

Corporate Social Responsibility Report of CLN Coils Lamiere Nastri S.p.A.

30 April 2023 (2-3c.)

Statement from the CEO of CLN Coils Lamiere Nastri S.p.A. ('CLN') (2-22)

Sustainable development and corporate social responsibility continue to be a cornerstone of CLN's strategy. Unfortunately, 2022 was another year of considerable upheaval worldwide – in particular, the continuing shocking conflict in Ukraine has had devastating consequences on innocent civilians and has caused great damage economically and politically. CLN continues to fully support the robust action taken by so many governments worldwide to try to stop the war. Meanwhile, although much improved compared to 2021, Covid-19 continues to take its toll throughout the world.

Against this backdrop, it is more important than ever to ensure we do not lose sight of our objectives and responsibilities. The Board of CLN has therefore re-enforced the focus on sustainable development and corporate social responsibility by issuing a revised Code of Ethics 2023 and by setting out new challenging Group targets for 2030.

This Corporate Social Responsibility Report sets out information about CLN's sustainable development strategy and our policies and practices for responsible business conduct.

In the medium term, it is the strategy of CLN to manage the Group's impacts on the economy, environment, people, and human rights in a manner which is consistent with best practice in our sector and aligned with the principles of important social responsibility initiatives such as those promoted by the United Nations, the Paris Agreement, and the ILO. I have confirmed CLN's continued support of the United Nations Global Compact initiative and its principles by signing the corresponding Statement from the Chief Executive Officer on 28 March 2023. CLN will continue make public an annual disclosure to our stakeholders in support of the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption by adhering to the UN Policy on Communication on Progress, which is effective from 2023.

Our long-term vision is that CLN will be fully aligned with the United Nations Vision Statement and the goals of the Paris Agreement on climate change. CLN supports the goal of The Paris Agreement for net zero in the second half of this century and has set targets for CLN to support this goal.

CLN's medium-term and long-term strategy is supported by numerous indicators which are regularly monitored by our corporate departments on at least a quarterly basis, covering the impacts of the Group on the economy, the environment, and our workforce. Targets for 2030 were established by the CLN Board of Directors. These targets are also designed to ensure that our strategy is well aligned in our business relationships, the most significant of which are our OEM customers and our suppliers of steel and aluminium. Alignment with our OEM customers is regularly verified through a wide range of formal assessments, signed commitments and regular communication regarding their CSR requirements. Our

suppliers of steel and aluminium tend to be large companies with a high level of public commitment to sustainability. Additionally, CLN is a member of ResponsibleSteel, which allows us to carefully follow the strategy in the steel industry towards developing lower greenhouse gas (“GHG”) steels.

The Group adopts a precautionary approach to Corporate Social Responsibility (“CSR”) and Sustainability. Group Policies and its Code of Ethics are designed so that any activities which have the potential to cause harm to the economy, environment or to the safety or well-being of employees or to its corporate reputation must be managed in such a way as to eliminate or mitigate such potential harm before it occurs, and to encourage behaviour that could achieve positive impacts. To this end, CLN has adopted carefully chosen GRI indicators which are used to report progress regularly throughout the year and promote preventive action or improvement activities. These GRI indicators are discussed in this report.

The presentation of our Corporate Social Responsibility Report this year is set against the terrible impact that the Ukraine conflict is having, especially in Europe. CLN has been particularly affected because of our steel wheels plant in Russia, which is operating at a very low level due to the impact of sanctions on the Russian Automotive sector.

The impact of Covid-19 continues to affect our operations due to high levels of absenteeism due to illness and precaution, and our focus has continued to be, above all, to protect our employees and collaborators, whilst managing the business to the best of our abilities, without taking undue health risks.

The year 2022 continued to be complicated by a shortage of semi-conductors which have caused massive disruption to the whole of the automotive industry, including CLN.

We have continued to work closely with our customers to adapt to the new circumstances arising from these extreme events, and to ensure that the Group will continue to be a reliable partner for high quality metallic components.

In the medium term, we expect most of the broader trends affecting our organization’s sustainability to remain the same. The reduction of our carbon footprint will continue to be a big challenge for us. Respect for the environment and our commitment to work ethically will continue to be key to our philosophy. This will require the continued support of our team worldwide, who have shown a high level of adaptability, often in very trying circumstances, and I would like to thank them again for having risen to the challenge in such a robust manner during 2022.

We recognize that the current business and political environment continues to have a significant impact on our suppliers and urge them also not to lose sight of the need to

remain on the path of sustainability and to work closely with us to overcome these difficult times.

Despite strong headwinds CLN has maintained its short and medium-term strategic priorities for contributing to sustainable development. I would like to highlight the following key events, achievements and matters for improvement during the reporting period:

- In January 2023 CLN approved a new CLN Code of Ethics 2023. The principle aim of the redrafted Code is to improve alignment with stakeholder expectations, customer requirements and general CSR requirements in our markets. The new Code will be rolled out to the individual companies of the Group during 2023.
- As set out in last year's report, CLN performed a deep review of its medium-term targets during 2022 to ensure they properly support the objectives of our stakeholders and are aligned to the latest initiatives and trends in the Automotive business sector. Following the review, a new set of 2030 targets have been adopted to guide our sustainable development and corporate social responsibility objectives.
- The Group continues to make a big effort to purchase electrical energy from low GHG sources. Despite the large fluctuations in energy prices during 2022, it is pleasing to see that more and more such sources are becoming available each year, especially in Europe. We are also continuing our strategy to collaborate with private companies offering hybrid renewable energy power solutions and have projects under study both in Italy and in South Africa to investigate such sources to support our targets.
- The introduction of ISO 14001 and ISO 45001 to all our facilities is moving forward well, and the Group is on track to meet our target to have 100% of our facilities certified by latest 2030.
- We were very pleased at the enthusiasm of our employees in supporting our tree planting initiative – our 2025 target has already been exceeded so we have set a new target of 15,000 trees by 2030 – meaning two trees per employee.

CLN's main challenges for the next few years regarding sustainable development will be to the comply with the Corporate Sustainability Reporting Directive (CSRD) and to be able to measure and report Scope 3 GHGs.

The CSRD entered into force on 5 January 2023. This new directive modernises and strengthens the rules about the social and environmental information that companies must report. CLN will be subject to the CSRD, and we will therefore report according to European Sustainability Reporting Standards (ESRS) from 2026. We have already started working on the requirements with our external assessors to be able to meet the challenging deadlines.

The new rules will ensure that investors and other stakeholders have access to the information they need to assess investment risks arising from climate change and other sustainability issues. They will also create a culture of transparency about the impact of companies on people and the environment.

