead to different demand trends for green care products.

Pumps & Water Jetting (40% of the Group's total sales)

The Pumps & Water Jetting segment includes the development, manufacturing, and marketing of three product lines: (i) agriculture (about 40% of the segment's revenue), with a complete range of centrifugal pumps, diaphragm pumps, piston pumps, sprayers and products for spraying and weeding activities; (ii) industry (about 20% of the segment's revenue), with a full range of low, high, and ultra-high pressure piston pumps (up to 2,800 bar), hydrodynamic units (so-called plants), accessories for water blasting and urban cleaning machines; (iii) washing or cleaning (about 40% of the segment's revenue), with a complete offer of pressure washers, from domestic to professional use, floor scrubber-dryers, sweepers, and vacuum cleaners. The Group markets its products under the brands Comet, HPP, Lemasa, PTC Waterjetting Equipment, PTC Urban Cleaning Equipment, Lavor, Poli, Valley, and Bestway. Product distribution takes place through its commercial subsidiaries and independent distributors in over 130 countries worldwide. The type of customer and sales channel varies depending on the products: the agriculture line is sold to manufacturers of spraying and weeding machines, directly to end users (mainly farmers), or through a network of specialized dealers and importers; the industry range is sold to manufacturers of pressure washers and hydrodynamic units, to contractors/users of the complete system, or through specialized dealers; the cleaning line is sold through specialized dealers, organized large distribution, online, and to contractors.

In this sector, the Group focuses its activities on product innovation, the expansion of its offer both in terms of products and sectors of use, as well as the maximization of synergies from acquisitions completed over the years.

The demand for agricultural and industrial products is generally linked to the performance of the various sectors/application fields; the demand for cleaning products is mainly related to the economic cycle, people's disposable income, and the increase in hygiene standards.

Components & Accessories (30% of the Group's total sales)

The Components & Accessories segment includes the development, manufacturing, and marketing of products for the outdoor power equipment sector (accounting for about 55% of the segment's revenue), agriculture (about 16% of the segment's revenue), and cleaning (about 29% of the segment's revenue). Among the wide range of products offered, the most representative are trimmer lines and heads (which together form the cutting system); chain sharpeners for chainsaws; guns, valves, and nozzles for pressure washers, industrial cleaning, and car wash; products and solutions for precision farming. In this segment, the Group operates partly through its brands Tecomec, Speed, Geoline, Agres, Mecline, Markusson, Sabart, Trebol, and PNR, and partly by providing products under third-party brands. The Group serves the main manufacturers of green care, agriculture, and cleaning machines through a network of specialized distributors and has established relationships with the main large-scale distribution chains.

In this sector, the Group focuses its resources on product innovation, strengthening partnerships with key manufacturers, and expanding its offer.

The demand for products in this segment follows the dynamics of the other businesses in which the Group operates. In the outdoor power equipment world, weather and the disposable income of end users can influence machine sales and their use, contributing to the sale of both original equipment and spare parts. In the agriculture and industrial cleaning sectors, the trend of raw materials, government policies and the general economic context can influence the investment levels of market operators.

The Group bases its activities on values that have been kept alive over time since its foundation, which include:

- **fairness**, meaning respect for rules, transparency, protection of people's rights and the environment;
- **competence**, meaning training, continuous learning and enhancement of professionalism;
- **team spirit**, meaning working in teams to achieve common goals, respecting roles, trusting others;
- **innovative spirit**, meaning new and challenging goals, innovative solutions, new ideas, and an attitude towards change.

The Group's objective is to create long-term value for all its stakeholders, with the awareness that this can only be achieved by combining:

- **economic sustainability**, meaning the commitment to invest in the Group's growth, ensuring its continuity over time through a strategic plan based on fundamental critical success factors;
- **social sustainability**, meaning the willingness to take charge of the legitimate expectations of stakeholders and redistribute the value created in respect of the common interest;
- **environmental sustainability**, through the identification, regulation, control, and progressive reduction of environmental impacts directly and indirectly resulting from the company's activities.

To date, the Group has not formalized a sustainability plan that includes sustainability objectives related to its current products and/or services, as well as significant markets and customer groups. Nevertheless, the Group implements a series of current and prospective actions to address and intervene on various sustainability issues, which are better described below. Should these actions result in significant financial effects, with reference to both capex and opex, information will be provided.

The Board of Directors of Emak annually approves the budgets and multi-year business plans of the Group and its individual business units. Within these plans, any initiatives that have a positive impact on sustainability practices are also described and, where possible, quantified in terms of investments in the financial plan. The Group, through tools such as Enterprise Risk Management (ERM) and scenario analyses, has evaluated and understood the potential effects on company assets of a series of climatic events (e.g., water stress, thermal stress, temperature variability, river flooding). From these tools, the Group has developed its double materiality analysis, which has highlighted challenges and opportunities (see relevant paragraph *IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*).

The Group's strategy is based on four pillars:

- Innovation, understood as both product and process innovation. In a dynamic and competitive scenario like the one in which it operates, the Group pays great attention to the development of its product range, both in terms of expansion and evolution. Research and development activities also aim to achieve product performance that, while maintaining the desired quality standards, is not disconnected from the environmental impacts of the product: this goal is pursued through the development of new technologies (electrification), the reduction of emissions from internal combustion engines and the use of recycled materials. Another line of development is the expansion of applications and sectors for the use of its products (e.g., industrial pumps in agriculture). Regarding processes, the directions of innovation concern methodological research and digitalization aimed at improving the efficiency of internal processes.
- Distribution, understood on the one hand as strengthening its position within the distribution network, and on the other as increasing business in high-potential markets to achieve a proper balance of distribution in different geographical areas.
- Efficiency, understood as the continuous improvement of its processes and the management of its activities, aimed at generating resources to be allocated to the Group's development initiatives in the medium to long term.
- Acquisitions, understood as growth through external lines, to strengthen the most profitable businesses, increase the weight of sectors characterized by greater resilience and stability in the medium to long term, rebalance the weight of reference markets geographically and finally to acquire new skills and complete product ranges.

Productive structure

The Group focuses its investments on the high value-added phases of the realization of its products. With a view to cost-effectiveness and value creation, the Group is focused on Research & Development, engineering, industrialization, and assembly activities. The supply chain is highly integrated and involved in product development, according to the principles of the extended factory.

Over the years, the production plants have been the subject of specific rationalization projects with the revision of production layouts using a 'lean manufacturing' approach and the involvement of all employees involved in the product creation process, from development to production.

Outdoor Power Equipment

The Group operates through four production plants: two in Italy and two in China. The Parent Company's plant is dedicated to the production of portable products, such as brush cutters and chainsaws, both semi-professional and professional. The production model is based on assembly: the products are entirely developed and designed internally, and the components are manufactured based on the provided technical specifications. The Pozzilli plant is dedicated to the production of wheeled products, such as lawnmowers and tractors. The production model for this range of products involves purchasing the engine from leading global manufacturers and assembling the machine internally. Specifically for the lawnmower range, the deck is produced internally through a vertical process that includes sheet metal stamping, welding, and painting. The Jiangmen production facility in China replicates the parent company's model, producing products for both price-sensitive markets such as the Far East, Southeast Asia, and South America, as well as mature markets to complete the offering. The second Chinese plant, located in Zhuhai, specializes in the production of cylinders for two-stroke engines of the Group's portable products.

Pumps & Water Jetting

Production in this segment is carried out in four Italian, one Chinese, two Brazilian, and four American plants. The facilities are specialized in the production of specific product families. In Italy, pumps for the agricultural sector, pumps for industrial applications up to 1,200 bar, cleaning segment machines such as semi-professional and professional pressure washers, and urban cleaning machines are produced. The Chinese plant is primarily dedicated to the production of cleaning segment machines such as pressure washers and vacuum cleaners aimed at serving more competitive markets. The Brazilian plants are dedicated, one to the production of high and ultra-high pressure pumps (up to 2,800 bar) and related accessories for various sectors such as oil & gas, sugar cane processing, shipbuilding, automotive; the other to the assembly of cleaning segment machines (such as pressure washers) for the South American market. The American plants carry out production activities for sprayers and a wide range of equipment, machinery, systems, and devices for agricultural applications.

Components & Accessories

For the manufacturing of the products in this segment, the Group dedicates a total of nine plants, located in different countries, focused on specific products and with different production processes.

Part of the plants (France, USA, Chile, South Africa) is dedicated to the production of nylon line for brush cutters, due to the need to have the production process close to the target markets. The production of monofilaments follows an entirely vertical process, from the purchase of raw materials to the processing and packaging of the finished product.

The Chinese plant is mainly dedicated to the production of brush cutter heads, sharpeners and pressure washer guns. These products involve high internal production intensity, related to plastic molding, mechanical processing, and assembly processes.

The line of products intended for agriculture (precision farming) is produced in Italy and Brazil and includes the design of both mechanical and electronic parts and software development; the value-added activities of the products are carried out internally.

The significant products of the forestry line are designed, developed, and produced by the Group, which assembles the components, partly manufactured externally, in plants located in Italy and Sweden, making use of specific expertise.

In an Italian plant, components for industrial washing with applications in various industrial sectors, such as food, chemical, pharmaceutical, metallurgical and paper, are also designed and produced.

Overall, production volumes are adjusted to demand and market needs, thanks to the flexibility and functionality of the processes implemented in the various plants.

Number of employees by geographical areas

The breakdown of employees by business unit and geographical area is provided below:

	OPE		PWJ		C&A		Not allocated		Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Europe	553	544	508	496	415	409	9	9	1,485	1,458
Americas	12	11	352	380	268	265			632	656
Asia, Africa, Oceania	157	172	97	104	133	137			387	413
Total	722	727	957	980	816	811	9	9	2,504	2,527

Geographically, most of the Group's population is concentrated in Europe, where 1,485 people work (1,458 in 2024), equal to 59.3% of the total (57.7% in 2024). In the Americas area, 632 people are employed (656 in 2024), equal to 25.2% of the total (26.0% in 2024). Finally, in the Rest of the World, 387 people are employed (413 in 2024), equal to 15.5% of the total (16.3% in 2024).

Below is the breakdown of employees by country as of December 31, 2025, compared to the previous year:

Employees at	31/12/2024	Change in scope of consolidation	Other mov.	31/12/2025
Italy	1,166	-	25	1,191
France	165	-	6	171
United Kingdom	11	-	(2)	9
Spain	39	-	(4)	35
Germany	8	-	-	8
Poland	40	(1)	1	40
Sweden	6	-	2	8
China	385	-	(20)	365
United States	295	-	(8)	287
Ukraine	23	-	-	23
South Africa	28	-	(6)	22
Brazil	307	-	(14)	293
Mexico	21	-	-	21
Chile	33	-	(2)	31
Total	2,527	(1)	(22)	2,504

Value chain

The main phases in the upstream value chain of the Emak Group are represented by the extraction and production of raw materials and the development of components by suppliers.

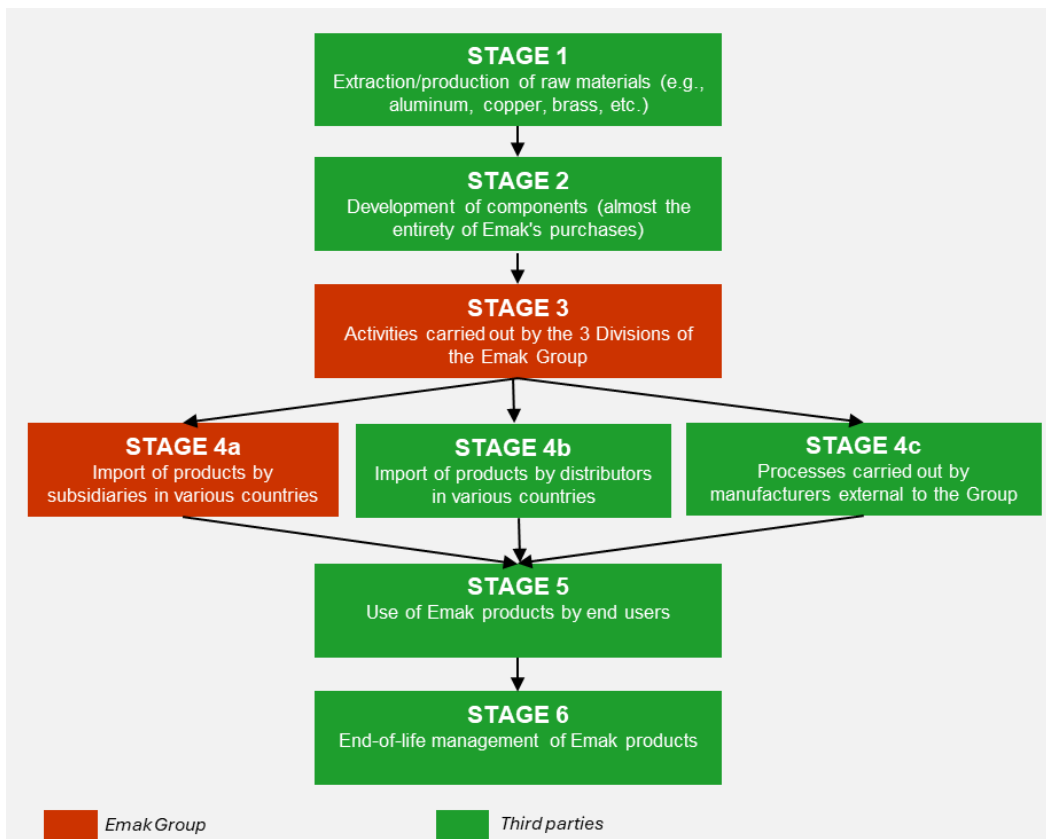
Most of the Group's suppliers are established suppliers of direct materials for production, consumables and indirect materials, packaging, and finished products. Smaller commercial companies purchase the marketed products mainly from other Group companies, while they rely on local suppliers for services and ancillary activities. Geographically, more than 60% of the supply chain resides within the European Union and the remaining part in non-EU countries, mainly in China, Brazil and the United States, directly serving the Group's production plants. Depending on the specificity of individual businesses, the mix and the quantities of products purchased, the geographical distribution of the supply chain can have different weights.

The main purchasing commodities are those typical for the metalworking sector: plastics, cast aluminium parts, stamped and turned metal parts, finished products, induction and brush electric motors, carpentry, electrical and electronic components and spare parts.

The main raw materials purchased are aluminium, brass, copper and steel. These are purchased in ingots from the producer or managed through contracts that provide for the purchase of a certain quantity fixed at the cost of the raw material at a given time.

The main phases in the downstream value chain of the Emak Group are represented by the importation of finished products into different geographical regions by third-party distributors where there is no direct presence of own subsidiaries; further processing conducted by OEM manufacturers outside the Group; the use of products by end users and the management of the end-of-life of products.

Below is a schematic representation of the Group's value chain:



The information used to support the representation of the business model and the upstream and downstream value chain of the Emak Group derive from the combined use of internal documentation and interviews with company representatives from various business units, which took place during the materiality analysis. The resulting analysis initially allowed for the placement of impacts, risks and opportunities along the value chain, evaluating them with greater accuracy and enabling, in a forward-looking perspective, the implementation of processes and/or actions that contribute to the Group's value creation.

SBM-2 – Interests and views of stakeholders

Emak has implemented a process for mapping and identifying the categories of stakeholders of priority interest to the Group. The analysis was carried out with reference to the criteria defined by the AccountAbility 1000 (AA1000) Standard. The level of relevance for each stakeholder category was defined based on two variables: the influence exerted by the stakeholder on the Group and the dependency of the stakeholder on the Group's activities and decisions. This allowed for the definition of a map showing the main reference stakeholders:



For each stakeholder category, the Group has identified specific areas of interest and the main communication channels to establish a constructive relationship between the parties that can meet mutual needs in the medium to long term.

The interests and opinions of the main stakeholders were analysed during the double materiality assessment process, and the results of this activity were shared with the Control, Risks and Sustainability Committee and the Board of Directors of the Parent Company. For more details on how the company takes into account the outcome of stakeholder engagement, please refer to the paragraph of this document *IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*.

The following table summarizes the results of this process.

Stakeholders	Thematic area	Main instruments of dialogue
Employees	<ul style="list-style-type: none"> - Growth, development and training - Health and safety in the workplace - Diversity, equal opportunities and non-discrimination - Human rights and working conditions - Quality of work - Ethics, integrity and compliance - Identity and values - Industrial relations - Company welfare 	<ul style="list-style-type: none"> - Training on values and organisational behaviour - Open day and internal events - Company portal - Internal climate survey - Periodic newsletters and other communication - Communications from the top management - Collective bargaining - Skills assessment process - Support to employees' recreational facility
Consultants	<ul style="list-style-type: none"> - Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance 	<ul style="list-style-type: none"> - Institutional website - Information provided upon request - Reports and Statements - Press releases
Distributors OEM	<ul style="list-style-type: none"> - Anticipation and understanding of customer expectations and needs - Customer trust and satisfaction - Product quality and safety 	<ul style="list-style-type: none"> - Institutional website - Assessment of customer satisfaction - Management of claims - Pre and after-sale customer service - Commercial communications - Participation in trade fairs and events
End users	<ul style="list-style-type: none"> - Consumer trust and satisfaction - Product quality and safety 	<ul style="list-style-type: none"> - Institutional website - Assessment of consumer satisfaction - Management of claims - After-sale consumer service - Commercial communications - Participation in trade fairs and events
Public administrations and other institutions Environmental control bodies	<ul style="list-style-type: none"> - Corporate Governance - Transparency - Economic-financial performance - Legality - Relations with institutions 	<ul style="list-style-type: none"> - Institutional website - Information provided upon request - Reports and Statements - Shareholders' meetings - Press releases
Direct materials suppliers and finished product suppliers	<ul style="list-style-type: none"> - Transparency - Ethical responsibility - Human rights and working conditions - Continuity in relations - Qualification and assessment - Negotiating conditions - Development of partnerships 	<ul style="list-style-type: none"> - Institutional website - Participation in initiatives and events - Negotiation relationships
University and Research Centres	<ul style="list-style-type: none"> - Transparency - Research, development and innovation 	<ul style="list-style-type: none"> - Communications from top management - Financial Statements - Scientific publications - Tenders and competitions - Training apprenticeships / internships/ thesis preparation support
Banks	<ul style="list-style-type: none"> - Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance 	<ul style="list-style-type: none"> - Institutional website - Information provided upon request - Reports and Statements - Press releases
Shareholders	<ul style="list-style-type: none"> - Corporate Governance - Transparency - Economic-financial performance - Ethics, integrity and compliance 	<ul style="list-style-type: none"> - Institutional website - Financial Statements - Road shows (meetings with the community) - Shareholders' meetings - Press releases

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

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability issues through the double (impact and financial) materiality assessment. The results of the analysis are summarized in the table² below.

² The impacts listed in the table have exclusively originated from the materiality assessment.

TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs
				STAGE 1	STAGE 2	STAGE 3 and 4 a - EMK GROUP		STAGE 4 b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	
E1 - Climate change	Emission reduction	Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal		X	X	Level of energy efficiency of buildings (e.g. LEDs, automatic switch-off lights, high-efficiency boilers) Presence/absence of initiatives to convert the company fleet and mobility with reduced environmental impact Volume of company travel Presence/consistency of remote working policies Presence/consistency of CO2 offsetting operations	X	x	X	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Areas subject, according to scenario analysis, to water and thermal stress, increased air temperature, river flooding, lower air quality (also according to DEGURBA index)
	Responsible energy use	Maintaining dependence on non-renewable energy sources, thus contributing to climate change.	Raising awareness among company personnel and stakeholders towards responsible energy use			Awareness campaigns aimed at employees on energy saving				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Qatar, United States, Algeria (major importers of LNG in Italy, representing a large part of the country's gross energy availability)
E5 - Circular economy	Sustainable management of materials	Use of materials and resources with consequent reduction in their availability				Procurement Activities (responsible)				The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
	Reduction of waste and circular economy	Production of waste, hazardous and non-hazardous				Failure to monitor waste produced Raising awareness among staff on the issue Environmental labeling for correct disposal of packaging Creation of a product disposal guide for retailers			x	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)

TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs		
				STAGE 1	STAGE 2	STAGE 3 and 4 a - EMK GROUP		STAGE 4 b	STAGE 5	STAGE 6	IMPACTS (< 5 years)		IMPACTS (> 5 years)	
S1 - Own workforce	Creation and maintenance of employment		Creating a workplace that ensures the retention and attraction of new talent			Personnel management					The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located	
	Occupational health and safety	Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group				Health and safety training					The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure is located	
	Improvement of employee wellbeing			Possibility of positively influencing the level of psycho-physical well-being of employees, with a consequent impact on the actual opportunity for each employee to fully realize their potential, through the offer of a positive, healthy working environment characterized by a set of programs aimed at improving the work-life balance of employees, promotion of dedicated interventions and practices			Personnel management					The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located
				Possibility of promoting a healthier and more collaborative working climate, reducing tensions and internal conflicts, mitigating reputational damage, sanctions and disputes								The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	
Training and education for workers			Opportunity for each employee to fully realize their potential thanks to the presence of stimulating career paths			Personnel management					The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located	

TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	VALUE CHAIN STAGES IN WHICH IROs ARE PLACED			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs			
				STAGE 1	STAGE 2	STAGE 3 and 4 a - EMK GROUP	STAGE 4 b	STAGE 5		STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)
	Promotion of diversity and equal opportunities		Possibility of promoting the creation of a healthier, more inclusive, attractive and high-performing work environment, in order to protect the level of psychological well-being of employees, their sense of belonging and active involvement, respect for personalities and professionalism			Personnel Management				The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure is located
	Respect for human rights in business activities	Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour				Business Conduct Personnel Management				The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure is located
S2 - Workers in the supply chain	Other work-related rights	Failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour		X	X		X			The significance of the impact is expected to decrease	The significance of the impact is expected to decrease	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
S4 - Consumers and end- users	Information-related impacts for consumers and/or end-users	Incorrect or incomplete information may lead to improper use of the product and cause accidents				Team Design & Development and Product Certification		X		The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
G1 - Business conduct	Corporate culture		Promote the affirmation of solid ethical principles, including tax regulatory practices, pursued by the Group along the entire value chain, in all contexts (e.g. geographical, social, etc.) in which it operates		X	All activities and initiatives carried out by Emak Supervisory bodies	X			The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	VALUE CHAIN STAGES IN WHICH IROs ARE PLACED						TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs	
				STAGE 1	STAGE 2	STAGE 3 and 4 a - EMK GROUP	STAGE 4 b	STAGE 5	STAGE 6	IMPACTS (< 5 years)	IMPACTS (> 5 years)		
			Protection of legality and prevention of illicit behavior (the reinvestment of profits from illicit activities, episodes of extortion, etc.)								The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	
	Active and passive corruption		Staff awareness for the prevention of corruption incidents			All the activities and initiatives carried out by Emak					The significance of the impact is expected to remain unchanged	The significance of the impact is expected to remain unchanged	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs				TIME HORIZONS			TIME HORIZONS		GEOGRAPHICAL AREA LINKED TO THE IROs	
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)		OPPORTUNITIES (> 5 years)
E1 - Climate change	Climate change adaptation	TRANSITION RISKS (and impacts on the business model): The impact of new regulatory developments related to climate change on the range of products and services offered		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
		Sudden obsolescence triggered by the arrival of new technologies on the market (technological acceleration)		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				
		Chronic: Climate change and rising average temperature and sea level		Anticipated	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
	Emission reduction	Costs of transition to low-emission technologies	Use of new technologies	Current	The significance of the impact	The significance of the impact	Current	The significance of the impact is expected to increase	The significance of the impact is	Areas subject, according to scenario analysis, to water and

LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs				TIME HORIZONS			TIME HORIZONS			GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
					is expected to increase	is expected to increase			expected to remain unchanged	thermal stress, increased air temperature, river flooding, lower air quality (also according to DEGURBA index)
		Impact of new regulatory developments related to climate change on the range of products and services offered		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				
	Responsible energy use	Energy crisis (an entity's energy mix can affect the cost and reliability of energy supply and ultimately affect the entity's cost structure and regulatory risk) and consequent increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy)		Current	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease				Qatar, United States, Algeria (major importers of LNG in Italy, representing a large part of the country's gross energy availability)
Failure to comply with regulations (e.g. Greenbuildings)			Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase					
E5 - Circular economy	Sustainable management of materials	Failure to comply with regulatory requirements (e.g. ESPR)	Use of secondary raw materials or semi-finished products composed of them	Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Anticipated	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase	Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
		Increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy, water) and output requirements (e.g. waste treatment)		Current	The significance of the impact is expected to decrease	The significance of the impact is expected to decrease				

LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs				TIME HORIZONS			TIME HORIZONS			GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
	Reduction of waste and circular economy	Failure to comply with regulatory compliance (e.g. Packaging and Packaging Waste Regulation - PPWR, Extended Producer Responsibility - EPR)		Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase				Wherever the Group's production structure is located (e.g. Italy, China, USA, France)
S1 - Own workforce	Creation and maintenance of employment	Increased difficulty in finding staff, at all levels of the organizational chart (e.g. involuntary migration due to lack of opportunities for economic advancement and/or other factors)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure is located
		Loss of know-how		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
	Occupational health and safety	Health and safety risks arising from, among others, exposure to heavy machinery, moving equipment and electrical hazards		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure is located
	Training and education for workers	Reduced productivity due to lower operational agility, lack of development and implementation of know-how and lower flexibility of a workforce unable to adapt quickly to new technologies and processes	Development of employee potential and consequent increase in productivity Increased corporate attraction and retention	Current	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase	Wherever the Group's production and administrative structure is located
Current							The significance of the impact is expected to increase	The significance of the impact is expected to increase		
S4 - Consumers and end- users	Information-related impacts for consumers and/or end-users	Risk of sanctions or legal action due to incorrect or incomplete product-related communication (false disclosure or lack of compliance)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to decrease				Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located

LIST OF MATERIAL MATTERS AND RELATED MATERIAL IROs				TIME HORIZONS			TIME HORIZONS			GEOGRAPHICAL AREA LINKED TO THE IROs
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL RISKS	MATERIAL OPPORTUNITIES	RISKS (NATURE OF THE FINANCIAL EFFECT)	RISKS (< 5 years)	RISKS (> 5 years)	OPPORTUNITIES (NATURE OF FINANCIAL EFFECT)	OPPORTUNITIES (< 5 years)	OPPORTUNITIES (> 5 years)	
G1 - Business conduct	Corporate culture		Increasingly integrating sustainability into corporate strategy				Anticipated	The significance of the impact is expected to increase	The significance of the impact is expected to increase	Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
	Sustainability in the management of relationships with suppliers	Supply disruption / supplier power		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				Wherever the Group's production and administrative structure and the rest of the value chain (mainly EU) are located
		Evolution in the concentration and sources of geopolitical power (geostrategic shifts)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to increase				
		Failure to comply with regulatory requirements (e.g. CSDDD, Critical Raw Materials Act)		Current	The significance of the impact is expected to remain unchanged	The significance of the impact is expected to decrease				

The topics Biodiversity, Water and Marine Resources and Pollution do not emerge as material from the double materiality assessment. With regard to biodiversity, all Group companies comply with the regulations in force in their respective countries, with particular attention to production sites located in industrial areas near zones of high biodiversity value, for which it has been concluded that the activities do not cause significant impacts on protected areas. As for biodiversity and ecosystems, including the protection of natural habitats, the preservation of key natural resources, and the prevention of habitat loss, no specific analyses have been carried out so far on transition and physical risks or potential dependencies.

With regard to Water and Marine Resources, it should be noted that water is not a significant factor for the Group's facilities. Water is used mainly in closed-loop processes, with the aim of minimizing its impact and optimizing its use, or for hygiene and sanitary purposes. The Group deems it reasonable to consider water consumption to be almost zero, given that almost all the water withdrawn is discharged again, except for any quantities retained in waste or minimal dispersions. Moreover, out of 20 production companies, only 4 have sites located in areas with high water stress³. These companies have implemented water-recirculation systems or, alternatively, have adopted practices that pay particular attention to water resource management, monitoring potential leaks and optimizing its use.

Finally, with regard to Pollution, the Group generates emissions other than CO₂ in a limited number of plants and in quantities that are not significant, remaining well below the legal thresholds established in Annex II of EC Regulation No. 166/2006. It is therefore considered that there are no significant impacts, risks or opportunities related to pollution.

With regard to Biodiversity, Pollution and Water, the Group has not deemed it necessary, to date, to carry out specific consultations with the affected communities.

The Group considers sustainability issues as an integral part of its operations, given that impacts are generated by its business activities and commercial relationships, although it has not yet formalized a multi-year sustainability plan.

The description of each relevant IRO and the way in which they affect people and the environment is provided in the respective thematic chapters. Information relating to the Scenario Analysis carried out by taking into account climate risks and the resulting consequences in terms of resilience is presented in the chapter "E1 - Climate Change".

1.5 Impact, risk and opportunity management

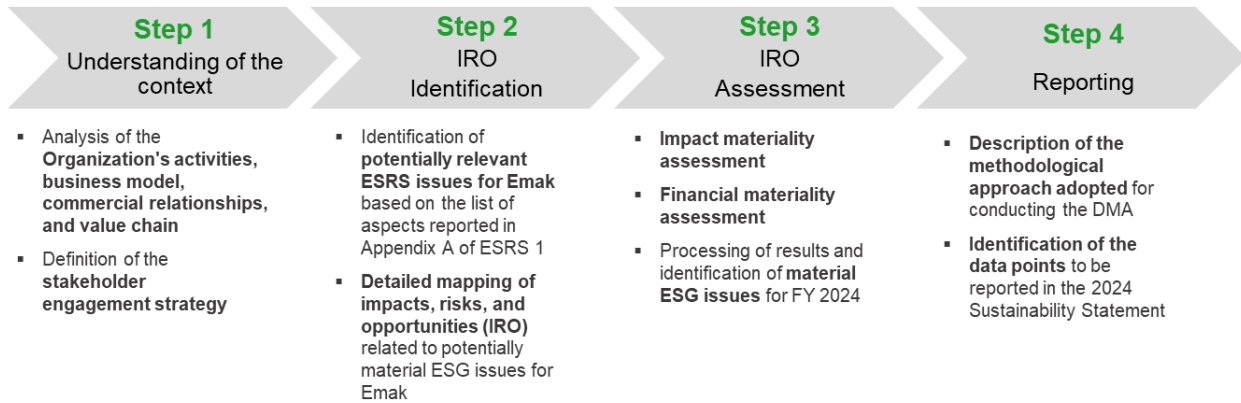
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The Emak Group determines the sustainability issues to be addressed in its reporting according to the principle of double materiality, evaluating both the impacts that its operations may have on the environment and on people (*'impact materiality'*) and the implications that the effectiveness of ESG management may have on the Group's resilience and business continuity (*'financial materiality'*). A sustainability issue is deemed material when it is considered a priority from the perspective of impact materiality, financial materiality or both.

For the purposes of conducting the double materiality assessment, Emak adopted a methodological approach structured into four main phases (see the illustration below) and aligned with the principles of the Implementation Guidance "EFRAG IG 1 – Materiality Assessment", published by EFRAG in May 2024. The following describes the structured process carried out during 2024 to identify the material topics to be included in the reporting for the 2024 financial year. The results were further refined during 2025, as detailed in the following sections.

³ The companies identified as being under water stress for 2025, based on the 'Baseline Water Stress' indicator provided by the World Resources Institute (WRI) Aqueduct Water Risk Atlas tool, are: Emak S.p.A., limited to the Pozzilli plant; Markusson Professional Grinders AB; Speed South America S.p.A.; and Yong Kang Lavorwash Equipment Co. Ltd.

DMA 2024 – THE PHASES OF THE PROCESS



The materiality assessment was carried out starting from a preliminary analysis of the context in which the Group operates, which included an assessment of internal documents, policies, management systems and the risk control system (ERM), as well as a cycle of interviews with the management to supplement the document analysis.

Subsequently, a benchmark analysis was conducted to identify potentially relevant sustainability issues for the Group. The benchmark analysis took into account the list of sustainability issues contemplated in the thematic ESRS, broken down into topics, sub-topics, and sub-sub-topics (RA 16 ESRS 1 of Delegated Regulation (EU) 2023/2772).

For the analysis related to impact materiality, 14 competitors and comparables of Emak were identified and evaluated regarding the themes that emerged as material in the 2023 Consolidated Non-Financial Statement. For the analysis related to financial materiality, the benchmark analyzes Emak's strategic internal documents (ERM, Strategic Plan, Scenario Analysis, etc.), reference ESG reporting frameworks in the financial sector (TCFD, TNFD, SASB), observatories and research on ESG themes (Global Risk Report 2024, Business & Human Rights Research Centre, Copernicus (EU) Climate Change Service - World Meteorological Organization, etc.) and sustainability ratings (Ecovadis, CDP, etc.). In general, the ERM assesses the risk profile at a strategic level and includes sustainability issues. Risks related to sustainability issues not explicitly included in the model are managed by specific company functions.

The 28 sustainability issues thus identified have been linked to impacts, risks and opportunities (IRO) both directly attributable to the Group's activities and to those of its value chain and subsequently have been evaluated by Emak and its stakeholders.

Regarding the **impact** assessment, an internal Focus Group was organized involving the Chairman, CFO, Control, Risks and Sustainability Committee, Risk Manager and Investor Relations function. They were given a questionnaire with a numerical rating scale, in which they were asked to evaluate the magnitude, understood as a concept that encompasses the factors of entity, scope and irremediable nature of the impact, and the probability of occurrence of negative and positive impacts. Additionally, the time horizon was considered, evaluating how the risk/opportunity changes over a given period. Specifically, the change was assessed in the short-medium term (from today to 5 years) and in the long term (beyond 5 years).

The impact assessment varies based on the characteristics of the impacts. It should be noted that, in assessing potential negative impacts related to human rights, a particularly prudent approach was adopted, prioritizing the severity of the impact over its likelihood, in line with the relevant standards and implementation guidance. Below is an illustrative table and the explanation of each term.

Evaluation criteria			
Positive actual impact	Positive potential impact	Negative actual impact	Negative potential impact
Scale Scope	Scale Scope	Scale Scope Remediability	Scale Scope
	Likelihood		Likelihood

- scale means how serious the negative impact⁴ is or how beneficial the positive impact is for people or the environment;
- scope means how widespread the impact is (for example, in the case of a negative environmental impact, scope can be understood as the geographical extent of the environmental damage);
- remediability means to what extent, if possible, the negative damage can be remedied;
- likelihood means whether or not such an impact is possible.

The same impacts were subsequently evaluated by **stakeholders** in order to make more qualitative considerations on the results that emerged from the internal analysis. The stakeholder mapping was carried out starting from the categories present in the AccountAbility 1000 standard and subsequently related to the stakeholders identified by Emak during last year's reporting process. These categories were then evaluated according to the criteria of influence⁵ and dependence⁶ in order to determine the level of relevance. Following the assessment, the following strategic categories were involved in the analysis: employees, suppliers of direct materials for production and finished products, distributors, subsidiaries, manufacturers, banks, consultants, shareholders and investors, local authorities and trade associations.

The evaluation by the stakeholders was conducted through a questionnaire, with a numerical rating scale consistent with what was prepared internally.

Regarding **risks and opportunities**, the evaluation involved the CFO and the Risk Manager of the Emak Group, starting from internal files related to ERM and climate scenario analyses, and through the completion of a dedicated tool. Subsequently, the magnitude of the possible financial effects and the probability of the risk/opportunity occurring were combined, using the same numerical rating scale mentioned above.

In detail, through the magnitude it was assessed how much the risk or opportunity has a significant influence on the development of the Organization, its financial position, economic result, cash flows, access to financing, or cost of capital in the short, medium, or long term. Regarding risks, the inherent risk was considered for relevance assessment. Additionally, the time horizon was taken into account, evaluating how the risk/opportunity changes over a given period. Specifically, the change was assessed in the short-medium term (from today to 5 years) and in the long term (beyond 5 years).

Each category of IRO was assigned a specific **material threshold**, set close to the value obtained by calculating the average of the "overall scores" achieved by the IROs belonging to the category in question. Any IRO with an "overall score" equal to or above the defined threshold is considered relevant, and any sustainability issue with at least one impact, risk or opportunity deemed relevant is also considered relevant.

In 2025, the Group refined the results of the double materiality assessment by conducting a consistency review of all assessments carried out in 2024. Based on the information reported, the internal working team revisited the outcomes of the analysis in order to better interpret and address regulatory requirements and to focus attention on the issues that are truly strategic for Emak and its stakeholders. This activity revealed that certain topics, as required to be presented by the standards, did not contribute to providing an accurate and coherent representation of the Group's activities. The results of the review were preliminarily shared with and examined by the Control, Risks and Sustainability Committee. Following the Committee's preparatory work, the Board of Directors formally approved the results of the analysis.

Following the evaluation, out of the 28 potentially relevant issues identified from the benchmark analysis, **16 were found to be material**, for which the Group communicates information in accordance with the corresponding disclosure obligations of the relevant ESRS thematic standard (19 material topics in 2024).

Compared to the 2024 reporting, the following changes have been made:

- *E2 - Air, water and soil pollution*: the topic is not addressed as it was found to be non-material for a proper understanding of the Group's sustainability-related impacts, risks and opportunities, both due to the limited number of facilities involved and to the negligible quantities reported in the previous financial year.
- *E3 - Sustainable management of water resources*: the topic is not addressed as it was found to be non-material for a proper understanding of the Group's sustainability-related impacts, risks and

⁴ As indicated in the general requirements, in the case of a potential negative impact on human rights, the severity of the impact prevailed over its likelihood.

⁵ From the AA1000 standard, the definition of influence: "Groups or individuals who can impact the strategic or operational decision-making process of the organization or a stakeholder".

⁶ From the AA1000 standard, the definition of dependence: "Groups or individuals who depend directly or indirectly on the activities, products, or services of the organization and the associated performance, or on whom the organization depends to operate".

opportunities, given that water does not represent a relevant production factor within the Group's manufacturing processes and consumption is considered to be almost zero

- *S4 - Information-related impacts for consumers and/or end-users*: the impacts, risks and opportunities related to the topic were reformulated to provide a more accurate representation of the Group's reality. In this perspective, the material impacts associated with information to consumers were linked to potential negative impacts arising from incomplete information that could lead to accidents involving consumers.
- *Entity-specific information- Product quality and sustainability*: the topic is no longer addressed as a standalone entity-specific matter, as it is considered a cross-cutting theme across the Group's activities and business. Accordingly, information relating to R&D, product quality and product safety is now reported in the dedicated paragraph of the financial section of the Management Report ('Research and Development Activities').

Refer to paragraph *SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model* to view the two tables which describe, for each material topic, the corresponding impacts (positive and negative), risks and opportunities that have exceeded the relevance threshold and thus made the aforementioned topic relevant.

The final phase of the double materiality assessment determined which qualitative and quantitative information related to relevant topics should be reported within this consolidated sustainability statement. To this end, the Group followed the procedures outlined in ESRS 1 (including Appendix E), the Implementation Guidance "EFRAG IG 1 – Materiality Assessment," and the additional paper "Links between AR16 and disclosure requirements."

These minimum disclosure requirements refer to policies (MDR-P), actions (MDR-A), metrics (MDR-M) and targets (MDR-T), and are disclosed within the sections related to the corresponding thematic ESRS. For ease of consultation, refer to the ESRS Content Index.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

ESRS Content Index and EU Datapoint Table

Below is the **ESRS Content Index**, a list of disclosure requirements that the Emak Group has fulfilled in drafting the Sustainability Statement, based on the results of the relevance assessment:

Disclosure Requirements	Page number
ESRS 2 – GENERAL INFORMATION	
BP-1 – General basis for preparation of sustainability statements	28
BP-2 – Disclosures in relation to specific circumstances	28
GOV-1 – The role of the administrative, management and supervisory bodies	29
GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	32
GOV-3 – Integration of sustainability-related performance in incentive schemes	32
GOV-4 – Statement on due diligence	33
GOV-5 – Risk management and internal controls over sustainability reporting	34
SBM-1 – Strategy, business model and value chain	37
SBM-2 – Interests and views of stakeholders	43
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	44
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	52
IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	56
MDR-P – Policies adopted to manage material sustainability matters	Please refer to the MDR-P disclosed in the Topical Standards listed below.
MDR-A – Actions and resources in relation to material sustainability matters	Please refer to the MDR-A disclosed in the Topical Standards listed below.
MDR-M – Metrics in relation to material sustainability matters	Please refer to the MDR-M disclosed in the Topical Standards listed below.
MDR-T – Tracking effectiveness of policies and actions through targets	Please refer to the MDR-T disclosed in the Topical Standards listed below.
ESRS E1 – CLIMATE CHANGE	
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	71
E1-1 – Transition plan for climate change mitigation	71
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	72
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	73
E1-2 – Policies related to climate change mitigation and adaptation	74
E1-3 – Actions and resources in relation to climate change policies	74
E1-4 – Targets related to climate change mitigation and adaptation	75
E1-5 – Energy consumption and mix	76
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	77
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	80
E1-8 – Internal carbon pricing	80
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	For the 2025 financial year, which represents the second year of sustainability reporting under the ESRS, the Emak Group has decided to make use of the phase-in option with regard to the disclosure of expected financial effects, as provided for by Delegated Regulation (EU) 2025/1416.
ESRS E2 – POLLUTION	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	52
ESRS E3 – WATER AND MARINE RESOURCES	
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	52
ESRS E4 – BIODIVERSITY AND ECOSYSTEMS	
ESRS IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	52
ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY	
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	81
E5-1 – Policies related to resource use and circular economy	81
E5-2 – Actions and resources related to resource use and circular economy	82
E5-3 – Targets related to resource use and circular economy	83
E5-4 – Resource inflows	83

E5-5 – Resource outflows	85
E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	For the 2025 financial year, which represents the second year of sustainability reporting under the ESRS, the Emak Group has decided to make use of the phase-in option with regard to the disclosure of expected financial effects, as provided for by Delegated Regulation (EU) 2025/1416.
ESRS S1 - OWN WORKFORCE	
ESRS 2 SBM-2 – Interests and views of stakeholders	86
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	86
S1-1 – Policies related to own workforce	88
S1-2 – Processes for engaging with own workers and workers’ representatives about impacts	89
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	89
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	90
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	92
S1-6 – Characteristics of the undertaking’s employees	92
S1-7 – Characteristics of non-employee workers in the undertaking’s own workforce	94
S1-9 – Diversity metrics	94
S1-11 – Social protection	95
S1-12 – Persons with disabilities	95
S1-13 – Training and skills development metrics	95
S1-14 – Health and safety metrics	97
S1-15 – Work-life balance metrics	98
S1-16 – Compensation metrics (pay gap and total compensation)	98
S1-17 – Incidents, complaints and severe human rights impacts	98
ESRS S2 WORKERS IN THE VALUE CHAIN	
ESRS 2 SBM-2 – Interests and views of stakeholders	99
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	99
S2-1 – Policies related to value chain workers	100
S2-2 – Processes for engaging with value chain workers about impacts	100
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	101
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	101
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	102
ESRS S4 – CONSUMERS AND END-USERS	
ESRS 2 SBM-2 – Interests and views of stakeholders	102
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	102
S4-1 – Policies related to consumers and end-users	103
S4-2 – Processes for engaging with consumers and end-users about impacts	103
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	104
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	104
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	105
ESRS G1 - BUSINESS CONDUCT	
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	106
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	106
G1-1 – Corporate culture and business conduct policies	107
G1-2 – Management of relationships with suppliers	108
G1-3 – Prevention and detection of corruption and bribery	109
G1-4 – Cases of active or passive corruption	110

Below is the **EU Datapoint Table**, a table of all information elements derived from other EU legislative acts listed in Appendix B of the ESRS 2 disclosure requirement ("General Information") of Delegated Regulation (EU) 2023/2772.