CLN currently reports only Scope 1&2 GHGs. To support our customers, improve our score on the Carbon Disclosure Project and properly support the Paris Agreement long term, it is important for CLN to be able to properly monitor Scope 3 GHGs, these being GHGs occurring upstream and downstream from the Group’s facilities. A team has been put in place under the leadership of our global Environmental Health and Safety officer to set out a roadmap for collecting data on Scope 3 GHGs and to investigate whether Science-based targets will help us to provide a clearly defined pathway to reduce GHG emissions. This will require a considerable effort for our organisation.

The Group’s new targets for 2030 are based on improvement compared to the base year of 2019. The Group’s Board of Directors set medium term targets to be achieved by 31 December 2030, to better focus the group on the material topics of the Group’s Stakeholders – GHG emissions, low carbon energy, water use, tree planting, diversity, and CSR training. The performance against these targets will be reported to the CLN Board of Directors on an annual basis.

2030 Group CSR Targets		
Target description	Base 2019	Target 2030
Reduction of Scope 1 & 2 GHG emissions (adjusted for clean energy sources)	125,499 tCO2e	Reduction of 50%
Increase in clean energy used by the Group	1,365,113 GJ	50% from clean sources
Plants certified according to ISO14001	89%	100% of facilities certified
Plants certified according to ISO45001	64%	100% of facilities certified
Percentage of women in executive & white-collar jobs	28%	35%
Suppliers who have been issued CSR Terms and Conditions Addendum (excluding steel and aluminium suppliers)	None	70% of suppliers
Hours of training on CSR issues	Not measured	10 hours per employee
Reduction of water usage	542,120 cubic metres	Reduction of 15%
Accumulated trees planned since 2019	1,200 trees	15,000 trees

CLN, along with the rest of the Automotive Industry, will continue to face new challenges in the coming years to stay aligned with our long-term goals. We are determined to stay focused on our strategy and targets to make sure CLN remains on the path of sustainable development, and to adapt our approach in accordance with best practice and global goals.

Gabriele Perris Magnetto

CEO and Member of the Board

CLN Coils Lamiere Nastri S.p.A.

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Introduction to CLN

This Corporate Social Responsibility Report (the ‘CSR Report’) has been prepared for CLN Coils Lamiere Nastri S.p.A. (2-1a) and its subsidiaries (hereinafter also referred to as ‘the Group’ or ‘CLN’) for the year 1 January 2022 to 31 December 2022, this being the same reporting period as its financial reporting (2-3b). CLN Coils Lamiere Nastri S.p.A. is a joint stock company (Società per azioni) incorporated in Italy (2-1b). 75% of the Group’s shares are owned by the Magnetto family with the remaining 25% being owned by the steel and mining company, ArcelorMittal.

The previous CSR Report for the year ended 31 December 2021 was published in April 2022 (2-3c) and it is the intention of the Group to prepare a CSR Report annually (2-3a). The Group has not sought external assurance for its CSR Report and does not intend to do so (2-5).

The Group has been operating in the steel sector since 1948. It is one of the main international players engaged in processing and assembly of metal components (steel and aluminum) for the automotive industry through two divisions (2-6a):

MA | automotive metal components division (stamping, roll forming and assembly)
MW | steel wheels division for passenger cars and light commercial vehicles.

The Group is also active in the European market of steel distribution and re-rolling of flat steel products with its Steel Service Centre businesses.

The Group’s objective is to be among the global leaders in the development, industrialization, and assembly of high-tech steel and aluminum products, to provide customers with tailor-made services and solutions and to become their point of reference in terms of product excellence. The Group’s main reference market is represented by manufacturers of passenger cars and light commercial vehicles (OEMs). MA and MW divisions operate in this market in their capacity as direct suppliers of components mainly made of steel. The biggest customers are the European automotive OEMs, with approximately three quarters of sales going to four OEMs. The relationships with the main customers are long-term and project based, normally aligned with the location of the CLN production facilities compared to that of the OEM delivery facility. A smaller portion of the production is also targeted towards the aftermarket, mainly represented by steel wheels, and to steel processing (2-6b.iii).

The headquarters of the Group are located at Corso Susa 13/15, 10040 Caselette (TO), in Italy (2-1c). The Group operates worldwide with subsidiaries and joint ventures in 13 countries and has significant operations (23 subsidiaries and 19 joint ventures) in Italy,

France, Germany, Poland, Romania, Slovakia, Portugal, Russia, South Africa, Turkey, Argentina, and Brazil (2-1d). The Group supplies its components to several of the global Automotive OEMs from the production facilities in these countries, as well as some steel wheels to aftermarket distribution networks, with net sales of approximately Euro1.6 billion for the reporting period (2-6b.i).

The Group has several strong business relationships which support its activities, as follows (2-6c.):

ArcelorMittal CLN: CLN has a 50-50 joint venture with ArcelorMittal, one of the Group's most important suppliers, which allows CLN to have access to one of the biggest networks of Steel Service Centers in Italy.

Coşkunöz Holding: MA and Coşkunöz have set up joint ventures together in Turkey and Romania. Coşkunöz is in the same sector as MA, which allows the two companies to pool resources to serve their common customers.

Unipres: MA and the Japanese Group Unipres founded a joint venture in France in 2002 to serve common customers - in particular Nissan and Stellantis. The relationship was deepened in 2013 when Unipres also joined as a shareholder in the MA business in Porto Real, Brazil.

Fumiscor: MA and Fumiscor set up a joint venture in Argentina in 2012 – FAMMA SA. The facility allows MA to meet its customers' needs in Argentina whilst having the support of a local partner.

Topy: MW developed a partnership with Topy Industries, a Japanese company in the wheels sector, to provide a global footprint for their customers and to share innovation on products and processes. Topy Industries is a 14% shareholder in MW and MW has a 1.5% shareholding in Topy Industries.

Jantsa: MW has a joint venture with Jantsa AS, a Turkish manufacturer of steel wheels, to produce steel wheels in a facility near Aydın in Turkey. The facility allows MW to meet its customers' needs in Turkey whilst having the support of a local partner.

Since the date of the last CSR Report, there have been no significant changes to the Group's activities, value chain and business relationships which could cause a significant economic, environmental, or social impact to the Group (2-6d), except for the impact of the Ukraine invasion on our subsidiary in Kingisepp, Russia. As Russia is subject to international sanctions, the Group has modified our management of the Russian subsidiary to ensure compliance with these sanction requirements.

Corporate governance (2-9)

The main corporate governing bodies of CLN, are the Shareholders, the Board of Directors, the Board of Statutory Auditors, and the Supervisory Body (Organismo di Vigilanza), in accordance with Italian Legislative Decree n° 231/2001.

During Shareholder's meetings, deliberation is carried out by way of majority vote concerning topics defined by law and by corporate charter. The choice of members of the Board of Directors and the Board of Statutory Auditors, as well as the approval of the Financial Statements, are decided at the Annual Meeting of Shareholders.

The Board of Directors' role is defined formally in Article 17 of the Company by-laws and Article 2380 of the Italian Civil Code. In this respect, the Board of Directors has the exclusive responsibility to make all the decisions necessary to run the Group which – among other functions – includes the analysis, sharing, and approval of annual budgets as well as monitoring the strategic, business, and financial plans of the Group and the impacts of CLN on the economy, environment, and people.

The Board of Directors includes nine members representing all the shareholders. Three Directors are Executive Directors with delegated responsibility for managing all aspects of the Group's business - Aurora Magnetto, who is CLN Chairwoman (2-11a), Gabriele Perris Magnetto who is Chief Executive Officer jointly with Aurora Magnetto, while Vincenzo Perris is the Director with delegated powers. Mr. Gabriele Perris Magnetto is also the senior executive at CLN with responsibility for managing the business. The remaining six Directors are Non-executive Directors representing the different shareholders or chosen because of their relevant competencies in the Automotive or Steel sectors. CLN is not obliged by Italian law to appoint independent Board Members. Directors to CLN's board are appointed by the shareholders according to the by-laws for a period of three years. The formal criteria applied when nominating a Board Member considers the limitations set out in Italian Civil Code article 2382. Shareholders are not excluded from being Directors.

CLN is controlled by the Magnetto family who jointly own 75% of the share capital. The remaining 25% of CLN is owned by ArcelorMittal, who are also major suppliers of steel to the Group. There are formal procedures in place to ensure CLN Board Members do not have conflicts of interest, in accordance with article 2391 of the Italian Civil Code. Article 2391 of the Italian Civil Code requires that a director must declare if he or she has a conflict with a particular resolution, and generally this director will not express a vote for such a resolution (2-11b, 2-15).

The Board of Statutory Auditors is governed by Article 23 of the by-laws of CLN and Article 2403 of the Italian Civil Code. Its responsibility is to supervise compliance with the law and the articles of association and respect for the principles of proper administration

and the adequacy of the organizational, administrative, and accounting structure adopted by the company and its proper function. The Board of Statutory Auditors closely liaises with the external auditors, whose main role is to monitor the reliability of the company's administrative and accounting system for the purpose of the correct preparation of the Financial Statements.

The corporate governing bodies have the following composition (GRI405-1):

<u>Board of Directors by number</u>	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Age						
< 30 years	0	1	0	1	0	1
30 - 50 years	3	0	2	0	1	0
≥ 50 years	5	2	6	2	5	2

<u>Board of Directors by %</u>	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Age						
< 30 years	0%	9%	0%	9%	0%	11%
30 - 50 years	27%	0%	18%	0%	11%	0%
≥ 50 years	46%	18%	55%	18%	56%	22%

<u>Board of Statutory Auditors</u>	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Age						
30 - 50 years	2	0	2	0	2	0
≥ 50 years	1	0	1	0	1	0

The Supervisory Body comprises two members who supervise the proper functioning of the organisation and the alignment with current proper practice in Italy. The Supervisory Body monitors implementation and the constant update of Legislative Decree n° 231/2001 within the company. Its powers and activities include supervision of compliance with the above Decree, the assignment of disciplinary sanctions for breach of its rules and the update and promotion of the decree among its addressees.

Policy commitments (2-23)

The Board of Directors of CLN has voluntarily committed the Group to support the principles of the following social responsibility initiatives, which provide the instruments and guidance for Group policies and the Code of Ethics (2-23a.i, 2-23b.i) (www.gruppocln.com/en/our-commitments):



The Group supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption and has expressed its intent to implement those principles. CLN is committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of the Group, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. CLN makes an annual submission to the UN as a Communication on Progress (COP) to demonstrate CLN's efforts to implement the Ten Principles.

(www.unglobalcompact.org/what-is-gc/participants/130791-CLN-S-p-A-)



The Group supports the 1998 ILO Declaration on Fundamental Principles and Rights at Work and commits to respect the principles concerning the rights which are the subject of the Conventions, namely:

- freedom of association and the effective recognition of the right to collective bargaining.
- the elimination of all forms of forced or compulsory labour.
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.



The Group is committed in its Human Rights Policy to support the five core human rights treaties which make up the International Bill of Human Rights, which function to advance fundamental freedoms and to protect the basic human rights of all people and sets out the basic rights all people should enjoy and expect from their governments (2-23b.i).



The Group is committed to support the achievement of the goals of the Paris Agreement on climate change which are to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

CLN Group adopts a precautionary approach to CSR ^(2-23a.iii.). The Group believes that any of its activities which have the potential to cause harm to the environment or to the safety or well-being of employees or to its corporate reputation must be managed in such a way as to eliminate or mitigate such potential harm before it occurs - there is an emphasis to be 'better safe than sorry'. To ensure the application of this approach, and due to the increasing importance in society of topics related to CSR, the Group is undertaking an ongoing process of implementation of a broad range of social and sustainability actions, policies and procedures that emphasize a cautious approach to all its activities. There is no stipulation to conduct due diligence regarding the group's policy commitments ^(2-23a.ii.).

In January 2023 the Board of Directors of the Group approved the revised CLN Group Code of Ethics 2023 (the 'Code'). The Code sets out a series of ethical principles and a code of conduct that serve as a guide for its activities and those of its subsidiaries, with the purpose of promoting a strong ethical foundation and a corporate culture which respects the laws in force in the different countries in which it operates. The principle aims of the redrafting of the Code were to improve alignment with stakeholder expectations, customer requirements and general CSR requirements in our markets. The new Code will be rolled out to the individual companies of the Group during 2023.

The values, policies, and commitments to which the Group are committed are communicated to the site's workers in their local language, and the following CSR related documents are publicly accessible on the Group's website for workers, business partners and other relevant parties ^(2-23f.) (<https://www.gruppocln.com/en/download> ^(2-23c.)):

- Code of Ethics
- Corporate Social Responsibility Report
- Business Ethics Policy and Code of Conduct
- Whistleblowing Policy
- Health and Safety Policy
- Labour and Human Rights Policy (2-23a.iv.)
- Policy on Working Conditions
- Equality and Diversity Policy
- Travel Policy
- Smart Working Policy
- Environmental Policy
- Supplier Policy Statement and Code of Conduct
- Conflict Minerals Policy Statement

Policy commitments apply to all the subsidiaries of the Group and are strongly encouraged for suppliers (2-23e.). They are approved at the most senior level of the organisation by the Group CEO (2-23d.).