EU Datapoint Table

The following table summarizes all the disclosure requirements derived from other EU legislative acts listed in **Appendix B** of the disclosure requirement **ESRS 2** ("General Information") of the Delegated Regulation (EU) 2023/2772.

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
ESRS 2	GOV-1, 21 (d)	Board's gender diversity	Annex 1, Table 1, Indicator number 13		Commission Delegated Regulation (EU) 2020/1816 ¹¹ , Annex II		Reported	General information, Governance
ESRS 2	GOV-1, 21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Governance
ESRS 2	GOV-4, 30	Statement on due diligence	Annex I, Table 3, Indicator number 10				Reported	General information, Governance
ESRS 2	SBM-1, 40 (d.i)	Involvement in activities related to fossil fuel activities	Annex I, Table 1, Indicator number 4	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 ¹² , Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.ii)	Involvement in activities related to chemical production	Annex I, Table 2, Indicator number 9		Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy

⁷ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

⁸ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

⁹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

¹⁰ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

¹¹ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

¹² Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
ESRS 2	SBM-1, 40 (d.iii)	Involvement in activities related to controversial weapons	Annex I, Table 1, Indicator number 14		Delegated Regulation (EU) 2020/1818 ¹³ , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS 2	SBM-1, 40 (d.iv)	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Reported	General information, Strategy
ESRS E1	E1-1, 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Reported	Environmental information, E1-1 – Transition plan for climate change mitigation
ESRS E1	E1-1, 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Reported	Environmental information, E1-1 – Transition plan for climate change mitigation
ESRS E1	E1-4, 34	GHG emission reduction targets	Annex I, Table 2, Indicator number 4	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Reported	Environmental information, E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1	E1-5, 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Annex I, Table 1, Indicator number 5 and Annex I, Table 2, Indicator number 5				Reported	Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 37	Energy consumption and mix	Annex I, Table 1, Indicator number 5					Environmental information, E1-5 – Energy consumption and mix
ESRS E1	E1-5, 41-43	Energy intensity associated with activities in high climate impact sectors	Annex I, Table 1, Indicator number 6				Reported	Environmental information, E1-5 – Energy consumption and mix

¹³ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
ESRS E1	E1-6, 44	Gross Scope 1, 2, 3 and Total GHG emissions	Annex I, Table 1, indicators number 1 and 2	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Reported	Environmental information, E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1	E1-6, 53-55	Gross GHG emissions intensity	Annex I, Table 1, Indicator number 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Reported	Environmental information, E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1	E1-7, 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Reported	Environmental information, E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
ESRS E1	E1-9, 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The Group has made use of the phase-in	NA
ESRS E1	E1-9, 66 (a), 66 (c)	a) Disaggregation of monetary amounts by acute and chronic physical risk c) Location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			The Group has made use of the phase-in	NA
ESRS E1	E1-9, 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			The Group has made use of the phase-in	NA

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
ESRS E1	E1-9, 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		The Group has made use of the phase-in	NA
ESRS E2	E2-4, 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Annex I, Table 1, Indicator number 8; Annex I, Table 2, Indicator number 2; Annex 1, Table 2, Indicator number 1; Annex I, Table 2, Indicator number 3				Not relevant	NA
ESRS E3	E3-1, 9	Water and marine resources	Annex I, Table 2, Indicator number 7				Not relevant	NA
ESRS E3	E3-1, 13	Dedicated policy	Annex I, Table 2, Indicator number 8				Not relevant	NA
ESRS E3	E3-1, 14	Sustainable oceans and seas	Annex I, Table 2, Indicator number 12				Not relevant	NA
ESRS E3	E3-4, 28 (c)	Total water recycled and reused	Annex I, Table 2, Indicator number 6.2				Not relevant	NA
ESRS E3	E3-4, 29	Total water consumption in m ³ per net revenue on own operations	Annex I, Table 2, Indicator number 6.1				Not relevant	NA
ESRS 2	SBM-3 – E4, 16 (a.i)		Annex I, Table 1, Indicator number 7				Reported	General information, Impact, risk and opportunity management
ESRS 2	SBM-3 – E4, 16 (b)		Annex I, Table 2, Indicator number 10				Reported	General information, Impact, risk and opportunity management
ESRS 2	SBM-3 – E4, 16 (c)		Annex I, Table 2, Indicator number 14				Reported	General information, Impact, risk and opportunity management
ESRS E4	E4-2, 24 (b)	Sustainable land / agriculture practices or policies	Annex I, Table 2, Indicator number 11				Not relevant	NA
ESRS E4	E4-2, 24 (c)	Sustainable oceans / seas practices or policies	Annex I, Table 2, Indicator number 12				Not relevant	NA
ESRS E4	E4-2, 24 (d)	Policies to address deforestation	Annex I, Table 2, Indicator number 15				Not relevant	NA
ESRS E5	E5-5, 37 (d)	Non-recycled waste	Annex I, Table 2, Indicator number 13				Reported	Environmental information, E5-5 – Resource outflows
ESRS E5	E5-5, 39	Hazardous waste and radioactive waste	Annex I, Table 1, Indicator number 9				Reported	Environmental information, E5-5 – Resource outflows
ESRS 2	SBM3 – S1, 14 (f)	Risk of incidents of forced labour	Annex I, Table 3, Indicator number 13				Reported	General information, Strategy
ESRS 2	SBM3 – S1, 14 (g)	Risk of incidents of child labour	Annex I, Table 3, Indicator number 12				Reported	General information, Strategy

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
ESRS S1	S1-1, 20	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 22	Processes and measures for preventing trafficking in human beings	Annex I, Table 3, Indicator number 11				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-1, 23	Workplace accident prevention policy or management system	Annex I, Table 3, Indicator number 1				Reported	Social information, S1-1 – Policies related to own workforce
ESRS S1	S1-3, 32 (c)	Grievance/complaints handling mechanisms	Annex I, Table 3, Indicator number 5				Reported	Social information, S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1	S1-14, 88 (b), (c)	Number of fatalities and number and rate of work-related accidents	Annex I, Table 3, Indicator number 2		Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S1-14 – Health and safety metrics
ESRS S1	S1-14, 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Annex I, Table 3, Indicator number 3				Reported	Social information, S1-14 – Health and safety metrics
ESRS S1	S1-16, 97 (a)	Unadjusted gender pay gap	Annex I, Table 1, Indicator number 12		Delegated Regulation (EU) 2020/1816, Annex II		Not relevant	NA
ESRS S1	S1-16, 97 (b)	Excessive CEO pay ratio	Annex I, Table 3, Indicator number 8				Reported	Social information, S1-16 – Compensation metrics (pay gap and total compensation)
ESRS S1	S1-17, 103 (a)	Incidents of discrimination	Annex I, Table 3, Indicator number 7				Reported	Social information, S1-17 – Incidents, complaints and severe human rights impacts
ESRS S1	S1-17, 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	Annex I, Table 1, Indicator number 10 and Annex I, Table 3, Indicator number 14		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Reported	Social information, S1-17 – Incidents, complaints and severe human rights impacts
ESRS 2	SBM-3 – S2, 11 (b)	Significant risk of child labour or forced labour in the value chain	Annex I, Table 3, indicators number 12 and 13				Reported	General information, Strategy
ESRS S2	S2-1, 17	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1,				Reported	Social information, S2-1 – Policies related to value chain workers

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
			Indicator number 11					
ESRS S2	S2-1, 18	Policies related to value chain workers	Annex I, Table 3, indicators number 11 and 4				Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-1, 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-1, 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Reported	Social information, S2-1 – Policies related to value chain workers
ESRS S2	S2-4, 36	Human rights issues and incidents connected to its upstream and downstream value chain	Annex I, Table 3, Indicator number 14				Reported	Social information, S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action
ESRS S3	S3-1, 16	Human rights policy commitments	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Not relevant	NA
ESRS S3	S3-1, 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not relevant	NA
ESRS S3	S3-4, 36	Human rights issues and incidents	Annex I, Table 3, Indicator number 14				Not relevant	NA
ESRS S4	S4-1, 16	Policies related to consumers and end-users	Annex I, Table 3, Indicator number 9 and Annex I, Table 1, Indicator number 11				Reported	Social information, S4-1 – Policies related to consumers and end-users
ESRS S4	S4-1, 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Annex I, Table 1, Indicator number 10		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Reported	Social information, S4-1 – Policies related to consumers and end-users
ESRS S4	S4-4, 35	Human rights issues and incidents	Annex I, Table 3, Indicator number 14				Reported	Social information, S4-4 – Taking action on material impacts on consumers

ESRS	Disclosure Requirement	Description of Disclosure Requirement	SFDR reference ⁷	Pillar 3 reference ⁸	Benchmark Regulation reference ⁹	EU Climate Law reference ¹⁰	Status of the disclosure requirement	Paragraph
								and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions.
ESRS G1	G1-1, 10 (b)	United Nations Convention against Corruption	Annex I, Table 3, Indicator number 15				Reported	Governance information, G1-1 – Corporate culture and business conduct policies
ESRS G1	G1-1, 10 (d)	Protection of whistle-blowers	Annex I, Table 3, Indicator number 6				Reported	Governance information, G1-1 – Corporate culture and business conduct policies
ESRS G1	G1-4, 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Annex I, Table 3, Indicator number 17		Delegated Regulation (EU) 2020/1816, Annex II)		Reported	Governance information, G1-4 – Confirmed incidents of corruption or bribery
ESRS G1	G1-4, 24 (b)	Standards of anti- corruption and anti- bribery	Annex I, Table 3, Indicator number 16				Reported	Governance information, G1-4 – Confirmed incidents of corruption or bribery

ENVIRONMENTAL INFORMATION

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852

The European Union has developed, in recent years, an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the contents of the 2015 Paris Agreement on climate and the United Nations' 2030 Agenda with its 17 sustainable development goals. To achieve these goals, the Union promotes investments in sustainable assets and activities using not only public but also private resources.

The Taxonomy Regulation (EU) 2020/852 defines the criteria for determining whether an economic activity can be considered environmentally sustainable based on the identification of six environmental objectives: a) climate change mitigation (CCM); b) climate change adaptation (CCA); c) sustainable use and protection of water and marine resources (WTR); d) transition to a circular economy (CE); e) pollution prevention and control (PPC); f) protection and restoration of biodiversity and ecosystems (BIO).

As provided by Regulation (EU) 2020/852, Article 8, the following indicators are reported:

- a) the portion of turnover derived from products or services associated with economic activities considered environmentally sustainable pursuant to Articles 3 and 9;
- b) the portion of capital expenditures and the portion of operating expenditures related to assets or processes associated with economic activities considered environmentally sustainable pursuant to Articles 3 and 9.

The reported indicators have been calculated based on the guidelines contained in Annex 1 of Regulation (EU) 2021/2178 and are based on currently available data and the current interpretation of the regulations and may therefore be subject to future changes.

Eligibility to the taxonomy

Turnover

Based on the current interpretation of the regulations, the Group has identified that its range of products and services falls within the definition of the following activities:

- CCM 3.6 Manufacture of other low-carbon technologies. In continuity with what was reported in 2024, the Emak Group has considered the revenues generated from the sales of battery-powered and electric finished products manufactured by the Group as eligible for the taxonomy. Specifically, the sales of battery-powered and electric OPE products and cleaning machines (PWJ) that do not have diesel-powered boilers for steam production are included in the counts. Therefore, all products powered even partially by fossil fuels and all products falling within the Components & Accessories segment have been excluded.
- CE 4.1 Provision of IT/OT (information technology/operational technology) solutions based on data. Revenues generated from the product range related to precision agriculture fall within this activity.
- CE 5.1 Repair, refurbishment, and remanufacturing. Revenues generated from the sales of chainsaw sharpeners fall within this activity. To avoid double counting, electric and battery-powered sharpeners have been excluded from CE 5.1 and included in CCM 3.6.
- CE 5.2 Sale of spare parts. Revenues generated from the sales of spare parts, excluding consumables, fall within this activity.
- CE 5.5 Product-as-a-service and other service models oriented towards circular use and results. Revenues generated from the rental of products fall within this activity.

Capex

Based on the analysis described above, Emak has considered the increases in tangible and intangible fixed assets and IFRS16 right-of-use assets related to the following activities as eligible for the taxonomy:

- CCM 3.6. Manufacture of other low-carbon technologies
- CCM 7.2. Renovation of existing buildings
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- CCM 7.6. Installation, maintenance and repair of renewable energy technologies
- CCM 9.3. Professional services related to the energy performance of buildings
- CE 4.1 Provision of IT/OT (information technology/operational technology) solutions based on data

Therefore, data related to battery and electric products, the provision of IT/OT solutions and energy efficiency improvements to buildings such as replacing neon lights with LED lights, replacing windows, installing solar panels, installing meters to monitor energy consumption and installing electric heat pumps were considered.

Opex

In accordance with regulatory requirements, Emak has defined operating expenditures as non-capitalized direct costs related to research and development, building renovation measures, short-term leasing, maintenance and repair, as well as any other direct expenses related to the daily maintenance of buildings, plants, and machinery, carried out by the company or third parties to whom these tasks are outsourced, necessary to ensure the continuous and effective operation of these assets. The data considered are related to the following activities:

- CCM 3.6. Manufacture of other low-carbon technologies
- CCM 7.2. Renovation of existing buildings
- CCM 7.3. Installation, maintenance and repair of energy efficiency equipment
- CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings)
- CCM 7.6. Installation, maintenance and repair of renewable energy technologies
- CE 4.1. Provision of IT/OT (information technology/operational technology) solutions based on data
- CE 5.1. Repair, refurbishment and remanufacturing

The Emak Group has therefore considered the research and development costs charged to the income statement directly related to battery and electric products, the costs related to the repair, refurbishment and remanufacturing of products, and the maintenance costs of buildings and other assets concerning the energy efficiency improvements of buildings carried out during 2025.

Alignment with the EU Taxonomy

Emak has analysed the technical criteria and the related DNSH requirements provided by the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act for all identified eligible activities and concluded that none of them can currently be considered aligned as the Group does not meet all the required criteria. During 2024, the Group completed the scenario analysis related to physical risks – chronic and acute – indicated in Appendix A of Delegated Regulation (EU) 2021/2139. This analysis was evaluated by the Control, Risks and Sustainability Committee and the Board of Directors in February 2025. The Group will continue deepen its understanding of the requirements for alignment with the taxonomy in the future.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned or eligible turnover year N-1	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
	€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Economic activities																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																		
Of which Enabling																		
Of which Transitional																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of other low carbon technologies	CCM 3.6	60,751	10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							13%		
Provision of IT/OT data-driven solutions	CE 4.1	673	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							0.1%		
Repair, refurbishment and remanufacturing	CE 5.1	81	0.01%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							0.02%		
Sale of spare parts	CE 5.2	37,976	6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							6%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	268	0.04%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							0.02%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)		99,749	16%	61%	0%	0%	39%	0%	0%							19%		
Total (A.1 + A.2)		99,749	16%	61%	0%	0%	39%	0%	0%							19%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)		512,745	84%															
Total (A+B)		612,494	100%															

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	10%
CCA	-	-
WTR	-	-
CE	-	6%
PPC	-	-
BIO	-	-

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned or eligible CapEx, year N-1	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
Economic activities	€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling																		
Of which Transitional																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of other low carbon technologies	CCM 3.6	2,601	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							7%		
Renovation of existing buildings	CCM 7.2	1,413	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	711	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							2%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	-	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.01%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	86	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.01%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	297	1.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.24%		
Professional services related to energy performance of buildings	CCM 9.3	4	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.06%		
Provision of IT/OT data-driven solutions	CE 4.1	388	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							1.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,501	20%	93%	0%	0%	7%	0%	0%							11.7%		
Total (A.1 + A.2)		5,501	20%	93%	0%	0%	7%	0%	0%							11.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
CAPEX of Taxonomy-non-eligible activities (B)		21,938	80.0%															
Total (A+B)		27,438	100%															

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	19%
CCA	-	-
WTR	-	-
CE	-	1%
PPC	-	-
BIO	-	-

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards	Proportion of Taxonomy-aligned and eligible OpEx, year N-1	Category (enabling activity)	Category (transitional activity)
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
	€/000	%	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N/ NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Economic activities																		
A. TAXONOMY-ELIGIBLE ACTIVITIES																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
-																		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																		
-																		
Of which Enabling																		
Of which Transitional																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of other low carbon technologies	CCM 3.6	607	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							10%		
Renovation of existing buildings	CCM 7.2	96	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.8%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	5	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.05%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.01%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.03%		
Provision of IT/OT data-driven solutions	CE 4.1	382	3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							3%		
Repair, refurbishment and remanufacturing	CE 5.1	61	0.5%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							0.4%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,154	10%	62%	0%	0%	38%	0%	0%							15%		
Total (A.1 + A.2)		1,154	10%	62%	0%	0%	38%	0%	0%							15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OPEX of Taxonomy-non-eligible activities (B)		10,242	89.9%															
Total (A+B)		11,396	100%															

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	6%
CCA	-	-
WTR	-	-
CE	-	4%
PPC	-	-
BIO	-	-

Activities related to nuclear energy and fossil gas ¹⁴

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

¹⁴ Delegated Regulation (EU) 2022_1214

ESRS E1 – Climate change

ESRS 2 GOV-3 — Integration of sustainability-related performance in incentive schemes

The Board of Directors has set sustainability goals, including those related to climate change¹⁵, within the incentive remuneration for the Group CEO and CFO. The characteristics of the Incentive Plan, the objectives, and the percentage of remuneration connected to them are detailed in section *ESRS 2 GOV-3 – Integration of sustainability related performance in incentive schemes*, in General Information.

E1-1 – Transition plan for climate change mitigation

The Group does not currently have a structured transition plan for climate-change mitigation as outlined in Regulation (EU) 2023/2772, and, given the uncertainty of the context in which it operates and the evolving regulatory framework, it has not yet defined a precise timeline for its potential development.

Currently, the Group is focused on progressively refining and expanding the mapping of its emissions inventory. In particular, the Group has been reporting for several years on progress related to its Scope 1 and Scope 2 GHG emissions. Starting from 2024, disclosure is also provided on gross Scope 3 GHG emissions. Based on the GHG Protocol and implemented with the support of the dedicated Scope 3 Calculation Guidance, the calculation considers, where possible, precise data from the Group's companies and relies on estimates for missing data. The selection of significant Scope 3 categories was carried out following a materiality analysis.

Having a consolidated database, composed of an increasing share of precise data and progressively refined estimates, represents the starting point for undertaking initiatives and developing plans aimed at improving the Group's environmental performance.

As of today, formalised and certified improvement plans are in place only within the companies that hold ISO 14001 environmental certification. Additional improvement objectives may arise from the individual companies' needs or opportunities for energy-efficiency enhancement, also deriving from any regulatory requirements.

¹⁵ There are no consolidated Group objectives related to the reduction of GHG emissions communicated pursuant to the disclosure requirement E1-4 of Regulation (EU) 2023/2772, against which to assess the sustainability performance of the CEO as contemplated by the incentive systems; the aforementioned performance is currently evaluated solely based on the mere achievement of the objectives.

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

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability matters through the double materiality assessment. The results of the analysis are detailed in the table provided in the paragraph *ESRS 2 SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*, in General information. For a more detailed overview, please refer to that section.

The Group has long implemented an Enterprise Risk Management (ERM) system, a process designed to identify and assess in advance potentially adverse internal and external future events, thereby enabling timely decisions on how to manage them and increasing the likelihood of achieving corporate objectives.

The ERM process involves the entire organisation. With the support of the Group Risk Manager, the risk owners identify and assess events that could hinder the achievement of objectives, manage them according to cost-benefit principles (in line with the risk profile agreed with stakeholders) in order to minimise their impact or likelihood of occurrence, and monitor their evolution over time.

The process may cover only strategic risks or also operational, financial, and compliance risks.

In conjunction with the budgeting process, the Group Risk Manager annually interviews the various risk owners and the CEOs of the Group's business units to assess their exposure to the different strategic risks.

The analysis carried out in 2025 led to the development, for each Business Unit, of a Risk Matrix illustrating the positioning of the 24 strategic risks, together with specific deep-dives on the highest-rated risks.

The outcomes of this work (Risk Matrix and related deep-dives) were presented to the Control, Risks and Sustainability Committee and to the individual CEOs.

With regard to climate change, the process shows that the topic is integrated into the Group's strategy and business model, encompassing both transition risk and physical risk.

The transition risk was analysed within each Business Unit and, overall, it is managed as follows:

- Compliance with product regulations: the evolution of product regulations is monitored and followed by the technical structures of the various divisions of the Group, also through discussions with trade associations, in order to guide research and development activities.
- End user preferences: this is monitored by the sales and marketing structure, through constant dialogue with the Group's customers (specialised distributors, large-scale retailers, manufacturers) and with the trade associations to which the Group belongs.
- Aspects related to the supply chain of energy factors: this is overseen by the purchasing function, through framework agreements, participation in consortia and active monitoring of the market, and in the management and maintenance of buildings, in order to increase their energy efficiency.
- Climate change and business model: the effects of climate change on the Group's reference markets are monitored by the CEOs and the commercial and marketing functions of the individual business units, which assess both the risks and the opportunities that may arise.

Regarding physical risk, based on the results of scenario analysis, the Group's management believes that this risk is not critical. The scenarios examined¹⁶ and the risks considered indicate that potential issues could arise within a 30-year timeframe, making mitigation planning currently ineffective. The Group, through dedicated functions, will continue to monitor the evolution of these scenarios, keeping its risk assessments updated and the possibility of implementing corrective actions if necessary.

¹⁶ Focus on the 12 events deemed as priorities based on definitions and applicability to the Group: Changes in air temperature; Thermal stress; Temperature variability; Heatwave; Cold wave/frost; Cyclone, Hurricane, Typhoon; Storm; Snowstorm; Tornado; Water stress; River flooding; Subsidence.

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

Through the final phase of the double materiality analysis and the update for 2025 reporting, the Group determined which qualitative and quantitative information related to relevant matters should be reported in this Consolidated Sustainability Statement. To this end, the methods outlined in ESRS 1 (including Appendix E), the Implementation Guidance "EFRAG IG 1 – Materiality Assessment," and the additional paper "Links between AR16 and disclosure requirements" were followed.

The following table describes, for each relevant issue, the related impacts (positive and negative), risks and opportunities that have exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROS						
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES	
E1 - Climate change	Climate change adaptation			TRANSITION RISKS (and impacts on the business model): The impact of new regulatory developments related to climate change on the range of products and services offered Sudden obsolescence triggered by the arrival of new technologies on the market (technological acceleration) Chronic: Climate change and rising average temperature and sea level		
		Emission reduction	Generating direct and indirect CO2 emissions, slowing down the achievement of the objectives of the Paris Agreement and the European Green Deal		Costs of transition to low-emission technologies Impact of new regulatory developments related to climate change on the range of products and services offered	Use of new technologies
					Energy crisis (an entity's energy mix can affect the cost and reliability of energy supply and ultimately affect the entity's cost structure and regulatory risk) and consequent increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy) Failure to comply with regulations (e.g. Greenbuildings)	
	Responsible energy use	Maintaining dependence on non-renewable energy sources, thus contributing to climate change.	Raising awareness among company personnel and stakeholders towards responsible energy use			

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in General Information.

In the development of its business plans, the Group formalizes specific sections dedicated to climate change risks, where the planned initiatives are illustrated and, where data is available, the investments, costs, and expected revenues for the planned interventions are quantified. To date, based on the analyses carried out and the nature of the Group's activities, particular attention is paid to mitigating transition risks, as these have also emerged from the ERM process as those with the highest potential impact.

These risks also present interesting opportunities for the Group both from a business development perspective (e.g., development of electric/battery-powered products, growth in the agriculture sector) and in terms of energy efficiency (e.g., reduction of energy consumption).

For further information, please refer to the previous paragraph *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*.

E1-2 – Policies related to climate change mitigation and adaptation

To date, the Group does not have formalised policies for managing the impacts, risks and opportunities associated with climate-change mitigation, climate-change adaptation, energy efficiency and the deployment of renewable energy.

Nevertheless, through its organizational system, the Group ensures full compliance with relevant laws and regulations and has also been carrying out, for several years, initiatives aimed at raising employee awareness and improving energy efficiency in order to reduce its environmental footprint. According to the Organizational, Management, and Control Model, in application of Legislative Decree 231/2001, the types of offenses for which the Group may be held liable include environmental crimes as per Article 25-undecies of the aforementioned decree, as introduced by Legislative Decree No. 121 of July 7, 2011¹⁷, and amended by Article 1, Law No. 68 of May 22, 2015¹⁸.

Emak S.p.A., Agres Sistemas Eletrônicos S.A. and PNR Italia have an Environmental Management System certified according to the UNI EN ISO 14001 standard. Additionally, to identify, monitor, and reduce the environmental impacts of its activities, the Parent Company Emak S.p.A. adopts an environmental policy as part of the broader Integrated Corporate Policy.

In the selection of suppliers, the Group exclusively uses criteria related to the objective competitiveness of the services and products offered and their quality, also understood as the supplier's performance in environmental and social areas and compliance with the principles expressed in the Code of Ethics, which is duly shared.

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

Although the Emak Group has not set specific climate change targets, it is committed to contributing to sustainable development by pursuing continuous improvement goals related to environmental compatibility. To this end, it works to promote and consolidate a culture focused on protecting the environment and natural resources. The Group's efforts to reduce environmental impact extend across all processes of its activities, starting with the design of its products, through the search for increasingly eco-compatible materials and technical solutions that allow for lower pollutant emissions and reduced consumption, while at the same time ensuring customer satisfaction in terms of performance¹⁹.

With a view to continuous improvement and to reducing its energy consumption, the Group implements various actions that may also extend over time horizons, beyond a single year, such as:

- a) Energy efficiency
 - installation of intelligent systems in production departments to manage lighting based on work shifts and, in some areas, sensors for automatic switching on and off of lights based on presence;
 - adoption of thermoregulation systems for the different areas of the plants, dynamically adjusting the power of the individual thermal generators to the external climatic conditions and to the thermo-hygrometric comfort requirements of the various internal areas;
 - use of high-energy-consuming machinery outside peak hours;
 - recovery of energy generated during product testing;
 - installation of high-efficiency heating systems, such as heat pumps and latest-generation condensing boilers;
 - upgrade of the general electrical system and transformer stations, which has led to a reduction in electrical losses within the plant;
 - gradual replacement of neon lamps with LED lamps, also through relamping interventions in some plants;
 - installation of high-energy-efficiency machinery and equipment in production departments;
 - measures aimed at reducing the thermal needs of the plants and improving the internal microclimate, such as replacing windows and installing blinds;
 - installation of energy consumption monitoring systems for each production line or machine, with the aim of identifying possible inefficiencies and planning potential efficiency measures;
 - introduction into the company car fleet of plug-in hybrid vehicles, replacing diesel cars.

¹⁷ Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements.

¹⁸ Provisions on environmental crimes (Law No. 68 of 2015) introduced new crimes to protect the environment in the Penal Code, thus modifying the previous regulatory framework that relied almost exclusively on contraventions and administrative sanctions, as provided by the Environmental Code (Legislative Decree No. 152 of 2006).

¹⁹ Since no policy is in place, the implementation of the objectives does not contribute to achieving the purpose of the latter.

b) Product modification / electrification

- testing machines containing fully or partially recycled plastic materials (material research), a multi-year project focused on the Green Deal and thus reducing CO₂ in relation to developed products;
- identification and development of technologies to be applied to combustion engines to comply with future directives on emission limits (low-emission engines).

c) Use of energy from renewable sources

- purchase and self-production of renewable energy, in line with previous years

With reference to previous years, the aforementioned mitigation actions have led to the filing of several patents concerning R&D activities focused on product innovation, as well as the modernization and energy efficiency of the facilities in a broad sense.

The Group will evaluate how to further articulate this path based on the results of the next financial year²⁰ and following the mapping of GHG emissions mentioned in relation to the *Transition plan for climate change mitigation* section.

The resources allocated by the Group to actions related to climate change mitigation and adaptation are reported in the paragraph *Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*.

E1-4 – Targets related to climate change mitigation and adaptation

As of today, the Group has not established consolidated Group-wide targets for the reduction of gross GHG emissions, although there are intermediate and granular targets derived from ISO standards related to specific plants, such as in the case of the Parent Company.

However, in the current reporting period the Emak Group has refined the mapping of GHG emissions generated along the value chain (Scope 3), increasing the use of precise data where available, or improving estimation methods based on the availability of internal and external data. This activity aims to define the baseline on which potential GHG emission reduction targets can be identified and formulated, the actions to be taken to achieve them and the respective decarbonization levers.

²⁰ At present, the Emak Group has not established timeframes within which it intends to complete each main action.

E1-5 – Energy consumption and mix

The energy consumption and energy mix of the Group are detailed below:

DR E1-5 -Energy consumption and energy mix	2025	2024
	MWh	
Coal fuels and coal products		
Fuels from crude oil and petroleum products	8,605.19	8,123.35
Diesel for production	413.45	370.08
Diesel for company cars for business use	3,992.33	3,842.52
Diesel for company cars for mixed use	944.93	1,232.30
Hybrid/Diesel for company cars for mixed use	97.10	6.60
Gasoline for production	512.22	503.44
Gasoline for company cars for business use	1,671.55	1,402.65
Gasoline for company cars for mixed use	318.10	370.88
Hybrid/Gasoline for company cars for business use	40.22	43.45
Hybrid/Gasoline for company cars for mixed use	570.19	309.16
LPG for production	45.10	42.26
Natural gas fuels	17,426.92	19,879.24
Natural gas for heating	15,717.23	17,437.37
Natural gas for production	1,589.45	2,297.70
Natural gas for company cars for business use	120.24	144.17
Electricity purchased or acquired from fossil sources	26,659.62	25,741.31
of which for company cars for mixed use	10.11	2.89
Heat purchased or acquired from fossil sources		
Steam purchased or acquired from fossil sources		
Cooling purchased or acquired from fossil sources		
Fuels from other fossil sources	-	-
Self-produced energy from non-renewable sources and consumed	-	-
<u>Total energy consumption from fossil sources</u>	52,691.72	53,743.90
<u>Share of fossil sources in total energy consumption (%)</u>	98.53%	98.72%
<u>Total energy consumption from nuclear sources</u>		
<u>Share of nuclear sources in total energy consumption (%)</u>	0.00%	0.00%
Fuels from renewable sources	20.02	15.80
Biofuel (e.g. HVO) for company cars for business use		1.37
Biofuel (e.g. HVO) for company cars for mixed use	20.02	14.43
Electricity purchased or acquired from renewable sources (Guarantee of Origin contracts)	32.83	35.72
Heat purchased or acquired from renewable sources		
Steam purchased or acquired from renewable sources		
Cooling purchased or acquired from renewable sources		
Renewable energy self-produced and consumed (without using fuels)	730.62	645.32
of which from a photovoltaic system	730.62	645.32
<u>Total energy consumption from renewable sources</u>	783.47	696.84
<u>Share of renewable sources in total energy consumption (%)</u>	1.47%	1.28%
<u>Total energy consumption</u>	53,475.19	54,440.74

The companies of the Emak Group fall into high climate impact sectors²¹. Therefore, the following information is provided:

Energy intensity (sectors with high climate impact)	2025	2024
Total energy consumption of activities in sectors with high climate impact (MWh)	53,475.19	54,440.74
Net revenues from activities in high-impact climate sectors (€)	€ 612,494,394	€ 601,914,195
Energy intensity (MWh/€)	0.0000873	0.0000904

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

The greenhouse gas (GHG) emissions²² currently monitored and reported by Emak can be divided into three scopes:

- **Scope 1 GHG emissions**²³: direct greenhouse gas emissions from sources that are owned or controlled by the company;
- **Scope 2 GHG emissions**, calculated using both the **location-based**²⁴ and **market-based**²⁵ methods: indirect emissions from the generation of electricity, steam, heating or cooling that is purchased or acquired and consumed by the company;
- **Scope 3 GHG emissions**: indirect greenhouse gas (GHG) emissions (excluding Scope 2 emissions) generated within the value chain of the reporting company, including both upstream and downstream emissions. These are divided into 15 categories.

In order to report information regarding gross Scope 3 GHG emissions, the Group has taken into account the principles and requirements outlined in the *Technical Guidance for calculating Scope 3 emissions* standard, version 1.0, of the Greenhouse Gas Protocol (GHG Protocol).

The significant Scope 3 categories were identified through a materiality analysis process, based on the guidelines and criteria established by the GHG Protocol²⁶. Following this analysis, the following Scope 3 categories were identified as significant:

- Category 1 - Purchased goods and services;
- Category 3 - Fuel- and energy-related activities (not included in Scope 1 or Scope 2);
- Category 4 - Upstream transportation and distribution;
- Category 11 - Use of sold products.

²¹ High climate impact sectors are those listed in Annex I, sections A to H and L, of Regulation (EC) No 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288). This regulation defines the statistical classification of economic activities NACE Revision 2.

²² The broad term "emissions" refers to the direct or indirect discharge, from point sources or diffuse sources, of substances, vibrations, heat, or noise into the air, water, or soil, as outlined in Directive 2010/75/EU on industrial emissions (Industrial Emissions Directive).

²³ For the calculation of gross Scope 1 emissions, the following conversion factors were used:

- DESNZ, Conversion factors 2025: full set

According to the latest version of the "GHG Protocol Scope 2 Guidance," self-produced electricity from renewable sources has an emission impact of zero, with reference to Scope 1 of GHG emissions.

²⁴ The term "location-based" refers to a method of accounting for emissions resulting from electricity consumption by applying national average emission factors for the various countries where electricity is purchased.

For the calculation of gross Scope 2 GHG emissions using the location-based approach, the emission factors used to convert different energy quantities into tCO₂e are derived from the following source:

• Emissions Factors 2025 - Data product - IEA

²⁵ "Market-based" refers to a method of accounting for emissions that determines those arising from the purchase of electricity by considering specific factors communicated by the company's suppliers. When electricity from certified renewable sources is purchased, a zero-emission factor is attributed.

For the calculation of gross Scope 2 GHG emissions using the market-based approach, the emission factors used to convert different energy quantities into tCO₂e are derived from the following sources:

• Association of Issuing Bodies (AIB), European Residual Mixes 2024;
 • Emissions Factors 2025 - Data product - IEA

²⁶ Specifically, the criteria used by the Group, as indicated by the GHG Protocol, to perform the materiality analysis are magnitude, risk, influence, and data availability.

The materiality analysis was based on a set of purely qualitative criteria proposed in the aforementioned Technical Guidance, according to which the following categories were deemed non-significant, or not applicable:

- Category 2 - Capital goods (excluded)
- Category 5 - Waste generated in operations (excluded)
- Category 6 - Business travel (excluded)
- Category 7 - Employee commuting (excluded)
- Category 8 - Upstream leased assets (not applicable)
- Category 9 - Downstream transportation (excluded)
- Category 10 - Processing of sold products (not applicable)
- Category 12 - End-of-life treatment of sold products (excluded)
- Category 13 - Downstream leased assets (not applicable)
- Category 14 - Franchising (not applicable)
- Category 15 - Investments (not applicable)

The current reporting focuses on the categories currently considered significant. It is not excluded that future reports may include additional categories.

Below is the approach for managing data and emissions for the individual Scope 3 categories that were included in the reporting.

Category 1 - Purchased goods and services

For the calculation of this category, where possible, data related to disclosure requirement E5-4 (“Resource inflows”) were preferably used. In this case, the emission factors were derived from the Ecoinvent v. 3.12 database.

The data in terms of mass, if not available from the management system, have been reconstructed through estimates starting from the average composition of the families of products sold.

In cases where such data were not available, the second option was to quantify the emissions associated with the purchased materials using the spend-based method, converting foreign currency into euros where appropriate.

The emission factors used for the spend-based calculations are sourced from the DEFRA database “*UK and England's carbon footprint to 2021*”, which provides emission factors in kg CO₂eq/£ for the year 2021, thus making it necessary to process these emission factors to convert them into euros and update them to 2025.

In the event that data on material inflows were not available for a company, the impact calculation for this category was re-proportioned based on the purchase value of a similar company.

The emissions calculated for the entire Group, using available data based on mass, spend-based calculations, and the re-scaling method, amount to 147,500 tCO₂eq; the emissions specifically reported by the companies that provided data amount to 145,542 tCO₂eq, representing 99% of the overall amount.

The number of companies for which this category is relevant is 35 out of a total of 40. The reason why not all companies are included in the calculations is that intra-group purchases were excluded to avoid potential double counting (2 companies), 2 companies had non-significant values, and 1 company is currently in liquidation.

Category 3 - Fuel- and energy-related activities

This category relates to upstream activities associated with energy and fuels, specifically the extraction of fuels used for Scope 1 and the transmission and losses of electricity for Scope 2 GHG emissions.

The data used for the calculations are, in fact, the same as those used for calculating Scope 1 and Scope 2 GHG emission, but their processing is based on emission factors that include upstream emissions, taking into account the different emission contributions associated with the specific energy sources used.

In this specific case, no re-scaling of emissions was required, as data were available for all the companies in the Group.

The total for this category amounts to 3,320 tCO₂eq and represents 100% of the Group's emissions.

For the calculations in this category, conversion factors were applied where appropriate to convert litres or m³ of fuel into kilograms. For electricity, the contributions related to energy transmission and grid losses required a dedicated impact modelling.

The source of the emission factors used for the electricity consumption is the “*Emissions Factors 2025 – Data product – IEA*” database, while the factors for fossil fuels were taken from the “*Conversion factors 2025: full set*” database published by DESNZ – Department for Energy Security and Net Zero.

Category 4 - Upstream transportation and distribution

For this category, only primary data from the Italian companies within the Group are available: Comet S.p.A., Emak S.p.A., Lavorwash S.p.A., PNR Italia S.r.l., Poli S.r.l., PTC S.r.l., Sabart and Tecomec S.r.l. For these companies, emissions from transport and distribution activities along the entire value chain were calculated using primary data provided by logistics operators, where available, in terms of actual emissions. Where such information was not available, a distance-based methodology was applied, relying on distances travelled and the corresponding standard emission factors.

The kilometres travelled were then multiplied by the corresponding emission factor from the DESNZ UK GHG Emission Factors 2025 database, taking into account the transported weight, the transport mode used, and considering both the Tank-to-Wheel (TTW) component and the Well-to-Tank (WTT) component.

The emissions for the remaining companies were calculated by re-scaling the emissions obtained for the Italian companies based on their turnover. The re-scaling logic is the same as that applied for Category 1.

The emissions calculated for the entire Group, using available data and the re-scaling method, amount to 12,317 tCO₂eq; the emissions specifically reported by the companies that provided data amount to 6,361 tCO₂eq, representing 52% of the overall amount.

Category 11 - Use of sold products

For this category, the finished products of the *Outdoor Power Equipment* segment and the cleaning line of the *Pumps & Water Jetting* segment were considered. For both categories, primary data on product consumption were used.

Products from the *Components & Accessories* segment and the Agriculture and Industry lines of the pumps segment were excluded. Specifically, accessories and spare parts were excluded because they do not inherently lead to energy consumption, and all pumps because they involve indirect energy consumption and, as allowed by the GHG Protocol, can be reported on an optional basis. The Group chose to apply this option also because modelling a scenario for such products would be highly complex, as it depends on the pump's final application and therefore involves a high degree of uncertainty.

The emissions calculated for the entire Group, based on the available data, amount to 697,743 tCO₂eq and represent the Group's total emissions.

To determine the emissions associated with the use of electric or battery-powered products, the average European electricity emission factor from Ecoinvent v. 3.10 was applied, without calculating emissions based on the specific destination country of the products sold, since most of the market is within Europe.

Any diesel and/or gasoline input associated with certain product types was modelled using the DESNZ emission factor representative of diesel combustion.

At a general level, several assumptions were made to model the use-phase scenario. In particular, for most products, during the product approval process the product's emissions in terms of g CO₂eq/kWh are assessed; therefore, where available, this value was used to calculate emissions.

Regarding the product's useful lifetime, the number of operating hours defined during the product approval process was considered, accounting for the total emissions expected over the useful life within the reporting year.