The Group is committed to complying with all applicable laws, regulations, and formal agreements in the countries in which it operates, as set out in its Business Ethics Policy and Code of Conduct.

CLN is committed via its policies to cooperate in the remediation of negative impacts that are identified as attributable to any of its operations (2-25a.). To identify and address grievances, CLN policies include the appropriate mechanisms of reporting. For example, in the Business Ethics Policy and Code of Conduct, significant non-complying situations, including potentially non-complying situations, are required to be reported to Corporate Legal department as soon as they are known (2-27d.). Significant fines and sanctions for non-compliance with laws and/or regulations must be reported immediately to the Corporate Legal department. CLN commits to grant protection to employees from demotion, penalties, or other adverse consequences for refusing to participate in activities which do not conform with policies, even if such refusal may result in the site losing business (2-25b.). Remediation processes for negative impacts are also provided for in the individual policies. For example, the CLN Environmental Policy requires the tracking of noise and vibration to ensure legal limits are respected to prevent harm to our employees (2-25c.). Remedial processes are defined, including who at corporate level is responsible for monitoring and

assisting in remediation activities. At production facility level, all operations are required to have safety committees in place to ensure grievances regarding health and safety are dealt with appropriately, and the corresponding data is reported monthly to the Group EHS department to monitor compliance.

The Group CSR Officer provides a further layer of assurance regarding the effectiveness of grievance mechanisms by requiring regional CSR officers to formally report on major concerns raised during the year, so that the Group CSR Officer can then follow up remediation activities if the normal grievance channels have failed (2-25e).

The purpose of the CSR Report is to update CLN's stakeholders on the efforts made to ensure the Group's corporate values are upheld (2-14). The CSR Report is prepared by the Group CSR Officer and is reviewed and approved by a Board Member of CLN. The CSR Report is presented at a formal Board meeting each year to allow Board Members to comment on material topics.

Embedding Corporate Social Responsibility ('CSR') within the Group (2-24)

CSR guidance and leadership are carried out by a CSR Team comprising the senior executives responsible for EHS, human resources, customers, suppliers, and finance. CSR leaders for each region are also part of the team. This guarantees a uniform approach and suitable sharing of information and responsibility (2-14). The team is coordinated by the Group CSR Officer, reporting directly to the Board Member responsible for CSR.

The Board of Directors is the highest governance body in the Group and is responsible for economic impacts, the environment, people, risk management, sustainability reporting and evaluating economic, environmental, and social performance. To support the fulfilment of these responsibilities, the CSR team, led by the Group CSR Officer, reports to a Member of the CLN Board, Beatrice Perris Magonetto, who is the senior executive responsible for the Group's CSR activities and impacts, and she in turn participates in Board Meetings and reports major concerns and strategy to the Group's Board of Directors at least twice per year. She also approves the annual CSR Report on behalf of the Board following their review (2-13, 2-14a). The Group CSR Officer is responsible for implementing the values, policies and commitments defined by the CEO, for CSR management in the Group, for monitoring engagement with stakeholders, and for coordination of major CSR activities within the Group (2-12).

The Board of Directors of CLN meets 3-4 times per year, and their agenda regularly includes strategies and goals related to sustainable development. Performance against key targets set by the Board is reviewed annually to gauge the effectiveness of the Group's CSR approach and give guidance to the CSR Officer on priorities.

The responsibility to identify and report the organisations impacts on CSR matters is delegated to the Group CSR Officer, who advises on potential mitigation strategies where required. Engagement with Stakeholders is the responsibility of the global heads of department, supported by the Group CSR Officer. The Group CSR Officer is also the contact point for all questions regarding this report, its reported information and advice and concerns about business conduct (such as ethics and unlawful behavior), policies and practices and for CSR matters in general (a.gordon@gruppocln.com) (2-3d, 2-26a.i.). The CSR team includes a manager for each pillar of CSR: environmental issues; labor practices and human rights; sustainable procurement; business ethics; customer requirements; finance; KPIs/GRI metrics; and interfaces with the MA and MW Divisions. CSR interfaces have been nominated in each of the countries in which the Group has a subsidiary to cascade CSR requirements into the regions, and training is given both locally and globally on all new policy commitments.

The key priorities of the Group regarding CSR are given by the Group’s Board of Directors. To monitor progress, in addition to the GRI indicators included in this report, the Group’s Board of Directors has set medium term targets to be achieved by 31 December 2030. These targets are based on the assessment of the material topics affecting the Group, which are set out in this CSR Report. The Board of Directors will monitor the evolution of these targets on an annual basis compared to the base year, which was 2019. These targets, which were set in late 2022, were designed to better focus the Group on the material topics of the Group’s Stakeholders – GHG emissions, low carbon energy, water use, tree planting, diversity, and CSR training:

2030 Group CSR Targets		
Target description	Base 2019	Target 2030
Reduction of Scope 1 & 2 GHG emissions (adjusted for clean energy sources)	125,499 tCO2e	Reduction of 50%
Increase in clean energy used by the Group	1,365,113 GJ	50% from clean sources
Plants certified according to ISO14001	89%	100% of facilities certified
Plants certified according to ISO45001	64%	100% of facilities certified
Percentage of women in executive & white-collar jobs	28%	35%
Suppliers who have been issued CSR Terms and Conditions Addendum (excluding steel and aluminium suppliers)	None	70% of suppliers
Hours of training on CSR issues	Not measured	10 hours per employee
Reduction of water usage	542,120 cubic metres	Reduction of 15%
Accumulated trees planned since 2019	1,200 trees	15,000 trees

Targets and GRI indicators contained in this report are monitored by the EHS and CSR teams who request corrective action and improvement measures where required and inform the Board of Directors periodically on progress.

Stakeholder engagement (2-29)

The CSR Report is an important tool through which the Group can communicate its initiatives regarding environmental issues, sustainability, health & safety ('H&S'), social issues, labour practices, human rights, ethics, and sustainable procurement to its stakeholders. The CSR Report aims to promote activities which support CLN's intention to be a socially responsible enterprise.