The total GHG emissions are outlined below, broken down into Scope 1 and Scope 2 emissions, as well as the priority categories within Scope 3.

Total emissions (t CO ₂ eq)	2025	2024
Direct emissions - Scope 1	5,957.79	6,133.51
Scope 1 emissions covered by regulated emissions trading systems (%)	0.0%	0.0%
Indirect emissions - Scope 2		
Scope 2 -location-based	6,961.97	7,938.22
Scope 2 -market-based	8,842.78	9,770.94
Indirect emissions - Scope 3	860,880.44	1,211,795.40
1. Purchased goods and services	147,499.59	239,874.90
3. Fuel and energy related activities (not included in scope 1 or 2)	3,319.91	2,221.04
4. Upstream transportation and distribution	12,317.44	7,285.88
11. Use of the sold products	697,743.49	962,413.58
Total emissions - location based	873,800.20	1,225,867.13
Total emissions - market based	875,681.02	1,227,699.85

The reduction in indirect Scope 2 emissions is attributable to the update of electricity conversion factors compared with the 2024 reporting year.

Regarding the decrease in indirect Scope 3 emissions, the following should be noted:

- Category 1: part of the reduction is due to lower purchasing volumes during the year, and part to improvements in the calculation methodology (see the considerations provided for indicator E5-4);
- Category 4: the increase is attributable to the refinement of the calculation methodology, supported by a broader and more detailed dataset compared with the previous year;
- Category 11: the decrease results from lower sales volumes for certain product categories.

Below is the information related to GHG intensity in relation to net revenues:

Intensity of emissions compared to revenues - location-based	2025	2024
Total location-based emissions (t CO ₂ eq)	873,800.20	1,225,867.13
Net revenue (€)	612,494,394	601,914,195
Emission intensity (t CO ₂ eq/€)	0.0014	0.0020

Intensity of emissions compared to revenues - market-based	2025	2024
Total market-based emissions (t CO ₂ eq)	875,681.02	1,227,699.85
Net revenue (€)	612,494,394	601,914,195
Emission intensity (t CO ₂ eq/€)	0.0014	0.0020

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

As part of the *Plan to eliminate Scope 1 emissions generated by the car fleet of the Italian companies in the Group*, in 2025 the Italian companies purchased Sustainability Credits²⁷ from the National Park and UNESCO MAB Biosphere Reserve of the Tuscan-Emilian Apennines. These credits support sustainable and responsible forest management and local communities within the Park and were used to offset 363 tCO₂eq produced by the Italian car fleet in 2024.

The offsetting of emissions through the purchase of certified carbon credits complements the company car policy aimed at reducing environmental impact- by prioritising the inclusion of electric and hybrid vehicles, or in any case less polluting models than those currently in use, within the corporate fleet.

E1-8 – Internal carbon pricing

The Group does not apply internal carbon pricing systems.

²⁷ The Credits come from forests managed sustainably and responsibly, certified according to FSC and PEFC standards.

ESRS E5 – Resource use and circular economy

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

Through the final phase of the double materiality assessment and the update for 2025 reporting, the Group determined which qualitative and quantitative information related to relevant matters should be included in this Consolidated sustainability statement. To this end, the methods outlined in ESRS 1 (including Appendix E), the Implementation Guidance 'EFRAG IG 1 – Materiality Assessment,' and the additional paper 'Links between AR16 and disclosure requirements' were followed.

The following table describes, for each relevant topic, the related impacts (positive and negative), risks and opportunities that have exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROs					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
E5 - Circular economy	Sustainable management of materials	Use of materials and resources with consequent reduction in their availability		Failure to comply with regulatory requirements (e.g. ESPR) Increase in the final price of the finished product due to increased production costs resulting from changes in input prices (e.g. energy, water) and output requirements (e.g. waste treatment)	Use of secondary raw materials or semi-finished products composed of them
	Reduction of waste and circular economy	Production of waste, hazardous and non-hazardous		Failure to comply with regulatory compliance (e.g. Packaging and Packaging Waste Regulation - PPWR, Extended Producer Responsibility - EPR)	

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in *General Information*.

E5-1 – Policies related to resource use and circular economy

The Group currently does not have formalized policies for managing the impacts, risks and opportunities related to resource use and the circular economy. Nevertheless, through its organizational system, the Group ensures full compliance with relevant laws and regulations.

According to the Organization, Management, and Control Model, in application of Legislative Decree 231/2001, the types of offenses for which the Group may be held accountable include environmental crimes under Article 25-undecies of the aforementioned decree, as introduced by Legislative Decree No. 121 of July 7, 2011²⁸, and amended by Article 1, Law No. 68 of May 22, 2015²⁹. These crimes explicitly include: prohibition of mixing hazardous waste (Article 187 of Legislative Decree 152/06), unauthorized waste management activities (Article 256 of Legislative Decree 152/06), illegal waste trafficking (Article 259 of Legislative Decree 152/06) and organized activities for illegal waste trafficking (Article 260 of Legislative Decree 152/06).

The commitment to responsible waste management is also demonstrated through the Code of Ethics, in paragraph 4.12. Environmental Responsibility, which identifies it as one of the activities considered to be at highest risk.

²⁸ Implementation of Directive 2008/99/EC on the protection of the environment through criminal law, as well as Directive 2009/123/EC amending Directive 2005/35/EC on ship-source pollution and the introduction of penalties for violations.

²⁹ Provisions on environmental crimes (Law No. 68 of 2015) introduced new crimes to safeguard the environment in the Penal Code, thus modifying the previous regulatory framework that relied almost exclusively on contraventions and administrative sanctions, as provided by the Environmental Code (Legislative Decree No. 152 of 2006).

The companies Emak S.p.A., Agres Sistemas Eletrônicos S.A. and PNR Italia have an Environmental Management System certified according to the UNI EN ISO 14001 standard. Additionally, to identify, monitor, and reduce the environmental impacts of their activities, the parent company Emak S.p.A. adopts an environmental policy as part of the broader integrated corporate policy, which emphasizes the search for eco-compatible materials and recyclable components in product industrial design already from the design phase. In the selection of suppliers, the Group exclusively uses criteria related to the objective competitiveness of the services and products offered and their quality, which also includes the supplier's performance in environmental and social areas and compliance with the principles expressed in the Code of Ethics, which is promptly shared.

In general, the Group is committed, where the circumstances are met, to avoid a potential incorrect disposal of hazardous waste that could have significant impacts on the environment, despite the limited use of hazardous raw materials in its production processes.

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

Companies implement various measures³⁰ to reduce the amount of waste generated and, as much as possible, recover the waste materials produced from the processing of raw materials. With reference to the waste hierarchy³¹, the actions taken by the Group mainly concern: prevention, recovery and disposal.

In some cases, packaging for the transport and storage of raw materials and components is reused to reduce the generation of cardboard waste and wood pallets. Where possible, waste from processing is recovered. Metal and plastic shavings, for example, are reused by the companies that generate them, sold to other companies, or returned to suppliers for processing. Some production plants have wastewater treatment systems to separate sludge and emulsions from the rest of the water, which can then be reused in the production process, and filtration systems in the machinery that allow the reuse of oil. An example comes from the Parent Company Emak S.p.A., which, to reduce the amount of hazardous emulsions generated by the painting process of the decks of its wheeled products, uses a purification system at its Pozzilli plant, allowing water to be recovered and reused in the painting process, sending only the sludge generated by the production process for disposal.

To avoid incorrect waste disposal, various companies have waste management procedures in place that define the flow of activities to be carried out and the responsible parties. Employees are trained and made aware of these procedures. Additionally, companies regularly prepare waste records and proceed to sample and verify them through specific analyses. Documentation control is periodically carried out by the designated offices. The categorization of waste and the definition of internal disposal processes are in some cases defined with the support of specialized consultants.

Industrial waste is deposited in dedicated areas, in containers suitable for the volume and type of waste and subsequently entrusted to companies that have all the authorizations required by current regulations for recovery or disposal operations. In the case of Chinese companies, waste is collected and managed by third parties designated by the local government. In 2025, the Italian companies complied with the entry into force of RENTRI, the new National Electronic Register for Waste Traceability, which digitalizes and centralizes the management of waste-flow data to ensure greater transparency and traceability.

The Group is also committed to increasing the use of recycled materials, both in its products and packaging. Already in the research and development phase, efforts are made to reduce the use of virgin raw materials by replacing them with recycled plastics and to develop products according to circular-economy principles by increasing their durability, repairability and recyclability. Regarding packaging, particular attention is paid to developing eco-friendly packaging, replacing plastic with cardboard, largely recycled and FSC (Forest Stewardship Council) certified, recycled plastic and chipboard parts. Consistent with the Group's environmental commitment, some Italian companies have adopted projects to reduce plastic consumption, using paper cups and wooden coffee stirrers in company break areas, and water dispensers where employees can fill bottles distributed free of charge to discourage the use of plastic bottles.

Finally, the Group works to increase end-user awareness and education on disposal of products at the end of their life and of packaging, promoting proper waste separation. For example, the parent company Emak S.p.A. provides useful information for the correct disposal of packaging in recycling bins both on the packaging via QR code and on the website. The website also includes a guide for the proper disposal of products.

³⁰ Since there is no associated policy, the implementation of the objectives does not contribute to achieving the aforementioned purpose. Currently, Emak has not established timeframes within which the company intends to complete each main action.

³¹ Priority order in waste prevention and management, defined by Article 4, paragraph 1, of Directive 2008/98/EC on waste: i. prevention; ii. preparation for reuse; iii. recycling; iv. other recovery (e.g., energy recovery); and v. disposal.

The resources allocated to manage significant impacts have not yet been defined based on the results of the double materiality assessment, but considering the basic assumptions of the business plan.

E5-3 – Targets related to resource use and circular economy

The Group has not yet defined improvement objectives related to resource use and the circular economy, although there are intermediate and granular objectives derived from ISO standards, referring to specific plants, such as the case of the Parent Company.

However, in compliance with the regulations of the operating countries, the Group ensures complete environmental compliance, including provisions on resource use and the circular economy.

E5-4 – Resource inflows

The Group's production companies purchase a wide variety of codes, including raw materials, components, semi-finished products and finished products. Purchases mainly focus on technical commodities such as plastics, metal and electronics products, as well as finished products. Some Group companies indirectly purchase critical raw materials in the form of semi-finished or processed products: aluminium, magnesium, lithium, graphite, nickel and copper.

In addition to the materials used for production and finished products, packaging is also purchased, mainly paper and cardboard packaging and wooden pallets.

The Group's companies are committed to making resource use as efficient as possible.

Kg	2025				Weight of secondary intermediate products reused or recycled (kg)	Weight of secondary materials reused or recycled (kg)
	Technical materials	Biological materials	of which organic materials that come from a sustainable supply chain	Total		
Raw materials / natural resources						
<i>Metals (purchased as raw materials)</i>	2,995,250.16			2,995,250.16		
<i>Plastic (purchased as raw material)</i>	9,319,589.67			9,319,589.67	352,534.32	
<i>Other</i>	96,085.16			96,085.16		
Materials necessary for the production process not part of the finished product						
<i>Oils, lubricants, glues and</i>	1,787,358.81			1,787,358.81		
<i>Other</i>	121,602.47			121,602.47		
Semi-finished products or components						
<i>Plastic components</i>	4,157,029.45			4,157,029.45		
<i>Metal components</i>	12,974,074.33			12,974,074.33		
<i>Rubber components</i>	426,368.55			426,368.55		
<i>Other</i>	1,152,172.52			1,152,172.52		
Packaging materials						
<i>Paper and cardboard packaging</i>	4,488,764.68			4,488,764.68	184,397.80	
<i>Plastic packaging</i>	490,315.22			490,315.22	1,670.54	
<i>Wood Pallet</i>	3,006,300.77			3,006,300.77	310,633.00	
<i>Other</i>	220,560.55			220,560.55		
Total	41,235,472.37	-	-	41,235,472.37	849,235.66	-
% of biological materials				0.0%		
% of secondary components and materials				2%		

Kg	2024				Weight of secondary intermediate products reused or recycled (kg)	Weight of secondary materials reused or recycled (kg)
	Technical materials	Biological materials	of which organic materials that come from a sustainable supply chain	Total		
Raw materials / natural resources						
<i>Metals (purchased as raw materials)</i>	2,574,155.16			2,574,155.16		
<i>Plastic (purchased as raw material)</i>	8,918,084.27			8,918,084.27	344,977.36	5,500.00
<i>Other</i>	97,395.59			97,395.59		
Materials necessary for the production process not part of the finished product						
<i>Oils, lubricants, glues and</i>	776,125.81			776,125.81		
<i>Other</i>	71,521.10			71,521.10		
Semi-finished products or components						
<i>Plastic components</i>	9,205,183.36			9,205,183.36		
<i>Metal components</i>	24,819,893.17			24,819,893.17		
<i>Rubber components</i>	844,196.06			844,196.06		
<i>Other</i>	1,515,821.94			1,515,821.94		
Packaging materials						
<i>Paper and cardboard packaging</i>	3,941,026.18	9,675.00		3,950,701.18	105,159.00	
<i>Plastic packaging</i>	377,364.96			377,364.96	726.00	
<i>Wood Pallet</i>	2,397,258.10	31,118.00		2,428,376.10	229,346.00	
<i>Other</i>	60.51			60.51		
Total	55,538,086.21	40,793.00	-	55,578,879.21	680,208.36	5,500.00
% of biological materials				0.1%		
% of secondary components and materials				1%		

The significant overall decrease in incoming resources is largely due to the reduction in the “Semi-finished products or components” item. This change, in turn, has multiple causes. On the one hand, some of the Group’s plants recorded a decline in production volumes, which affected the quantities of products and components purchased, linked to the slowdown in demand that began in the third quarter of 2025 as a result of a worsening economic situation and increasing caution within the distribution chain. On the other hand, in 2025 the Group refined the estimation methodology used in the previous year by expanding the perimeter of companies with detailed data.

For the 2025 financial year, the resource inflows covered by this indicator were determined on the basis of the information available at each company included in the Emak Group’s reporting perimeter, using a combination of direct measurements, data extracted from corporate information systems and technical estimates, depending on the level of detail of the data available.

In particular:

- for companies equipped with structured management systems (ERP), the quantities of incoming materials were obtained directly from the information systems, using the weights associated with item codes, purchase invoices, or transport documents received during the year;
- where the weight was not available in the system, it was determined using product technical specifications, supplier documentation, weights indicated on drawing sheets, or through technical estimates validated by the Technical Departments or purchasing offices;
- for purchased components, semi-finished goods and finished products, in several cases the materials were estimated starting from the finished products (produced or sold during the year) and applying material-composition percentages and average unit weights, based on established technical assumptions consistent with the characteristics of the products;
- for raw materials and materials necessary for the production process (such as metals, plastics, oils, lubricants and auxiliary materials), the data were obtained from purchase invoices, quantities purchased during the year, or information provided directly by suppliers;
- for packaging, where precise weight data were not available, average weights for each type of packaging (paper, cardboard, plastic, pallets) were used, determined on the basis of the most complete information available within the Group and then scaled using consistent operational metrics, such as the number of machines produced or sold, quantities purchased, or, in some cases, revenue, taking as a reference the company whose business model was most similar to that being estimated.

For some companies with predominantly commercial activities or with almost exclusively intercompany purchases, resource inflows from third parties were either not significant or not present; in such cases, the data were not included or were estimated by referring to representative models of comparable manufacturing

companies within the Group. In cases where data were available only in monetary terms, physical quantities were estimated using a prudent and consistent approach across the different entities.

E5-5 – Resource outflows

The Group's production activity mainly consists of assembling components. Consequently, waste production is primarily limited to paper and cardboard packaging, and wooden pallets. In some sites, however, a vertical production process is carried out, starting from raw materials to the finished product. These are productions that, for economic reasons and to ensure product quality, are preferably carried out internally; the productions are as follows:

- the nylon line for brush cutters and barn dividers produced by the Speed Group: starting from polymers, the extrusion process leads to the finished product. This processing accounts for around 75% of the plastic waste generated by the Group's production companies;
- the decks for wheeled grass-cutting machines produced at the Pozzilli plant with a vertical process that includes sheet metal stamping, welding and painting, which accounts for about 50% of the metal waste generated by the Group's production companies.

An element to be noted comes from the surface nickel-plating treatment of aluminium cylinders carried out at the Chinese company Tailong: the plant is equipped with a wastewater treatment system for production processes, managed by a specialized company authorized by the local government.

In 2025, hazardous waste from the Group accounted for 9.4% of the total waste and mainly consisted of aqueous washing solutions, sludge and electronic waste. The data on waste was obtained through direct measurements, particularly for the Group's manufacturing companies, or, where this was not possible, especially for commercial companies, it was estimated based on turnover.

<i>kg</i>		2025			2024		
EWC code	Waste (description)	Recovery	Disposal	Waste generated	Recovery	Disposal	Waste generated
Hazardous waste							
WS09	Metal			-	6	260	266
WS10	Paper and cardboard			-			-
WS11	Plastic			-			-
WS12	Wood			-			-
WS07	Hazardous electronic waste	38		38	715		715
WS13	Aqueous washing liquids	1,218	156,384	157,602		73,074	73,074
WS08	Other hazardous waste	49,653	49,793	99,446	54,324	71,124	125,448
Total hazardous waste		50,909	206,177	257,086	55,045	144,458	199,503
Non-hazardous waste							
		Recovery	Disposal	Waste generated	Recovery	Disposal	Waste generated
WS00	Metal	825,070	5,085	830,155	862,492	7,710	870,202
WS01	Paper and cardboard	716,395	65,290	781,685	818,381	64,455	882,836
WS03	Plastic	171,210	278,695	449,905	152,615	341,083	493,697
WS02	Wood	286,132	31,545	317,677	386,839	36,800	423,639
WS04	Non-hazardous electronic waste	9,108		9,108	14,043	278	14,321
WS05	Aqueous washing liquids		28,370	28,370		35,220	35,220
WS06	Other non-hazardous waste	61,018	8,375	69,393	123,661	43,297	166,958
Total non-hazardous waste		2,068,934	417,360	2,486,294	2,358,031	528,843	2,886,873
Total waste		2,119,843	623,537	2,743,380	2,413,076	673,301	3,086,376

<i>kg</i>	2025		2024	
	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
Preparing for reuse	140	293,637	90	344,743
Recycling	2,758	1,412,168	8,046	1,766,745
Other recovery operations	48,011	363,130	46,909	246,543
Total waste sent for recovery	50,909	2,068,934	55,045	2,358,031
Incineration	1,285	2,400	2,887	41,599
Landfill	10	-	1,168	60,538
Other disposal operations	204,882	414,960	140,403	426,706
Total waste sent for disposal	206,177	417,360	144,458	528,843

SOCIAL INFORMATION

ESRS S1 - Own workforce

ESRS 2 SBM-2 – Interests and views of stakeholders

Emak has implemented a process for mapping and identifying priority stakeholder categories for the Group. From this analysis, carried out in line with the criteria defined by the AccountAbility 1000 (AA1000) Standard, the own workforce represents a fundamental category of stakeholders.

The level of relevance for each stakeholder category was defined based on two variables: the influence exerted by the stakeholder on the Group and the stakeholder's dependence on the Group's activities and decisions. The thematic area and main dialogue instruments attributable to the aforementioned stakeholder category, identified to establish a constructive relationship between the parties capable of meeting mutual needs in the medium to long term, are shown in the table below.

Stakeholders	Thematic area	Main instruments of dialogue
Employees	<ul style="list-style-type: none"> - Growth, development and training - Health and safety in the workplace - Diversity, equal opportunities and non-discrimination - Human rights and working conditions - Quality of work - Ethics, integrity and compliance - Identity and values - Industrial relations - Company welfare 	<ul style="list-style-type: none"> - Training on values and organisational behaviour - Open day and internal events - Company portal - Internal climate survey - Periodic newsletters and other communication - Communications from the top management - Collective bargaining - Skills assessment process - Support to employees' recreational facility

For more details on how the company takes into account the results of stakeholder engagement, please refer to the paragraph *Impact, Risk and Opportunity Management*, in *General Information*.

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

The Emak Group has identified its relevant impacts, risks and opportunities related to sustainability matters through the double materiality assessment.

LIST OF MATERIAL MATTERS AND MATERIAL IROs ³²					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
S1 - Own workforce	Creation and maintenance of employment		Creating a workplace that ensures the retention and attraction of new talent	Increased difficulty in finding staff, at all levels of the organizational chart (e.g. involuntary migration due to lack of opportunities for economic advancement and/or other factors)	
	Occupational health and safety	Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group		Health and safety risks arising from, among others, exposure to heavy machinery, moving equipment and electrical hazards	
	Improvement of employee wellbeing		Possibility of positively influencing the level of psycho-physical well-being of employees, with a consequent impact on	Loss of know-how	

³² Relevant IROs do not concern specific groups of people.

			the actual opportunity for each employee to fully realize their potential, through the offer of a positive, healthy working environment characterized by a set of programs aimed at improving the work-life balance of employees, promotion of dedicated interventions and practices		
			Possibility of promoting a healthier and more collaborative working climate, reducing tensions and internal conflicts, mitigating reputational damage, sanctions and disputes		
	Training and education for workers		Opportunity for each employee to fully realize their potential thanks to the presence of stimulating career paths	Reduced productivity due to lower operational agility, lack of development and implementation of know-how and lower flexibility of a workforce unable to adapt quickly to new technologies and processes	Development of employee potential and consequent increase in productivity
	Promotion of diversity and equal opportunities		Possibility of promoting the creation of a healthier, more inclusive, attractive and high-performing work environment, in order to protect the level of psychological well-being of employees, their sense of belonging and active involvement, respect for personalities and professionalism		Increased corporate attraction and retention
	Respect for human rights in business activities	Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour			

The results of the analysis, as well as any relevant risks and opportunities for the Group arising from impacts and dependencies, are detailed in the table in the section *SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*.

All own workers involved in Emak's activities are included in the scope of disclosure under ESRS 2.

The Group relies predominantly on employees with permanent contracts.

Regarding the type of non-employee workers included in the own workforce, they consist mainly of agency workers.

The negative impacts identified are typical of companies and Groups that carry out production activities and have locations worldwide: one actual, *'Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group,'* related to occupational health and safety; one potential, *'Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour,'* related to respect for human rights in business activities.

Additionally, five positive impacts have been identified, all actual and related to personnel management activities, extendable to employees at all levels, and, where possible, also to non-employee workers that make up the Group's workforce.

No operations at high risk of forced or compulsory labor, or child labor have been identified.

For further information, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*, in General information.

S1-1 – Policies related to own workforce

The people and collaborators involved in the Group's activities constitute a strategic and valuable resource. For this reason, the Group is committed to ensuring the respect of their rights, promoting their well-being and fostering their professional growth.

The Emak Group supports and respects human rights and promotes compliance with applicable labor regulations. The Group considers impartial treatment a fundamental value in all internal and external relationships and regards the individual, their values and their rights as values to be protected. The conduct of every employee and collaborator must comply with the legislative and contractual provisions governing employment relationships.

Given the Group's organizational structure and strong presence both in Italy and abroad, in order to manage all personnel oversight and management activities in a coordinated and consistent manner, the Group has established a dedicated Committee composed of members from the Human Resources function of each Italian company, which coordinates and oversees personnel-related activities of the respective foreign subsidiaries. A global HR platform has also been implemented, a software solution that enables the Group to standardize and improve Human Resources management processes, particularly with regard to performance evaluation, recruitment and selection and succession planning.

All Group companies are subject to the provisions of the Code of Ethics, based on the Universal Declaration of Human Rights, the ILO (International Labour Organization) Conventions and the UN Convention on the Rights of the Child³³. Through the dissemination of the Code of Ethics, the companies establish a framework aimed at ensuring respect for human rights, even in areas with higher potential risk related to these issues and that includes guidelines regarding the prohibition of any form of discrimination, explicitly addressing the issue of forced or compulsory labor and child labor³⁴. Measures to remedy any negative impacts on human rights would be established based on the specific circumstances of the case that may arise.

It should be noted that Speed Line South Africa adheres to the ETI Base Code, an internationally recognized code based on the conventions of the International Labour Organization (ILO) regarding working conditions and workers' rights, available for consultation on the company notice board.

The Group is committed to respecting the individual dignity and physical and moral integrity of each person, protecting diversity, ensuring equal opportunities and promoting personal, professional and cultural growth without implementing or supporting any form of discrimination. This commitment, pervasive in the daily operations within the Group, is explicitly stated in the procedure 'Ethical Management of Human Resources' in force at the parent company Emak S.p.A.

Furthermore, the implementation of an Integrated Management System demonstrates the concrete commitment of the parent company Emak S.p.A. to adopt socially responsible behaviors. In light of this, 100% of the activities at Emak S.p.A are subject to audits regarding respect for human rights or assessment of the impact on human rights.

The Parent Company has also obtained in March 2025 the voluntary certification under UNI/PdR 125:2022 on gender equality. This certification is awarded to companies that have implemented corporate policies aimed at reducing gender disparities, from pay gaps to career opportunities, parental protection, and any other form of inequality between men and women found in the workplace. The purpose of this certification is to promote, at the corporate level, the adoption of policies and procedures supporting gender equality and women's empowerment, thereby increasing opportunities for women to access the labour market and leadership positions, while harmonizing work-life balance.

The Group companies also facilitate the inclusion of people with disabilities within their business activities according to the respective national laws, such as Law 68/99 and subsequent amendments in Italy and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies are broader than the regulations. For example, Emak S.p.A., Tecomec and Comet have developed increasingly close collaboration over the years with a social cooperative that employs disabled people, which is realized through outsourcing assembly/packaging activities.

As for the measures to prevent occupational injuries, the Group's companies are committed to complying with national regulations on health and safety at work (for example, in Italy, D.lgs. 81/08; in Brazil, PCMSO - Programa de Controle Médico de Saúde Ocupacional and PGR - Programa de Gerenciamento de Riscos Ocupacionais) through the adoption of specific management systems that encompass all employees, internal and external collaborators operating within the Group's workplaces. In more structured companies, the implemented system adheres to the stricter requirements prescribed by specific certifications (e.g., ISO 45001:2018 certification). In this regard, it should be noted that PNR Italia and Agres have obtained ISO

³³ The Group currently does not have structured mechanisms in place to verify compliance with the OECD guidelines.

³⁴ The Code of Ethics does not explicitly refer to the fight against human trafficking.

45001:2018 certification for “Occupational Health and Safety Management Systems”. Management systems are updated in response to significant changes in business processes, new legislation and in any case at least as frequently as required by applicable regulations. In some of the Group’s companies, the management relies on the support of an external consulting firm for the implementation of the occupational health and safety management system.

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

Worker involvement is given significant importance within the Group. The processes are formalized in national collective agreements and/or company-level agreements, where applicable. Otherwise, they represent an established practice within the various Group companies.

Relations with workers or their representatives are usually managed by the HR function. Periodically, the top management meets with workers’ representatives to share updates on the company’s performance and to address specific matters of interest.

Additionally, informal but regular meetings are organized with worker safety representatives where health and safety issues are addressed in search of solutions. With varying frequency and methods, the different companies conduct internal climate surveys to assess the degree of employee satisfaction and identify any areas of intervention to improve the working environment and the well-being of the Group’s people, strengthen the level of engagement and motivation, identify needs and expectations and strengthen and promote the corporate culture. Among the topics addressed in the analysis are corporate organization, belonging to the company, the relationship with supervisors, professional development opportunities, health and safety and environmental aspects. Additionally, the Group companies annually conduct employee performance evaluations through interviews or questionnaires to identify any gap, the result of which contributes, together with the analysis of specific training needs and specific requests for updating, to the definition of precise training plans to be implemented in the following year.

Tecomec has also introduced an internal communication app, which is used to share information and to administer surveys on specific topics

Some companies are carrying out employer branding initiatives aimed at increasing the company’s external attractiveness and reducing employee turnover.

The Group is also committed to establishing dialogue relationships with its employees to balance the needs of the people with the growth objectives of the Group. This commitment is reflected in the adoption of various categories of contracts: from national and/or sector bargaining, to collective and/or company agreements, to individual contracts.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

The Group adopts a consolidated approach to manage and mitigate any potential negative impacts on its workers, relying on internal regulations, specific policies, and operational tools that ensure compliance with corporate and regulatory standards, such as the Group’s Code of Ethics.

In compliance with the applicable legislation concerning the protection of individuals who report violations or irregularities encountered in the course of their employment, Emak S.p.A. has implemented a reporting channel through which reports can be submitted to the Whistleblowing Manager. The platform, managed by a third party and accessible to all employees through the Group’s website, is available in both Italian and English. Confidentiality is guaranteed to whistleblowers to prevent any form of retaliation or penalization. Reports are assessed by the bodies responsible for verifying compliance with the Code of Ethics (the Supervisory Body, where present, or designated company managers), so that the Group may adopt appropriate disciplinary measures, which must be proportionate to the seriousness of the violations identified. Information regarding the implementation of the platform and its use has also been communicated to employees through training activities.

With regard to the protection of health and safety, the Group’s companies encourage their employees to report hazards and dangerous situations related to their work. Workers are required to report any incidents or potentially dangerous situations, which are then assessed by the competent bodies and, if necessary, by external experts, in order to define the improvement and implementation actions to be carried out. In the Italian companies and in the more structured foreign companies, formal and structured procedures are in place that set out how reports must be made and the process for their evaluation, analysis and closure. Every worker has the right and duty to report hazards and dangerous situations: reports are assessed so that any activity can be suspended and/or the risk removed immediately. Employees may submit their reports either anonymously or in person, by contacting a dedicated telephone number or by delivering specific forms in designated boxes, or to Supervisors, Workers’ Representatives, or Health and Safety Representatives.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group adopts an approach that combines various initiatives to effectively manage significant impacts on the workforce, make use of available opportunities and reduce potential risks, fostering an inclusive and respectful working environment, which focus on the following areas: employee training and well-being, promotion of equal opportunities, health and safety protection. The Group is engaged in various activities aimed at complying with regulations with the goal of avoiding any significant negative impacts on its workforce³⁵.

Regarding significant negative impacts related to the own workforce, the Group has undertaken the following actions to prevent or mitigate them:

- For the actual negative impact *“Injuries or other incidents in the workplace due to poor management systems and training initiatives of the Group”*, in addition to complying with the national regulations in place, the Group has adopted specific management systems that cover all employees, internal and external collaborators operating within the Group's workplaces - which in some companies are inspired by the most stringent requirements for specific certifications (see section *S1-14 – Health and safety metrics*);
- For the potential negative impact *“Failure to respect the personal freedom of individuals and human rights in the broad sense, including prevention and combating child, forced or compulsory labour”*, the Group has established a Committee composed of members from the Human Resources function of each Italian company to coordinate and oversee personnel-related activities of the respective foreign subsidiaries, a global HR platform and various other communication channels, as well as a Group Code of Ethics aligned with authoritative international guidelines and requirements (see *S1-1 – Policies related to own workforce*).

Measures to remedy any significant impacts would be established based on the specific circumstances of the case that may arise.

The processes by which the Group determines what action is necessary and appropriate in response to a particular negative impact, whether actual or potential, are defined based on the corporate strategies to be pursued.

Instead, for the risks identified as significant and related to the issues of Creation and maintenance of employment, Training and education for workers and Occupational health and safety protection, the Group has the following ongoing actions:

- in the first two cases, actions related to the introduction of corporate welfare tools aimed at ensuring a good work-life balance for employees, training and skill enhancement opportunities, measures to protect diversity and to guarantee equal opportunities (see respective sections in Social Information);
- in the latter case, the strict measures previously mentioned regarding health and safety apply (see section *S1-14 – Health and Safety Metrics*).

The resources allocated to manage significant impacts have not yet been defined based on the results of the double materiality assessment, but considering the basic assumptions of the business plan.

Regarding the promotion of diversity and equal opportunities, the Group is committed to respecting the individual dignity and physical and moral integrity of every person, protecting diversity, ensuring equal opportunities and promoting the personal, professional and cultural growth of individuals, without implementing or supporting any form of discrimination.

In 2025, the parent company Emak S.p.A. obtained the UNI/PdR 125:2022 Gender Equality certification, awarded to companies that have implemented corporate policies and work-life balance measures ensuring gender equality in everyday corporate life.

In general, the Group carries out recruitment and selection processes that ensure the inclusion of female candidates whenever their profiles are consistent with the open positions, guaranteeing the application of the principles of merit, competence and non-discrimination, in line with the Group's Code of Ethics. To ensure greater fairness, part of the selection process is sometimes conducted through practical tests, allowing for an on-site assessment of candidates' specific technical skills.

To facilitate work-life balance and enable individuals to meet family care needs, several Group companies have introduced permanent individual remote working agreements for employees whose roles are compatible with remote work. In cases of specific work-related and/or personal needs, some companies also allow fully remote work and, particularly for parents with young children, grant part-time arrangements upon request. A system of flexible working hours for arrival and departure is also in place, following the same logic.

Another example of the Group's attention to its employees concerns Agres. The Brazilian company offers employees, upon the birth of a child, a bonus equivalent to an additional month's salary and implements

³⁵ The Group currently does not aim to produce additional positive impacts and therefore does not monitor or evaluate their effectiveness.

support measures for parents of children with special needs, making work rules more flexible according to specific requirements: measures that are in addition to those already provided for under local legislation. Agres is also enrolled in the “Programa Empresa Cidadã.” The program, established by Law No. 11.770/2008, extends maternity leave by sixty days and paternity leave by fifteen days, in addition to the five days already established (Law No. 13.257/2016). The track record shows a 100% return-to-work rate after parental leave. The Group’s companies also facilitate the inclusion of people with disabilities within their business activities in accordance with the requirements provided by the respective national laws, such as Italian Law 68/99 and subsequent amendments, and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies adopted go beyond the legal requirements. Emak S.p.A., Tecomec and Comet, for example, have developed over the years an increasingly close collaboration with a social cooperative employing people with disabilities, which takes the form of outsourcing activities such as assembly and packaging.

In line with the Group’s commitment to enhancing diversity and promoting equal opportunities, in 2025 Tecomec continued the project carried out in partnership with the “Oscar Romero” Social Solidarity Consortium, located in Reggio Emilia, that allows employees to engage in volunteer activities at the “Nessuno Escluso” socio-occupational center during working hours, taking part in creative activities alongside the cooperative’s users with severe disabilities.

With regard to health and safety, to ensure full compliance with applicable regulations, internal legislative compliance audits are carried out based on defined checklists and with reference to the various corporate procedures. The Group’s activities are generally aimed at preventing accidents, injuries and occupational diseases; accordingly, the design, operation and maintenance of equipment and facilities, including workplace cleaning operations, are all directed toward this objective. In some cases, Italian safety standards have also been applied in countries with less stringent regulations.

All Group companies are committed to identifying and eliminating hazards and minimizing risks in pursuit of continuous improvement. For each type of job, ongoing assessments and analyses are carried out, resulting in the preparation of an adaptation and improvement plan in which the Head of the Prevention and Protection Service continuously records new risks or potential danger situations (near-miss events), the measures implemented by the company to reduce the risk and the residual risk. Reports and the resulting updates to improvement initiatives are reviewed during periodic meetings between the Head of the Prevention and Protection Service, the workers’ safety representatives and company management, or within dedicated safety committees. The priority level of interventions is determined based on the likelihood and severity of potential injuries. The functions involved are responsible for sharing the proposed improvement or adjustment actions, raising any critical issues or newly reported hazards/risks from workers and communicating the progress of the improvement actions discussed, with the aim of keeping workers engaged regarding safety and prevention measures. Italian companies prepare the risk assessment document, which is updated periodically, and in any case at least every three years, by the employer in collaboration with the Head of the Prevention and Protection Service, the Prevention and Protection Service Officer, the occupational physician and the workers’ safety representatives. Companies that do not have an internal dedicated function collaborate with external professionals in drafting and implementing the procedures and activities required to comply with local regulations. The Group’s manufacturing companies, being more structured and therefore more exposed to health and safety risks, have dedicated committees that, in their broader composition, include workers’ safety representatives, the employer’s delegate, the production manager and the HR director. During the meetings, workers’ reports and requests, improvement proposals and the progress of planned safety-related activities are reviewed.

The Group supports the continuous improvement of workers’ health and safety by providing the human, technical and financial resources necessary to achieve its objectives. To facilitate work activities, particularly in production departments, ongoing improvement actions are implemented to enhance ergonomics and reduce risks, going beyond legal requirements. Several companies are introducing machinery in production areas that automates certain tasks and reduces manual work.

Workstation improvement initiatives are directed at all categories of workers, including employees, agency workers and interns. Particular attention is paid to training and raising awareness among personnel on health and safety topics, with specific reference to the tasks performed. Examples include courses on load handling, the use of machinery (e.g., forklifts), emergency and fire-prevention procedures and training for workers’ safety representatives and first-aid personnel.

To raise employee awareness and strengthen the corporate consciousness of the importance of safety within the organization, the Brazilian company Agres organizes an annual week dedicated to the prevention of work-related injuries. During this week, training sessions and workshops are held, including, for example, demonstrations on proper load-lifting techniques and more interactive moments such as employee quizzes.

With regard to health and safety matters, and in particular training, health surveillance and the provision of personal protective equipment, agency workers are treated in the same way as employees. In the case of

contractors operating within the Group's companies, continuous checks are carried out to ensure that their workers comply with training requirements, health surveillance obligations and insurance coverage, also with the support of dedicated management software that automates the collection and verification of the relevant documentation.

The Group is strongly committed to preventing and mitigating negative impacts on occupational health and safety directly connected to its activities and products through product and component safety testing, product certification and the selection of suppliers also based on environmental and ethical requirements, which include worker health and safety considerations. Furthermore, the machine tools owned by Group companies and used at supplier sites comply with the safety requirements established by applicable regulations and are certified. In the event of maintenance needs or any critical issues, the company intervenes, either directly or through qualified external personnel, to restore safety conditions or to carry out the specific maintenance required for the machine.

Finally, among the corporate welfare tools, some companies provide employees with supplementary health insurance coverage and access to preventive care services, as well as medical and sports-related special rates.

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

The Emak Group has not yet defined consolidated and quantitative targets related to the material impacts identified in connection with the management of its workforce, although there are intermediate and more granular ones, deriving from ISO standards and referring to specific sites, as in the case of the Parent Company.

However, recognizing that investing in human capital is a strategic lever, the Group has already structured a series of initiatives capable of improving and monitoring, also through certified management systems and dedicated communication channels, the healthiness and safety of the working environment, the development of key competencies, and the promotion of a corporate culture based on inclusion and well-being.

S1-6 – Characteristics of the undertaking's employees

As of 31 December 2025, the Group's total employees amount to 2,504 people, a decrease of 1% compared to the previous year (2,527 employees in 2024). Male employees account for 66.2% of the workforce (66.8% in 2024), while women represent 33.8% (33.2% in 2024).

HC Employees at the end of the period / by gender	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Total	846	1,658			2,504	839	1,688			2,527

HC Employees by gender / geographical area	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Italy	377	814			1,191	364	802			1,166
United Kingdom	5	4			9	4	7			11
Spain	12	23			35	13	26			39
France	70	101			171	60	105			165
Poland	9	31			40	9	31			40
Ukraine	6	17			23	6	17			23
Germany	6	2			8	4	4			8
Sweden	2	6			8	2	4			6
United States	84	203			287	89	206			295
Brazil	68	225			293	74	233			307
Mexico	3	18			21	2	19			21
Chile	11	20			31	14	19			33
China	193	172			365	198	187			385
South Africa		22			22		28			28
Total	846	1,658	-	-	2,504	839	1,688	-	-	2,527

Confirming the Group's commitment to building strong and long-lasting professional relationships, permanent contracts remain predominant, accounting for 95% of all employment contracts.

Employees by gender/contract type	2025				Total	2024				Total
	Woman	Man	Other	Not communic.		Woman	Man	Other	Not communic.	
Temporary employees	49	64			113	60	89			149
Permanent employees	797	1,594			2,391	778	1,599			2,377
At variable hours					-	1				1
<i>of which on-call contract</i>					-	1				1
<i>of which casual employees</i>					-					-
Total	846	1,658	-	-	2,504	839	1,688	-	-	2,527

Employees by type of employment/by gender	2025				Total	2024				Total
	Woman	Man	Other	Not communic.		Woman	Man	Other	Not communic.	
Full-time	752	1,605			2,357	745	1,629			2,374
Part-time	94	53			147	94	59			153
Total	846	1,658	-	-	2,504	839	1,688	-	-	2,527

During the reporting period, 338 employees left the company, resulting in an overall turnover rate³⁶ of 13%.

Terminations	2025				Total	2024				Total
	Woman	Man	Other	Not communic.		Woman	Man	Other	Not communic.	
Up to 29 years old	26	56			82	51	90			141
30 to 50 years old	48	114			162	68	131			199
Over 50 years	25	69			94	27	50			77
Total	99	239	-	-	338	146	271	-	-	417

Reason for termination	2025				Total	2024				Total
	Woman	Man	Other	Not communic.		Woman	Man	Other	Not communic.	
Voluntary exits	63	119			182	85	149			234
Retirement	9	19			28	11	16			27
Dismissal	19	67			86	38	82			120
Death		2			2		3			3
Other (e.g. end of temp. contracts)	8	32			40	12	21			33
Total	99	239	-	-	338	146	271	-	-	417

The number of employees as of 31 December 2025 reported in the management report was determined using the same calculation methodology applied in the consolidated sustainability statement.

³⁶ The turnover rate is calculated as the ratio between the number of terminations and the total number of employees as of 31st December 2024.

S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

In 2025, the average number of non-employee workers within the Group's own workforce amounted to 156 people, a decrease of 20.2% compared to the previous year.

Average number in the period / by gender	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Agency workers	50	96			146	60	121			181
Interns	2	2			5	5	4			9
Coordinated and continuous collaboration (Co.co.co)					-		0.2			0.2
VAT number	1	4			5	1	5			6
Seasonal workers		0			0					-
Workers for recruitment, selection and supply activities					-					-
Other		1			1					-
Total	54	103	-	-	156	65	131	-	-	196

The average number of external workers is calculated as the ratio between the total number of hours worked and the total number of workable hours in a year.