The subsidiaries of the Group can be found in the Group's Consolidated Financial Statements which are published on the Group's website each year (<https://www.gruppocln.com/en/download>). Only subsidiaries which have been included in the Financial Statements using the full consolidation method are included in this CSR Report, with the following exceptions (2-2a., 2-2b):

- Data for the joint venture MA Automotive Brazil Ltda. is included in this CSR Report despite being included in the Group's Consolidated Financial Statements under the net equity method. This is because the Group feels responsible for promoting CSR in this joint venture.
- Data for MW Jant Sanay Ticaret A.S. (Turkey) concerning H&S at the workplace and environment is included in this CSR Report despite being included in the Group's Consolidated Financial Statements under the net equity method. This is because the Group feels responsible for promoting EHS in this joint venture.
- Data for Coskunuz MA S.R.L. (Romania) concerning H&S at the workplace and environment is included in this CSR Report despite being included in the Group's Consolidated Financial Statements under the cost method. This is because the Group feels responsible for promoting EHS in this joint venture.

The data included in the CSR report has not been adjusted for minority interests. The impact of mergers, acquisitions and disposal of entities is described for each material topic for which it is deemed significant in understanding the data (2-2c). There are no significant restatements of data in the reporting period (2-4).

To properly focus the CSR Report, the CSR team has identified the key stakeholders who are significantly affected by the Group's activities and included topics which are considered most relevant to meeting their expectations and interests. The key stakeholder groups engaged by the CSR team are the Group's shareholders, employees, customers, suppliers, and public and regulatory bodies (2-29a.i). The objective of the Group is to report with full transparency, and therefore the approach taken is of ongoing direct engagement with its

stakeholders where possible, to try to ensure as close an alignment as possible on issues that are of most importance to the parties concerned (2-29a.ii, 2-29a.iii):

- Shareholders are engaged in the CSR process through presentations at the CLN Board of Directors meetings. The Board of Directors has appointed a representative Board Member as a direct link to the CSR team to further strengthen its engagement with Group initiatives.
- Employees are a key asset for the success of our business. CLN strives to respect their rights and provide a safe and healthy work environment. Guidance regarding behavior is given through the Groups Business Ethics Policy and Code of Conduct. Employees are usually represented through collective bargaining agreements or representative committees, which allows management to collect their CSR concerns in a systematic manner throughout the year. Data on employees is collected by Corporate Human Resources every trimester and major concerns are reported in the Human Resources CSR Report. The Group also provides a Whistleblowing channel to ensure there is a mechanism for collecting serious concerns regarding actions that are not in line with the Code of Ethics and Policies or are unlawful (2-25b).
- The ongoing success of the Group depends on solid and long-standing relationships with our customers. Customers are engaged both through direct meetings to discuss their CSR priorities and through the submission of annual assessments for CSR and sustainability. The assessment results serve to ensure that the Group can regularly monitor the needs and preferences of customers and customer satisfaction.
- Prior to 2022 suppliers were informed of the Groups CSR requirements through the issuance of a Commitment Letter and Sustainability Questionnaire which closely matched the topics in CLN's Code of Ethics. Starting in 2022 suppliers are being issued with a CSR Addendum to CLN's General Terms and Conditions to ensure the Group's requirements are fully understood by our supply base. Furthermore, in the case of large suppliers such as for steel or aluminium, the CSR team monitors the publicly available information on their websites regularly to check alignment on CSR issues. The Group is a member of ResponsibleSteel which allows feedback on sustainability issues in the steel industry to be regularly monitored. Periodic meetings are held with individual steel suppliers to discuss sustainability issues and in particular lower carbon steel.
- The Group's relationship with public and regulatory bodies is based on full and transparent compliance with legislation in every country of operation. Our Policy on Business Ethics and Code of Conduct is designed to ensure CLN, and all its employees are aware of the requirement to comply with all applicable laws, regulations and formal agreements and sets out the Groups expected behavior towards public bodies.

The direct engagement with the Group’s stakeholders gives CLN a high degree of confidence that the material topics contained in this CSR Report cover the expectations of our stakeholders. Key topics and concerns raised through stakeholder engagement are addressed in the various sections of this report, which is submitted to the Board of Directors for discussion and approval.

In addition to direct engagement with the Group’s stakeholders, the Group supports key external initiatives and associations to align with ongoing best practice.

The Group has selected – upon a careful analysis of those available – the most suitable GRI Standards to provide information concerning its activities. The reference to the GRI disclosure is given in brackets throughout this report for ease of reference.

Membership of associations (2-28)



During the period covered by this CSR Report, CLN was a member of ResponsibleSteel, a not-for-profit organisation which is the steel industry’s first global multi-stakeholder standard and certification initiative. As a member of ResponsibleSteel, CLN Group must commit to ResponsibleSteel’s vision and mission (www.responsiblesteel.org/about/):

The **Vision** of ResponsibleSteel is to maximise steel’s contribution to a sustainable society.

The **Mission** of ResponsibleSteel is to enhance responsible sourcing, production, use and recycling of steel by:

- Providing a multi-stakeholder forum to build trust and achieve consensus.
- Developing standards, certification, and related tools.
- Driving positive change through the recognition and use of responsible steel.

The Group also places a high level of attention on customer satisfaction by putting a lot of effort into complying with customer assessments and audits of CSR and sustainability. These assessments are very useful as a guide to overall progress and provide a good checklist of potential material topics. For these assessments and audits the Group has the following approach (2-23a.ii):

- the correct and prompt response to customer requirements.
- achieving a satisfactory overall rating.
- improvement of the assessment scores over time.

As of 31 December 2022, the results of the customer audits or assessments are as follows:

- Ecovadis (for Stellantis and Renault) – Platinum rating with a score of 76/100, which places CLN in the top 1% of companies assessed. The target is to maintain the Platinum rating.

- NQC facility level assessments (for BMW, Mercedes, VW, Volvo and Stellantis) – All 14 production facilities requested have satisfactorily completed and or maintained their audit status against version SAQ 4.0, with no major issues arising during 2022.
- Open-es (for Iveco) – Sustainability scoring of 82/100.

As of the date of this report, the Group has fulfilled all the CSR and sustainability assessments and audits requested by its customers. The main non-conformities or concerns arising from customer audits during 2022 have been fed into the analysis to define the material topics to be included in this CSR Report (2-23a.ii).

Process to determine material topics (3-1)

The Group uses materiality analysis to identify material topics. This materiality analysis helps to ensure a close alignment of material topics with the Groups ongoing activities and the corresponding economic, environmental, and social impacts. The broad aim of the materiality analysis is to:

- Ensure the Group’s business strategy is aligned with the topics that are material to its stakeholders.
- Ensure that the material topics are considered in business decisions made on a day-to-day basis through clear guidance using Group policies and processes.
- Ensure the Group has identified the key global challenges to be addressed and responds to these challenges in a proactive manner.
- Ensure the targets set by the Group Board and Corporate CSR support the correct monitoring of material topics.