S1-9 – Diversity metrics

Regarding the breakdown of employees by age group, the majority of employees fall within the 30 - 50 age group (54% corresponding to 1,353 people); 35% of the employees is over 50 years old (868 people), while 11% are under 30 (283 employees).

HC Employees by age group/by gender	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Up to 29 years old	86	197			283	81	226			307
30 to 50 years old	485	868			1,353	496	876			1,372
Over 50 years	275	593			868	262	586			848
Total	846	1,658	-	-	2,504	839	1,688	-	-	2,527

HC Employees by age group / by gender %	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Up to 29 years old	3.4%	7.9%	0.0%	0.0%	11.3%	3.2%	8.9%	0.0%	0.0%	12.1%
30 to 50 years old	19.4%	34.7%	0.0%	0.0%	54.0%	19.6%	34.7%	0.0%	0.0%	54.3%
Over 50 years	11.0%	23.7%	0.0%	0.0%	34.7%	10.4%	23.2%	0.0%	0.0%	33.6%
Total	33.8%	66.2%	0.0%	0.0%	100.0%	33.2%	66.8%	0.0%	0.0%	100.0%

HC Employees by category / by gender	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Executives	20	98			118	18	108			126
Employees	450	778			1,228	429	758			1,187
Workers	376	782			1,158	392	822			1,214
Total	846	1,658	-	-	2,504	839	1,688	-	-	2,527

HC Employees by category / by gender %	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Executives	0.8%	3.9%	0.0%	0.0%	4.7%	0.7%	4.3%	0.0%	0.0%	5.0%
Employees	18.0%	31.1%	0.0%	0.0%	49.0%	17.0%	30.0%	0.0%	0.0%	47.0%
Workers	15.0%	31.2%	0.0%	0.0%	46.2%	15.5%	32.5%	0.0%	0.0%	48.0%
Total	33.8%	66.2%	0.0%	0.0%	100.0%	33.2%	66.8%	0.0%	0.0%	100.0%

S1-11 – Social protection

In 2025, 97% of employees are covered by social protection tools. The most common programs against income loss due to major life events are listed below:

- illness;
- unemployment from the moment the employee starts working for the company;
- work-related injury and acquired disability;
- parental leave; and
- retirement.

41 employees are not covered by social protection: 4 in Brazil, as local regulations do not provide coverage for partners/managers; 33 in the United States, due to employees' choice despite the option offered by the Company; and 4 in China, as local regulations do not provide coverage for rehired retirees.

S1-12 – Persons with disabilities

The Group's companies also facilitate the inclusion of people with disabilities within their business activities according to the respective national laws, such as Law 68/99 and subsequent amendments in Italy and the guidelines of the U.S. Equal Employment Opportunity Commission (EEOC) in the United States. In some cases, the policies are broader than the regulations.

In 2025, the percentage of employees with disabilities within the Group amounted to 4.0%.

HC	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Employees with disabilities / protected categories	27	72			99	28	86			114

%	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
% Employees with disabilities / protected categories	3.2%	4.3%			4%	3.3%	5.1%			5%

S1-13 – Training and skills development metrics

The Emak Group invests in the growth of its people through training and a focus on achieving specific results, offering dedicated and refresher courses aimed at strengthening the specific skills of each resource within the organization.

The planning of training and skills-development projects is defined on the basis of the corporate strategies to be pursued. The various companies within the Group conduct an annual performance evaluation of employees, through interviews or questionnaires, in order to identify any gaps. The results, together with the analysis of specific training needs and requests for updates, contribute to the definition of precise training plans to be implemented during the following year.

The percentage of employees (broken down by gender) who took part in periodic performance and career-development reviews is 47% (45% of women and 49% of men).

%	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Employees evaluated / by gender	45%	49%			47%	28%	30%			29%

%	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Reviews conducted versus those agreed upon by management/by	166%	150%			155%	155%	140%			144%

In 2025, training and skills-development activities amounted to a total of 28,441 hours, an increase compared to the 25,253 hours recorded in 2024. The per-capita average was 11 hours, in line with the previous year.

h Average hours of training/employee	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Executives	15	10			11	20	7			9
Employees	13	14			14	12	14			13
Workers	9	8			9	7	7			7
Total	11.4	11.4			11.4	9.9	10.1			10.0

The main types of training and development provided include:

- **language training**, aimed at strengthening language skills and obtaining certifications;
- training on **health and safety** topics, focused on learning legal and/or company regulations on safety;
- **training on the 231 Model**, on **anti-corruption** topics, and on compliance with local legislation;
- **technical and specialist** courses, covering both IT topics (e.g., Excel, Word and Marketing courses) and the development of skills needed to perform assigned roles competently and safely (e.g., driving and using forklifts or specific training for product development);
- **managerial development** courses and Executive Master programs to support the continuous improvement of managerial capabilities and tools for employees in positions of responsibility or working in specific areas (such as logistics, sales, administration and sustainability);
- **specialized training delivered by internal instructors**, made possible through a mapping of internal skills that facilitated the exchange of hard skills (such as Excel and product training) and soft skills (effective communication – youth group);
- individual and group **coaching** programs for personal and professional development.

S1-14 – Health and safety metrics

Health and safety in the workplace are a priority for the Emak Group. Through continuous risk analysis and training activities, the Group is committed to creating a safe and healthy working environment for its people, adopting appropriate measures and procedures aimed at preventing accidents and health damages. The main types of injuries include contusions and lacerations, as well as muscle strains, joint pain, sprains and fractures.

Below are the detailed data:

Accidents at work - Employees	2025	2024
Total accidents recorded	54	49
<i>Commuting accidents</i>	3	1
<i>Mortals</i>	-	-
Total hours worked	4,606,290	4,504,468
Days absent due to injuries	1,465	1,083
Accident indices		
Accident Frequency Index	11.72	10.88
Injury Severity Index	0.32	0.24

Accidents at work - Non-employee workers	2025	2024
Total accidents recorded	10	6
<i>Commuting accidents</i>	1	1
<i>Mortals</i>	-	-
Total hours worked	274,351	359,352
Days absent due to injuries	54	87
Accident indices		
Accident Frequency Index	36.45	16.70
Injury Severity Index	0.20	0.24

Accident Frequency Index = No. of accidents/hours worked x 1,000,000

Injury Severity Index = Days absent injuries/hours worked x 1,000

Occupational Diseases - Employees	2025	2024
Professional diseases	2	3
<i>Mortals</i>	-	-
Days of absence due to occupational disease	283	270

S1-15 – Work-life balance metrics

The Group has implemented corporate welfare tools to ensure a good work–life balance for all collaborators, such as individual remote working agreements and a system of flexible working hours for clock-in and clock-out times, as well as the option of part-time agreements for parents of young children, in order to meet family-care needs.

Family leave (HC)	2025					2024				
	Woman	Man	Other	Not communic.	Total	Woman	Man	Other	Not communic.	Total
Percentage of employees who took family leave out of eligible employees	5%	4%			5%	9%	7%			7%
Percentage of employees eligible for family leave out of total employees	99%	99%			99%	100%	98%			99%

S1-16 – Compensation metrics (pay gap and total compensation)

For the calculation of the annual pay ratio, the fixed base salary and any allowances, bonuses, commissions and variable MBO components paid during the year to employees in service as of 31 December 2025 were considered, excluding those hired in 2025. Long-term incentives were also included on an accrual basis, even if not yet vested.

The ratio between the total annual compensation of the highest-paid person and the median total annual compensation of all employees³⁷ (excluding the aforementioned person) is 14.

S1-17 – Incidents, complaints and severe human rights impacts

During the reporting period, as well as the two preceding years, no incidents of discrimination³⁸, including harassment, were reported or identified, nor were any serious human rights incidents identified.

³⁷ For the calculation of the median annual total compensation of employees, those hired during 2025 were excluded.

³⁸ Work-related discrimination incidents can be related to gender, race or ethnic origin, nationality, religion or personal beliefs, disability, age, sexual orientation, or other relevant forms of discrimination.

ESRS S2 - Workers in the value chain

ESRS 2 SBM-2 – Interests and views of stakeholders

As mentioned in other sections, the following table presents the thematic area and the main instruments of dialogue attributable to the stakeholder category of workers in the value chain, identified with the aim of establishing a constructive relationship between the parties, capable of meeting mutual needs over the medium to long term.

Stakeholders	Thematic area	Main instruments of dialogue
Distributors OEM	<ul style="list-style-type: none"> - Anticipation and understanding of customer expectations and needs - Customer trust and satisfaction - Product quality and safety 	<ul style="list-style-type: none"> - Institutional website - Assessment of customer satisfaction - Management of claims - Pre and after-sale customer service - Commercial communications - Participation in trade fairs and events
Direct materials suppliers and finished product suppliers	<ul style="list-style-type: none"> - Transparency - Ethical responsibility - Human rights and working conditions - Continuity in relations - Qualification and assessment - Negotiating conditions - Development of partnerships 	<ul style="list-style-type: none"> - Institutional website - Participation in initiatives and events - Negotiation relationships

The Group has identified the supply chain as the only area in which it could have an impact on the interests, opinions and rights of workers in its value chain. In particular, the potential impact is linked to work-related rights of workers in the supply chain and is associated with the failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour.

For more details on how the company takes into account the results of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities*, in *General Information*.

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

The double materiality assessment carried out by the Group made it possible to identify significant indirect impacts related to workers throughout the entire value chain.

LIST OF MATERIAL MATTERS AND MATERIAL IROS					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
S2 - Workers in the value chain	Other work-related rights	Failure to guarantee the personal freedom of individuals and human rights in a broad sense, including prevention and combating child, forced or compulsory labour			

The results of the assessment are presented, in greater detail, in the table included in the section *SBM-3– Material impacts, risks and opportunities and their interaction with strategy and business model*.

Workers most exposed to significant negative impacts resulting from the Group's activities are those operating in countries where human rights regulations are less stringent. Specifically, the Group has identified that the most significant impacts related to human rights violations, such as child labor and forced or compulsory labor, arise from suppliers operating in non-European countries. This is because suppliers located in Europe and, more broadly, in Western countries, are subject to stricter regulations. To prevent unethical practices toward workers in its supply chain, the Group conducts periodic audits that also address social issues concerning its suppliers, as detailed in paragraph *G1-2 – Management of relationships with suppliers*. Therefore, the potential

negative impacts are primarily linked to specific commercial relationships in geographical areas most exposed to these risks.

All workers in the value chain involved in Emak's activities are included within the scope of disclosure pursuant to ESRS 2.

For a more detailed overview, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model*, in *General Information*.

S2-1 – Policies related to value chain workers

The management of impacts, risks and opportunities related to workers in the value chain is a fundamental issue for the Group, which addresses these matters through its Code of Ethics; no dedicated and formalised policy is in place. This document defines the values and behavioural principles that guide the Group's operations and establishes the commitments to be fulfilled in dealings with all parties involved in the value chain. The Code of Ethics applies to all Group companies, both in Italy and abroad, and is shared with all new suppliers, who are required to comply with the principles and values it contains. In line with the Universal Declaration of Human Rights, ILO Conventions and the UN Convention on the Rights of the Child, the Group explicitly prohibits the use of child labour and forced labour, as well as any discriminatory or coercive practices of any kind, while always ensuring the safety and well-being of its workers.

The Group has formalised in its Code of Ethics its commitment to assessing its suppliers not only in terms of product quality but also with respect to social issues, through periodic audits that examine workplace safety and labour ethics. These audits focus mainly on suppliers operating in countries with less stringent local regulations, considered to be at higher risk regarding human rights and working conditions. To this end, for example, the parent company Emak S.p.A. requires its main suppliers to sign a commitment³⁹ in which they undertake to strictly comply with international social standards, with particular attention to avoiding the use of child and forced labour, ensuring safe and healthy working conditions and respecting freedom of association and the right to collective bargaining. In addition, any form of discrimination, verbal abuse or corporal punishment is prohibited, and suppliers are required to guarantee adequate wages and working hours that comply with local regulations.

To verify compliance with these commitments, the Group periodically carries out audits, conducted by its own staff, as part of routine technical-commercial activities, to ensure that all suppliers meet the minimum requirements established by the relevant regulations. Should negative impacts on human rights occur, the measures to remedy them would be assessed based on the specific characteristics of the case. In 2025, no cases of non-compliance with international human-rights principles, such as those established by the United Nations, the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises, were reported.

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

While recognising the importance of actively engaging workers throughout the entire value chain, the Group is still evaluating and developing a structured and consolidated approach. Currently, the adopted approach consists of targeted initiatives and specific actions, but a uniform and systematic mechanism to ensure stable and continuous large-scale engagement has not yet been implemented. One example is the engagement of a sample of value-chain workers through a questionnaire, for the purpose of updating the double-materiality assessment during the previous year.

For more details on how the company takes into account the outcomes of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities*, in *General Information*.

³⁹ The Group does not have a Supplier Code of Conduct.

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

To date, the Group does not have a unified process for reporting concerns. Nevertheless, Emak S.p.A. has implemented a reporting channel, known as the Whistleblowing Platform, through which all workers in the value chain can submit reports regarding any failure to comply with the principles set out in the Code of Ethics, as well as establish a protected and continuous interaction and dialogue with the Whistleblowing Manager. Confidentiality is guaranteed to all whistleblowers in order to prevent any form of retaliation or penalization.

The reports are assessed by the competent bodies so that the Group may adopt the appropriate disciplinary measures, which must be proportionate to the seriousness of the violations identified.

The Group makes the reporting channel (the so-called Whistleblowing) available through its corporate website, ensuring that it is accessible to all workers in both Italian and English.

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

The Emak Group adopts a structured approach to monitoring and managing material impacts on workers along the entire value chain, with particular emphasis on risk mitigation.

The initial selection of suppliers and the assignment of contracts are carried out through transparent and non-discriminatory procedures, based on objective criteria that take into account competitiveness, the quality of the services and products offered, as well as environmental and social performance. The company considers the presence of Ethical, Environmental and Quality certifications to be an added value in supplier selection and in the application of strategic sourcing. The assessment of environmental and ethical aspects is therefore a fundamental element both in the initial selection of suppliers and in the subsequent periodic reviews of their performance.

Supplier evaluation is carried out using checklists to verify compliance with quality standards and ethical principles. In addition, Emak conducts on-site visits to suppliers' premises to perform direct audits, managed by the designated teams (Quality and Purchasing). This audit process results in a qualitative output, which includes the reporting of any non-conformities to the Certified Systems Manager and the Purchasing Manager, and the definition of a shared action plan to address any non-compliance issues. Each supplier included in the vendor list is also assessed on the basis of the presence of environmental and ethical certifications and on any improvements achieved in these areas. For certain commodities, such as transportation services, supply contracts include specific clauses relating to environmental and ethical matters. Periodic audits are also carried out on aspects such as injuries, training and safety, using targeted questionnaires and checklists.

During 2025, the audits did not reveal any violations by suppliers regarding social matters or respect for human rights. Even in countries with less stringent local regulations, Emak's partners are well-established companies with long-standing experience and a consolidated approach to sustainability-related issues. No significant incidents or human rights violations have been reported along the value chain.

With regard to the management of negative impacts, Emak identifies the necessary corrective actions on the basis of the results of periodic audits, which assess aspects related to safety, ethics and workers' rights. These audits make it possible to identify issues within the value chain and to implement targeted interventions. To date, the management of negative impacts is entrusted to the dedicated teams of the individual companies, given their deeper knowledge of their respective supply chains.

The resources allocated to manage material impacts have not yet been defined on the basis of the outcomes of the double materiality assessment, but in consideration of the underlying assumptions of the industrial plan.

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

As of today, the Group has not defined quantitative targets related to the material impacts identified. The only qualitative objective established is to maintain a supplier base that adheres to high social and ethical standards, with the aim of preventing potential negative impacts on workers within the value chain. To pursue this objective, the Group conducts supplier assessments that also cover social aspects, as described in the previous paragraph, and shares the outcomes of these evaluations with the suppliers themselves.

ESRS S4 – Consumers and end-users

ESRS 2 SBM-2 –Interests and views of stakeholders

The following table shows the thematic area and the main instruments of dialogue attributable to the end-user stakeholder category, identified with the aim of establishing a constructive relationship between the parties capable of meeting mutual needs over the medium to long term.

Stakeholders	Thematic area	Main instruments of dialogue
End users	<ul style="list-style-type: none"> - Consumer trust and satisfaction - Product quality and safety 	<ul style="list-style-type: none"> - Institutional website - Assessment of consumer satisfaction - Management of claims - After-sale consumer service - Commercial communications - Participation in trade fairs and events

Although direct interaction takes place primarily through distributors and retailers, the Group recognizes that the satisfaction and needs of end users are essential for the long-term success of its products and for the evolution of its solutions. For this reason, the Group is committed to gathering feedback through its commercial partners and monitoring market trends, with the aim of continuously improving the quality and reliability of its products and ensuring that they meet the expectations of those who use them.

For more details on how the company takes into account the outcomes of stakeholder engagement, please refer to the section *Management of Impacts, Risks and Opportunities in General Information*.

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

The Emak Group has identified its material impacts, risks and opportunities related to sustainability matters through the double materiality assessment.

Compared to the 2024 reporting, the impacts, risks and opportunities related to this topic have been reformulated to provide a more accurate representation of the Group's reality. In this context, the material impacts linked to information for consumers and/or end-users have been associated with potential negative impacts arising from incomplete information that could lead to accidents involving consumers.

LIST OF MATERIAL MATTERS AND MATERIAL IROS					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users	Incorrect or incomplete information may lead to improper use of the product and cause accidents		Risk of sanctions or legal action due to incorrect or incomplete product-related communication (false disclosure or lack of compliance)	

The results of the assessment are presented, with greater detail, in the table included in paragraph *SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*.

The Group's customer base varies depending on the product line: for example, the agriculture line within the Pumps & Water Jetting business segment is sold to manufacturers of spraying and weeding machines (B2B), directly to end users (B2C), or through a network of specialized dealers and importers (B2B).

Given the nature of the products sold, all consumers and/or end users require accessible product information to avoid potentially harmful use. For this reason, a necessary activity prior to placing a product on the market concerns the preparation of manuals and technical file. The only possible negative impacts on the health of this stakeholder category are, in fact, linked to improper or irresponsible use of the products. Considering these impacts, generalized and/or systemic in the contexts in which the Group sells or supplies its products, no consumers and/or end-users with specific characteristics and/or age groups, or who use particular products or services, have been identified as being more exposed to risk than others.

With regard to the interaction with the strategy and the business model, Emak's Board of Directors annually approves the budgets and three-year plans of the Group and of the individual business units. In this way, the Board can examine the activity plans defined by the Group's main companies to improve their environmental impact, social performance and governance as an integral part of the three-year plans. To implement the corporate sustainability strategy, the Group has also established a set of documents, such as the Enterprise Risk Management (ERM).

All consumers and end users involved in Emak's activities are included within the scope of the disclosure pursuant to ESRS 2.

For a more detailed overview, please refer to section *ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*, in General Information.

S4-1 – Policies related to consumers and end-users

Consumers and end users represent a fundamental asset of the corporate value; for this reason, Emak's primary objective is to maximise their satisfaction and strengthen their loyalty by offering high quality standards, product and service safety, conducting every relationship according to principles of fairness, professionalism and transparency, in full compliance with applicable regulations on anti-money laundering, personal data protection and anti-usury, while avoiding any form of evasive practice. The Group is also committed to ensuring that advertising and all other communications addressed to customers, or to the public in general, are truthful, accurate and fair, refraining from the use of misleading or deceptive content.

Although no formalised policies are currently in place, the Group is committed to maintaining a relationship with the users of its products based on an approach that places product quality and the real ability to meet customer expectations at the centre of commercial negotiations

Through compliance with the guiding principles set out in its Code of Ethics, the Group formalises its commitments towards all its stakeholders, including its consumers and end users, also with regard to human rights in a broad sense: all Group companies must, in fact, comply with the principles expressed in the Universal Declaration of Human Rights, in the ILO (International Labour Organisation) Conventions, and in the UN Convention on the Rights of the Child⁴⁰.

The engagement methods are those described through the main dialogue instruments associated with the relevant stakeholder category, within the above section *ESRS 2 SBM-2 – Interests and views of stakeholders*. Under the Consumer Code, consumers (or users) are recognised as having, among other things, fundamental rights to the protection of health, to safety and to the quality of products and services⁴¹. In this regard, the Group companies certified under ISO 9001 operate in accordance with the requirements of the standard and have adopted a procedure that establishes criteria and checks concerning the design, production and quality control of products, both incoming and outgoing.

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

To identify the interests of its customers and end users, the Group takes part in the main industry trade fairs, both nationally and locally, and maintains an ongoing and continuous relationship with its sales network, the first line of contact with the public, also through initiatives dedicated to presenting new commercial offerings and providing technical training to the distribution network.

⁴⁰ Regarding the extent to which violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises affecting consumers and/or end users have been identified downstream in the value chain, the data has not been reported as the Group has relied on the phase-in provision under Article 3, paragraph 4, of Legislative Decree 125/2024.

⁴¹ Legislative Decree 6 September 2005, no. 206, Article 2, paragraph 2, letters a) and b).

Although collected indirectly, the perspective of consumers and/or end users plays a decisive role in the evolution of products, processes and internal policies. The Group uses this information to continuously refine its offering, mitigate risks and seize opportunities for improvement across the entire value chain.

The observations and comments relating to the user experience, provided either through the distribution network or directly by end users, are periodically collected and analysed during regular business interactions or at dedicated events with the sales network. The Group is also particularly active and responsive to the constantly evolving regulatory framework, as well as to the main market trends. For this reason, it is a member of several industry associations, such as EGMF, the European association of garden machinery manufacturers, which, among its various objectives, supports the development of future scenarios concerning all product-related directives and market monitoring, and EUROMOT, the European association of engine manufacturers, which focuses on supporting the evolution of future scenarios within the relevant sector (e.g., emission frameworks, etc.).

The Board of Directors has the operational responsibility for ensuring that stakeholder engagement is carried out and that its outcomes guide the Group's approach. The commercial, technical and quality assurance functions report to the Board.

The Group's commercial offering is not specifically intended for particularly vulnerable users. To ensure that the products are used correctly, the finished products are accompanied, where required by applicable regulations, by user and maintenance manuals specifying, among other information, the proper methods for using the machine.

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

Consumers and/or end users may raise their concerns or communicate their needs through various official channels, such as whistleblowing systems, direct communication with the Group's companies, or contact with retailers, who serve as the primary interface with customers. Information on the available assistance channels is accessible through the websites of the various Group companies and the retailer network.

To minimise its negative impacts and reduce any potential risks, the Group has implemented various procedures to monitor and ensure quality and safety throughout the different stages of product design, manufacturing and commercialization.

If end users encounter any issues, they may contact retailers worldwide to express their observations, submit a report directly to the Group's companies through the contact forms made available by the individual entities, or, where required by regulations, make use of the whistleblowing channel provided by the Group. If the report concerns the product, the Group's internal functions (marketing, after-sales service, technical and quality assurance) will assess the nature of the issue. If a responsibility attributable to the Group is identified, the necessary corrective actions are implemented, ranging from communications to the market, to technical modifications and up to possible recalls (where a defect may pose significant risks). The Group considers an issue resolved when no further reports relating to the same case are received.

The Group considers that consumers and end users are aware of the existence of the communication channels for expressing concerns or needs on the basis of the contacts received.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

In order to address the significant impacts on consumers and end users, to manage material risks and pursue material opportunities relating to them, and to communicate the effectiveness of such actions, the Group certifies its products in accordance with the regulations of the countries in which they are sold. With regard to product safety, the main regulation is the Machinery Directive, which includes sub-directives governing all technical aspects for each type of product. There are also other specific directives that regulate electromagnetic compatibility, vibrations, emissions and noise.

Furthermore, ISO 9001-certified companies operate in accordance with the requirements of the standard and have adopted a procedure that establishes criteria and checks regarding the design, production and quality control of products, both incoming and outgoing.

The processes through which the Group identifies the actions required in response to a negative impact are those defined by the aforementioned regulatory framework, to which the Group is subject due to its core business. The actions planned to pursue relevant opportunities and the intervention approach relating to any material negative impacts on consumers and/or end users, including actions concerning its own practices in

product design, marketing, or sales, are defined, depending on the specific circumstances, by the commercial, technical and quality assurance functions. The effectiveness of the actions undertaken is assessed, depending on the specific cases, on the basis of the economic and financial results achieved by the Group, as well as feedback from the sales network or regulatory bodies.

The actions undertaken by the Group, including procedures, training and quality assurance, support it in avoiding causing or contributing to material negative impacts on consumers or end users.

In 2025, as in the two preceding financial years, no serious issues or incidents related to human rights involving consumers and/or end users were identified; the same applies to cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving consumers and/or end users.

The resources allocated to manage the material impacts have not yet been defined on the basis of the results of the double-materiality assessment, but in consideration of the underlying assumptions of the industrial plan.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Quantitative targets connected to the material impacts identified with reference to consumers and/or end users have not yet been defined at Group level. Individual companies are given managerial autonomy to set any internal targets.

GOVERNANCE INFORMATION

ESRS G1 - Business conduct

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

The Board of Directors is the central body of the Corporate Governance system of the Emak Group. In its guiding role, it defines the Group's strategies, integrating social and environmental topics, and monitors their implementation with the aim of promoting long-term value creation. The Board is also responsible for approving specific procedures, policies and guidelines designed to ensure regulatory compliance and to promote ethical conduct within the Group (e.g., Code of Ethics, procedures for related-party transactions, and the 231 Organizational, Management and Control Model).

Regarding its composition and expertise, please refer to section *ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies*, included in the *General Information*.

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

Through the last phase and the update of the double-materiality assessment, the Group determined which qualitative and quantitative information relating to the material topics should be included in this Consolidated Sustainability Statement.

The table below describes, for each material topic, the related impacts (positive and negative), risks and opportunities that exceeded the materiality threshold.

LIST OF MATERIAL MATTERS AND MATERIAL IROS					
TOPIC	MATERIAL SUB-TOPIC OR SUB-SUB-TOPIC	MATERIAL NEGATIVE IMPACTS	MATERIAL POSITIVE IMPACTS	MATERIAL RISKS	MATERIAL OPPORTUNITIES
G1 - Business conduct	Corporate culture		Promote the affirmation of solid ethical principles, including tax regulatory practices, pursued by the Group along the entire value chain, in all contexts (e.g. geographical, social, etc.) in which it operates		Increasingly integrating sustainability into corporate strategy
			Protection of legality and prevention of illicit behavior (the reinvestment of profits from illicit activities, episodes of extortion, etc.)		
	Active and passive corruption		Staff awareness for the prevention of corruption incidents		
	Sustainability in the management of relationships with suppliers			Supply disruption / supplier power Evolution in the concentration and sources of geopolitical power (geostrategic shifts) Failure to comply with regulatory requirements (e.g. CSDDD, Critical Raw Materials Act)	

For a more detailed overview, please refer to section *ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities*, in *General Information*.

G1-1 – Corporate culture and business conduct policies

In carrying out its activities and conducting its business, the Emak Group adopts a behaviour guided by high ethical standards, based on the utmost fairness, full observance of the rights of others, in compliance with applicable laws and the principles of the Group.

The Group companies have activated preventive insurance coverage and implement at least the measures required by the applicable regulations to address any potential negative impacts related to the material topics. The Italian companies of the Group have adopted and implemented the Organisation, Management and Control Model required by Legislative Decree 231/2001, aimed at aligning internal regulations on the liability of legal entities with certain international Conventions to which Italy has long adhered.

Companies that have not adopted the Organisation, Management and Control Model, ensure full compliance with local regulations and, where more stringent, with the behavioural rules set out in the Code of Ethics.

In line with the adoption of the Organisation, Management and Control Model, the Group has a Code of Ethics, shared with all Group companies, periodically updated and communicated to all employees and to the various parties collaborating with the companies. The Code defines the corporate principles and values that inspire the Group companies in carrying out their activities and that constitute their corporate identity, continually guiding strategic decisions and policies within the businesses in which they operate. The Group companies adopt appropriate measures to promptly identify and eliminate risk situations, preventing unlawful conduct or any behaviour that is contrary to the principles expressed in the Code of Ethics by any party acting on behalf of the Group. Regarding this latter point, the Group has identified as functions considered at risk of active and passive corruption, due to the duties performed and the related responsibilities, the Executives and the members of the Administrative, Supervisory and Management Bodies.

Any recipient who detects or suspects a violation of the Code of Ethics is required to report it to the Head of Department, to the Supervisory Body of the respective parent company, or to use the dedicated channels for submitting any reports concerning violations of the Code of Ethics.

There are also communication and dialogue channels through which Stakeholders can submit reports or complaints to the Group companies, which are then reviewed by the competent internal functions.

The guiding corporate principles and values are the following: fairness, competence, team spirit, innovative mindset, impartiality and honesty, fight against corruption, respect for people, transparency in relationships and confidentiality, combining economic, social and environmental sustainability.

The Code of Ethics also defines the areas of application and the Group's commitments in both internal and external relations. It represents the moral commitment towards the various stakeholders, including collaborators, shareholders, customers, suppliers, institutions, financial community and Public Administration. The recipients of the document are all those who act in the name and on behalf of Emak (employees, managers, directors, consultants, collaborators, etc.) who are required to know its contents, to contribute to its implementation and to the dissemination of the principles formalized in it, ensuring that these principles are respected also by all parties with whom they maintain business relations.

A correct and effective application of the Code of Ethics is possible only through the commitment and contribution of the entire Group structure, which is responsible for ensuring that every individual behaviour is consistent with the principles it sets out.

The Code of Ethics is disseminated as widely as possible to all relevant recipients, including through its publication in the "Sustainability" section of the Group's website (www.emakgroup.com), in both Italian and English.

The Code and any future updates are defined and approved by the Board of Directors of the Parent Company Emak S.p.A., on the basis of the context in which the Group operates and its evolution.

The companies that adopt the 231 Model undertake to provide training to new hires on the topics set out in the Code of Ethics and in the Model: as part of the onboarding process, new employees are given a concise information set that ensures their understanding of the matters considered of primary importance.

The Emak Group, in compliance with the national legislation transposing Directive (EU) 2019/1937, has established reporting channels that ensure, also through the use of encryption tools, the confidentiality of the identity of the reporting person, the person concerned and any other individual mentioned in the report, as well as of the content of the report and the related documentation; it has organised the management of these reporting channels through the implementation of a procedure defining their functioning and the appointment of a dedicated autonomous body with staff specifically trained to handle the reporting channel as promptly and objectively as possible; it has adopted data protection and cybersecurity measures, introducing a set of organisational and technical measures, in order to protect the confidentiality of the reporting person and the integrity and confidentiality of the personal data contained in the report. The Group provides all employees with mandatory and updated training on whistleblowing, outlining the procedures to be followed and the potential consequences.

G1-2 – Management of relationships with suppliers

The Group, through the coordination of the Corporate Purchasing Department, implements synergy and supply-chain optimization plans aimed at increasing and further consolidating the scope of common suppliers. Supplies are included within a global Group supply framework and governed by common rules and commercial conditions where possible, regulated by framework agreements that take into account the specific needs arising from the peculiarities of the business sectors in which the Group operates. The Group relies on a heterogeneous supply chain in terms of supplier size: both small companies (SMEs) and multinational groups are present.

The main suppliers are classified at the Corporate level according to indicators that assess their strategic importance, performance, supply characteristics, replaceability and degree of interdependence, as well as financial risk, into:

- **Partner:** suppliers that meet high requirements based on cross-functional scoring;
- **Strategic:** important suppliers for whom the Group does not represent a strategic customer. The Group strives to ensure that suppliers in this category become partners or part suppliers;
- **Part Supplier:** suppliers without stable relationships from a relational point of view; thus, they do not represent a high risk for the Group.

In the case of purchasing marketing activities, the Group's policy is to maintain double sourcing of supplies as part of risk management. Supply chain risk is mapped according to parameters that include assessments of financial aspects, difficulty in replacing the supplier, integration with technical department, service level and vendor rating. For critical suppliers or strategic purchases, the percentage of multiple sourcing is high. This represents an advantage for the Group's companies, as it allows them to respond more promptly to material shortages and increased transportation costs.

In the purchasing process, several Group companies use KANBAN logic, which allows for a leaner management of the supply chain and a reduction in inventory.

The initial selection of suppliers and the assignment of business regulated by contracts are carried out through clear and non-discriminatory procedures, using only criteria related to the objective competitiveness of the services and products offered and their quality, also understood as the supplier's performance in environmental and social areas and compliance with the principles expressed in the Group's Code of Ethics. The presence of Ethical-Environmental-Quality certification is a plus in the choice of supplier and in the application of strategic sourcing. The evaluation of environmental and ethical aspects contributes to the assessment of the supplier both in its initial inclusion in the Emak's supplier register and in the periodic performance evaluation.

Supplier evaluation is carried out both through checklists, to verify compliance with quality standards and ethical principles, and through visits to the supplier's premises by the designated team. This type of audit has a more qualitative output in terms of reporting any non-conformities to the Certified Systems Manager and the Purchasing Department and defining a shared action plan for further investigation and correction of any non-compliant situations. The evaluation and classification of suppliers already present in the Supplier Register are included in a specific section that verifies the presence of environmental and ethical certification and evaluates the supplier on particular changes or improvements in these areas. Some supply contracts for certain purchasing commodities (e.g., transportation) include a specific section on environmental and ethical issues. Periodically, audits are conducted on accident trends, training or aspects related to safety and ethics through the completion of questionnaires and/or checklists.

New suppliers are promptly sent Emak's integrated policies and the ethical and environmental commitment information that they are required to comply with.

The management of relationships with Far East suppliers is entrusted to local teams (Purchasing and Quality) present in the various plants, under the supervision of designated Italian staff: thus, both on-site oversight by qualified personnel and multi-level control by the Parent Company are ensured. If personnel from individual companies are not present on-site, intra-group collaboration and synergy agreements are active to control suppliers using available personnel through information sharing or direct visits.

Regarding European and, in general, Western suppliers, the Group believes that the probability of having suppliers at risk concerning environmental, social and human rights issues is minimal, as they are subject to the stringent regulations in these countries.

For non-European suppliers, a procedure for supplier inclusion and evaluation is in place, along with the sharing of a checklist related to compliance with ethical principles in personnel management to be used during Purchasing-Quality audits. The audits are conducted by designated and qualified personnel and transmitted for verification and control to the Parent Company's designated structure.

New suppliers are visited and evaluated according to a checklist that also includes the verification of ethical aspects, in addition to the Quality Audit modules, which represent the main evaluation driver. The Italian companies have developed a common Quality Questionnaire, adapted to the specific characteristics of each

entity if necessary, that, among various topics, verifies environmental aspects such as the presence of environmental authorizations, wastewater discharges, atmospheric emissions, waste management; aspects related to health and safety and employee training, as well as the presence of any environmental, social, and ethical certifications.

The periodic assessment by designated personnel, through checklists and audits, ensures that the supplier panel is always updated with approved and usable suppliers. The verification of clauses related to human rights is part of this procedure.

The Group considers it essential to centrally monitor the non-European supply chain and promote training projects for Purchasing-Quality personnel so that environmental, safety and ethical issues are constantly taken into account, thereby limiting risk. To this end, auditors are sensitized and formally trained to pay attention to these aspects and report any non-conformities, even potential ones.

Based on the quality audits received, the Group does not have high-risk suppliers concerning environmental, social and human rights issues: partners are mostly well-structured companies that have been operating in the market for a long time and are familiar with sustainability topics.

Most of the practices described have been extended to all divisions of the Group, also thanks to their inclusion in the Group's Code of Ethics, although general evaluations on environmental and social criteria were already widely present within the Group.

Within the Code, or in other Group policies, there are no explicit provisions regarding procedures to be implemented to avoid payment delays to all suppliers.

Payment terms are agreed with the counterpart during the negotiation phase and entered into the supplier master data, remaining valid for the duration of the contract. Any changes to the terms are communicated and approved in advance of the payment for the supply. Compliance with the agreed conditions is verified for each transaction by the administrative office. Periodically, due dates are transmitted to the treasury service, which proceeds with their settlement. All payment terms for supplies and services are in line with the commercial practice that has always been applied and existing and have been mutually defined with the supplier, whether it is an SME or a multinational company, in full respect of the principles of good faith and fairness.

G1-3 – Prevention and detection of corruption and bribery

The Emak Group pays close attention to the prevention of risks related to corruption. In general, all individuals who operate in the name and on behalf of the Emak Group are required to behave ethically and in compliance with applicable laws, with the utmost fairness, transparency and integrity, as provided by the principles of conduct outlined in the Group's Code of Ethics.

With particular regard to relationships and conduct with external parties, illegal, collusive, or potentially collusive practices and behaviours, illicit payments, incitement to corruption, corruption, favouritism, solicitations - directly or through third parties - of advantages for oneself or others, that are contrary to laws, regulations, and the provisions of the Code of Ethics, are prohibited. This prohibition includes the direct or indirect offering of goods and services aimed at influencing decisions or transactions.

In this context, the Group is committed to combating all forms of corruption, both active and passive, by implementing all necessary measures provided by the Organizational Model pursuant to Legislative Decree 231/2001 and following the prescriptions contained in the Group's Code of Ethics.

This Model is aimed at preventing crimes belonging to various categories, including corporate crimes and crimes of extortion, undue inducement to give or promise benefits and corruption. Furthermore, a system of procedures, both manual and computerized, has been implemented, which constitutes the guide to follow in the relevant business processes and includes specific control points to ensure the correctness, effectiveness and efficiency of business activities. In the event of a confirmed case of corruption, the Board of Directors would be informed by the delegates at the first useful meeting or, if necessary, in a specially convened session. For a more in-depth overview of the procedures in place to prevent, detect and manage assertions or cases of active and passive corruption, their management methods, and the process of communicating results, please refer to section *G1-1 – Corporate culture and business conduct policies*. Please refer to the same section for how the company communicates its policies on the subject to those for whom they are relevant, as well as for information on training.

The following table shows the anti-corruption training received by the Group's employees, detailing the training received by Executives, considered at risk due to the tasks performed and related responsibilities. No specific anti-corruption training is provided for the administration, management, and control bodies of the Parent Company.

	Training on active and passive corruption							
	Executives		Administrative, management and control bodies		Other functions at risk (excluding managers and administrative, management and control bodies)		Other own workers (excluding at risk functions)	
	2025	2024	2025	2024	2025	2024	2025	2024
Extension of training								
Total recipients by Group	118	126	13	13			2,386	2,401
Total training recipients	14	15					8	263
% training recipients	11.9%	11.9%	0.0%	0.0%			0.3%	11.0%
Delivery method and duration								
Classroom training (hours)	19	45					8	1,229
Remote training (hours)	64	12						
Voluntary training (hours)	6							
Total training	89	57					8	1,229

The main topics covered during the training were Legislative Decree 231/2001 training for Italian companies, the Code of Ethics and anti-corruption policies.

G1-4 – Cases of active or passive corruption

In 2025, as well as in the two preceding years, there were no convictions for violations of laws against active and passive corruption, nor were any cases related to the same issue identified.

Bagnolo in Piano (RE), 13 March 2026

On behalf of the Board of Directors

The Chairman

Massimo Livatino

Certification of consolidated sustainability statement pursuant to art. 154-bis, paragraph 5-ter of the Decree. 58/1998 (Consolidated Law on Finance)

1. We, the undersigned, Cristian Becchi, as Chief Executive Officer for finance and control, and Roberto Bertuzzi, as the manager in charge of preparing the accounting statements of the company Emak S.p.A. affirm, taking account of the provisions of art. 154-bis, paragraphs 5-ter, of legislative decree 24 February 1998, n. 58, that the sustainability reporting included in the annual report has been prepared:
- a)* in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013, and Legislative Decree No. 125 of September 6, 2024;
 - b)* with the specifications adopted pursuant to Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020.

Bagnolo in Piano (RE), 13 March 2026

The Chief Executive Officer for finance and control:
Cristian Becchi

The Manager in charge of preparing the accounting statements:
Roberto Bertuzzi



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

*To the shareholders of
Emak S.p.A.*

Conclusion

Pursuant to article 8 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2025 consolidated sustainability statement of the Emak Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "consolidated sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2025 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "*Environmental Information – Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*" section of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.



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Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The consolidated sustainability statement presents the corresponding figures included in the 2024 consolidated sustainability statement for comparative purposes, on which other auditors performed a limited assurance engagement and expressed their unqualified conclusion on 27 March 2025.

Responsibilities of the directors and board of statutory auditors (“Collegio Sindacale”) of Emak S.p.A. (the “parent”) for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the “materiality assessment process”) and for the description of these procedures in the “*General Information – Impact, risk and opportunity management*” section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the “*Environmental Information – Disclosure pursuant to Article 8 of Regulation (EU) 2020/852*” section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree’s provisions.

Inherent limitations in preparing the consolidated sustainability statement

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative value chain Scope 3 emissions information.

Auditors’ responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or



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error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
 - considered the interests and opinions of the stakeholders involved;
 - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
 - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement, including of the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;
- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error;



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- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement, including:
 - for information gathered at group level:
 - with reference to qualitative information and, in particular, the sustainability-related policies, actions and targets, we held inquiries and performed limited procedures on documentation;
 - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis;
 - for information gathered at subsidiary level, we visited the subsidiaries, which we selected on the basis of their business and contribution to the metrics of the consolidated sustainability statement. During these visits, we interviewed group personnel and obtained documentary evidence supporting the calculation of the metrics;
- we gained an understanding of the process adopted by the group to determine taxonomy-eligible exposures and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the group's consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the consolidated sustainability statement with the ESRS;
- we obtained the representation letter.

Parma, 26 March 2026

KPMG S.p.A.

(signed on the original)

Gianluca Tagliavini
Director of Audit

EMAK



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