The materiality analysis uses the same boundaries within the organization as those in the Group’s Annual Financial Report, with the minor exceptions outlined earlier in this CSR Report.

The materiality analysis process for the Group involved the following steps to define the content of the CSR Report and to define the topic boundaries.

In 2023, the Group prepared a revised Code of Ethics to establish the base conditions of behavior when addressing CSR issues, and to ensure respect of the United Nations Global Compact and the 10 principles. The approach taken has been to fully review the obligations of CLN to set the topic boundaries for the Group. These boundaries align with customer requirements and general trends in the market as well as The United Nations Global Compact and the Paris Agreement.

Within these boundaries, the CSR Officer defined the material topics by referring to the following key sources:

- The topic of CSR has been put on the agenda of the Group's Board of Directors meetings since 2018, to get direct input from shareholder stakeholders regarding material topics.
- Customer audits/assessments on Sustainability and CSR issues allow the Group to get feedback from customer stakeholders.
- The CSR team includes members from all sectors of the business and regions of the Group and is therefore able to highlight the material topics concerning employee stakeholders. Furthermore, a specific annual Human Resources CSR Report is prepared to refine material topics for labour and human rights.
- The main suppliers for CLN are from the steel industry. Periodic meetings are held throughout the year with individual steelmakers to discuss key topics for steel purchase, in particular progress on low carbon steel.
- As explained above, the Group supports several external initiatives and commitments. This has enabled the CSR team to understand the global material topics arising from public initiatives and global regulatory bodies and to include these material topics for consideration.

Each year, considering the above evaluation of material topics from key stakeholders, the CSR Officer reassesses the material sustainability and CSR topics to be addressed by the Group. This materiality review allows the team to check that material topics included in the previous year's CSR Report are still relevant and significant, and to incorporate any new topic that may become significant for the Group. In addition to the analysis of key topics for stakeholders, the CSR team verifies whether the list of topics which are raised from the stakeholder analysis are also material when seen alongside the Group's industrial activities and the corresponding 'size' of the topic in relation to these activities. This step is required to ensure that only those topics raised in the stakeholder analysis which are significantly impacted by the Group's activities - economically, socially, or environmentally – are included in the CSR Report, in line with the materiality principle in the GRI Standards. The CSR Report is approved by the Board Member responsible for CSR activities on behalf of the Board of Directors of the Group.

The CSR Officer seeks to avoid assumptions and subjective judgements when deciding on topics for inclusion in the CSR Report, because material topics can be reliably identified from the process outlined above. We are confident that the material topics determined on this basis properly address key stakeholder sustainability and corporate responsibility issues and address the Group's economic, environmental, and social impacts. The material topics arising from this process during 2022 were confirmed to be the same as those discussed in the previous reporting period, as follows (3-2):

- Ethical behaviour
- Management of employees, human rights, and equal opportunities.
- Occupational H&S.
- Training and education of employees.
- Environmental compliance.
- Energy use and efficiency.
- Water use.
- GHG emissions.
- Scrap and waste management.
- Sustainability in the steel and aluminium supply chain.

As with this year, the previous year's CSR Report was prepared in accordance with GRI Universal Standards 2021 and sets out the material topics accordingly.

Ethical behaviour

The Group's Corporate CSR Officer is required to report to the Group CEO and the Board Member responsible for CSR topics regarding any substantial policy breaches, whistleblower incidents, reports of corruption, risk assessments, political contributions and legal actions on ethics related topics. No such issues arose during 2022 requiring such a report.

CLN operates in the Automotive Sector, where in general terms the systematic prevention of bribery and corruption has reached a high level. However, CLN has activities in several countries and, as the risk of corruption varies from country to country, the Group CSR Officer carries out an annual risk assessment procedure covering the locations of 100% of the Group's operations using the annual Corruptions Perceptions Index published by Transparency International (GRI205-1). The Group CSR Officer has set the criteria that those fully consolidated subsidiaries in countries which are perceived as more corrupt by Transparency International may have to engage in a more robust approach to ethics issues (the CSR has set the baseline as those operations having a score of less than 50 in the Rankings). In June 2022 the analysis showed that the Group had subsidiaries in the following countries with a score below 50 on the Transparency International Index: Romania (45), South Africa (44), Brazil (38) and Russia (29). Brazil was nominated as the pilot for the implementation of ISO37001, an internationally recognized standard for anti-bribery management systems, and achieved certification in May 2022. Russia was selected as the next facility to obtain ISO37001 certification, with a target of completing the audit in 2023, but this project has been put on hold following the Ukraine invasion (3-3, 2-25). South Africa has launched a project in 2023 with a view to undertaking ISO37001 certification in 2024.

The Group recognizes that the typical activities carried out by CLN require numerous processes which are transactional and could be prone to corruption or other non-ethical

behavior if not correctly managed. This risk of corruption in the Group could occur in a range of business relationships with external organizations for example:

- There are risks that payments or in-kind contributions are requested by politicians, public officers, or government officials to facilitate or approve certain projects or activities.
- Many of the Group's contracts with both customers and suppliers involve significant amounts of money. Large contracts can, if not correctly managed, be prone to requests for facilitation payments or kickbacks.
- Important contracts for services – for example scrap management, transport and logistics services, cleaning contracts – are the type of local contracts which could be open to favouritism, whereby an employee of CLN uses his or her position to get a favored treatment for a relative or friend.

The Group's Business Ethics Policy and Code of Conduct provides guidance on how to address such risks. Business Ethics refers to anti-competitive practices, corruption and bribery, conflict of interest, fraud, money laundering and privacy (2-26a.ii). The policy sets out the guidelines that CLN employees must follow when facing ethical dilemmas in the workplace, regulates risk and demonstrates the Group's commitment to operating in the public interest. The Group is committed to grant protection to employees from demotion, penalty, or other adverse consequences for refusing to participate in corruption, even if such refusal may result in the Group losing business. The policy has strict requirements regarding assessment of ethical risks and for the identification and reporting of non-compliance.

The Business Ethics policy requires regional or site leadership to put in place effective procedures to combat corruption, list those parts of its operations and activities that pose high risks of participation in corruption and the corresponding specific procedures that are applicable to the high-risk areas that have been identified. Furthermore, regional or site leadership is required to investigate instances of corruption and suspected corruption and to impose sanctions on employees and contractors for corruption and attempted corruption. Confirmed incidents of corruption are required to be reported to Corporate CSR department immediately (2-27d).

All payments or in-kind contributions to business associations, charitable contributions or think tanks require the prior approval of the CLN Group CEO to ensure such payments are not used as a disguised form of bribery.

The Business Ethics policy also provides guidance on anti-competitive behaviour and how to manage potential conflicts in the interests of full transparency. Failure to comply with antitrust and competition laws and regulations can have extremely serious consequences for CLN Group, including heavy fines and in some jurisdiction's imprisonment for

individuals. The Business Ethics policy therefore requires any legal actions regarding anti-competitive behavior and violations of anti-trust in which a company in the region has been identified as a participant to be reported immediately to the Corporate Legal department who will inform the CLN Board if required. The CLN Board is the highest governance body responsible for ensuring conflicts of interest are avoided and managed. All of the regional CSR officers and all of the regional or country managers have received training on the Group's policy regarding anti-competitive behaviour. The training modules have been translated into Portuguese, Slovakian, French, German and Russian and used for regional training purposes.

All CLN sites are required to maintain records to demonstrate regulatory compliance and compliance with any formal agreements they have entered. Significant non-complying situations are required to be reported to the Corporate Legal department as soon as they are known. Significant fines and sanctions for non-compliance with laws or regulations must be reported immediately to the Corporate Legal department.

Oversight of the implementation of the requirements of the Groups Business Ethics Policy and Code of Conduct are carried out by the Group CSR Officer who reports to the CEO of CLN Group on a regular basis.

Where gaps become evident between Group policy and actual business practice and behavior, the Regional CSR officer and Regional or Site leadership are required to identify the root causes and to define and implement actions to address those concerns and to report to the relevant Group Corporate department or to refer to the Corporate CSR Officer for guidance.

To monitor their business conduct, CLN Group companies are encouraged to use GRI Standards relevant to ethics and compliance. As a minimum, the Regional CSR officer is required to report to the Corporate CSR Officer on an annual basis on socioeconomic compliance and legal compliance ⁽³⁻³⁾ using the following metrics to double-check any major concerns about the Group's business conduct have been addressed ^(2-26a.i).

For the year ended 31 December 2022 we can report as follows regarding compliance with laws and regulations for the Group ⁽²⁻²⁷⁾:

<p>Significant fines for noncompliance with laws and regulations in the social and economic context (GRI419-1)</p>	<p>No significant fines have been imposed for noncompliance with laws and regulations in the social and economic context.</p>
<p>Legal actions for anti-competitive behavior, anti-trust and monopoly practices (GRI206-1)</p>	<p>There were no legal actions pending or completed regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in which an entity within the Group has been identified as a participant.</p>
<p>Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI418-1)</p>	<p>There were no substantiated complaints concerning breaches of customer privacy or losses of customer data</p>
<p>Total values of political contributions made by the company (GRI415-1)</p>	<p>No political contributions were made. Such contributions are not permitted in CLN Group.</p>
<p>Number of information security breaches</p>	<p>No significant information security breaches were identified.</p>
<p>Confirmed incidents of corruption and actions taken (GRI205-3)</p>	<p>No confirmed incidents of corruption have been recorded in accordance with the definitions set out in the CLN Business Ethics Policy and Code of Conduct</p>

No significant risks related to corruption have been identified through the risk assessment procedures required by the Business Ethics Policy and Code of Conduct (GRI205-1).

Local management is required to allow employees to communicate openly with them regarding ethical issues without fear of reprisal. Training initiatives or other interactive communication sessions are required to be carried out in every region to ensure that the Group’s requirements regarding business ethics are properly understood. To this end, all regional CSR officers have participated in a Business Ethics and Code of Conduct training module, and the module was made available to them to conduct training in their region and in a local language.

Training on ethics issues is tailored to those areas of the Group which are most likely to face potential incidents of corruption or conflict of interest, these being employees involved in purchasing and sales activities. To this end, the CSR team has developed several training courses to further reinforce the understanding of ethics issues.

An intensive roll out of training on ethics was carried out to the following priority groups over the past few years and it is the intention to repeat this training biannually for those employees most at risk of incidents of corruption (GRI205-2):

- The Group's Business Ethics Policy and Code of Conduct has been communicated to 100% of employees worldwide. The Policy is communicated to most customers (over 80%) in all regions via their audit/assessment processes and is also publicly available to all business partners and employees on the Group's website.
- One out of a total of ten board members (10%), this being Beatrice Perris Magnetto, has received training on ethics issues. Beatrice Perris Magnetto is the Board Member responsible for ethical and anti-corruption issues in the Group and participates in most CSR trainings and meetings to ensure there is an understanding of sustainable development and CSR at CLN Board of Director level (2-17).
- All the regional CSR officers – representing Poland, South Africa, France, Germany, Portugal, Romania, Russia, Brazil and Slovakia – who make up the main governing body for communication and training of ethics issues in the regions, have received training (100%).
- All the regional/country managers have received training (100%).
- All employees involved in purchasing activities have received training on Sustainable Procurement, including ethical behaviour (100%).
- The Group's Business Ethics Policy and Code of Conduct have been made publicly available on the Group's corporate website to ensure all business partners and other interested organisations can check the Group's ethical requirements.
- An audit was carried out by the CSR Officer during 2022 to check that the training module 'Business Ethics and Code of Conduct' been translated into local language and training carried out in all plants in the Group. The level of training was at approximately 80% for white collar employees and executives.

To monitor training on ethics issues, the total amount of training on such issues is required to be reported to Group HR on a quarterly basis. This allows the CSR team to identify those areas of the Group that may not have a good understanding of the topic in higher risk regions, and direct training resources accordingly.

CLN Group employees are expected to take the utmost care not to use, disclose or disseminate any industrial secrets, know-how or information related to research and development, product engineering or any related documents, codes, drawings, formulas, computer data or programs or ideas without the express permission of the CEO of the division involved. Material breaches of security are required to be reported to Corporate IT immediately and additionally the number of information security breaches is reported to the Group CSR Officer each year to have a double verification.

The group has continued to carry out its Internal Audit efforts during 2022 and aims to complete at least two Internal Audits per year. During 2022, the following audits were carried out with the assistance of an external expert, Deloitte, with a heavy emphasis on checking that policy requirements are respected:

- Human resources policy in Germany.
- Professional services policy in Germany.
- Order to cash (sales) policy in France.
- Customer new projects Policy in France.

No significant issues were raised to indicate Ethics violations during these audits.

To protect the Group against IT vulnerabilities, penetration tests and vulnerability assessment sessions continued during 2022 with the support of a third-party expert. The expectation is that by the end of 2023 most facilities will have been checked with these tests. Vulnerability assessment results (i.e., vulnerabilities regarding operating systems and/or old versions of software) are analyzed and fixed with our system administrators and suppliers' support, including critical and high-level vulnerabilities. During 2022 the GDPR Officer launched a further process to require timely closure of significant risks identified by central IT department following their assessments, and to verify compliance with GDPR in general. The results of this review were satisfactory and indicate that each of the Group's subsidiaries in Europe is aware of the requirements of GDPR and has plans in place to improve compliance.

The Group did not register significant security breaches during 2022 despite several fraud attempts (mostly via email) and malware distribution attempts. These attacks were not successful thanks to security awareness of personnel and to other technical security measures CLN has put in place (e.g. antivirus, network sensors, firewalls, SOC service). No customer data losses have been detected.

The Group has a specific Whistleblowing Policy, based upon which employees are given the possibility to anonymously report concerns of unsuitable corporate conduct to a Whistleblowing Committee comprised of two senior executives of the Group plus an external member. This policy applies to all CLN Group employees worldwide, including part-time, short-term, or contract workers. The policy is intended to cover serious concerns that could have a large impact on the CLN Group, such as actions that:

- Could lead to incorrect financial reporting.
- Are unlawful.
- Are not in line with CLN Group's policies or Code of Ethics.
- Otherwise amounts to serious improper conduct.

During 2022 the Whistleblowing Committee dealt with nine cases of Whistleblowing. All the cases have been dealt with by management in a satisfactory manner.

Critical concerns are reported directly to the Group CEO as and when they arise. During the reporting period no critical concerns were required to be communicated to the group CEO (2-16).

Management of employees (2-7), human rights, and equal opportunities (3-3)

As set out earlier in this report, CLN Group is committed to supporting the five core human rights treaties which make up the International Bill of Human Rights.

The Group's policy on Working Conditions upholds the principle that all its employees should have decent working conditions. Working conditions refers to the working environment and all existing circumstances affecting labour in the workplace, including salaries, wages and working benefits, working hours, physical aspects, legal rights and responsibilities, and the exchange of information on working conditions.

CLN Group recognizes that its employees are its greatest resource and seeks to promote a workplace where employees can voice their concerns and have a good work-life balance. Furthermore, it is fundamental for the Group to prevent any discrimination in the workplace and to promote a culture of social responsibility.

The Group works to guarantee the same professional growth opportunities and development of knowledge for its entire workforce, without any type of discrimination. The Group requires all its employees to adopt this philosophy, in accordance with the principles included in the Code of Ethics and the Group Equality and Diversity policy. Focus is dedicated to management of diversity in terms of gender equality and race – the two fields with the highest risk of discrimination in the Group. The Group views the concept of diversity in terms of giving value to the differences between individuals, and every employee's contribution to creating an environment in which people's identities are respected. The Group prohibits threats or the use of disciplinary practices that undermine workers' dignity either for employees of the site or workers employed by contractors, agencies, and other third parties that perform activities on site.

CLN Group is required to ensure there is no discrimination based on race, either in the recruitment phase or in the allocation of opportunities to succeed within the Group. In countries with a perceived risk of such discrimination, such as Brazil and South Africa, Corporate CSR monitors the application of procedures on a regular basis to ensure the local subsidiaries as a minimum meet local expectations and legal requirements.

In accordance with CLN Group’s Labour and Human Rights policy, forced or compulsory labour and child labour is not tolerated in any CLN Group company. The age of employment for young workers must meet or exceed legal regulations and labour laws. The Group has assessed the risk of child labour in its operations by reviewing the locations of our production facilities and determined that the risk of child labour is relatively low because most of the Group’s activities take place in regions of relatively low risk according to ILO global estimates. A control mechanism has been put in place which requires any employee under the age of 18 to be reported quarterly to Corporate Human Resources. All employees under the age of 18 are investigated by Corporate HR to ensure the requirements of the Labour and Human Rights Policy, which prohibits the use of Child Labour, are respected and to take corrective action where it is required.

CLN is comprised of a multicultural group of employees: 6,718 individuals in total as of December 31st, 2022. Out of these, 22% work in Italy – which hosts the Group headquarters and most of the Corporate technical and commercial offices supporting the production facilities – 32% work in Poland, 13% in South Africa, 13% in France, 6% in Germany, 7% in Brazil and the remainder in Portugal, Romania, Russia, and Slovakia. The Group’s Human Resources department collects data on employment and training from all subsidiaries every trimester throughout the year and reports significant issues to the Group CSR Officer and the CLN Board Member responsible for CSR. The numbers reported are based on headcounts, and the data in this report is for the end of the reporting period. During the reporting period there has been a significant decrease in the number of employees in the Group due mainly to the restructuring of the operations in South Africa arising from falling volumes, and to headcount reduction in Russia due to falling activity caused by the conflict in Ukraine (2-7e).

An annual Human Resources CSR Report is also prepared outlining important considerations such as ensuring that policy commitments regarding human rights and working conditions are respected. Corporate Human Resources is responsible for taking the appropriate action based on this feedback and for reporting to the Group CEO where appropriate (2-23a.iv).

At the end of 2022, employees hired on permanent (long-term) contracts represented 95% of the total number of employees, as follows (all numbers are given in head count) (2-7a., 2-7b. 2-7c.):

<u>Employees by employment contract type and gender</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent contract	6,124	893	7,017	6,123	892	7,015	5,529	869	6,398
Temporary contract	496	154	650	318	92	410	224	96	320

<u>Employees by employment contract type and region</u>	2020			2021			2022		
	Perm.	Temp.	Total	Perm.	Temp.	Total	Perm.	Temp.	Total
Italy	1596	3	1,599	1,511	2	1,513	1,465	1	1,466
France	945	1	946	905	4	909	845	6	851
Germany	355	63	418	359	51	410	379	30	409
Portugal	19	82	101	52	51	103	66	30	96
Slovakia	37	2	39	36	4	40	40	2	42
Poland	1,908	326	2,234	1,984	198	2,182	1,947	182	2,129
Romania	296	3	299	272	2	274	249	12	261
Russia	140	47	187	136	39	175	95	1	96
South Africa	1331	123	1,454	1,312	59	1,371	836	56	892
Brazil	372	18	390	448	0	448	476	0	476

At the end of 2022, employees hired part-time represented only 2% of the total number of employees:

<u>Hired personnel headcount</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employment type									
Full-time	6,571	980	7,551	6,394	908	7,302	5,710	893	6,603
Part-time	49	67	116	47	76	123	43	72	115

A total of 1,063 workers who were not employees of the Group were undertaking activities for the Group on 31 December 2022. Most of these workers are employed by temporary labour agencies and subcontracted to the Group (2-8):

<u>Workers who are not employees</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employment type									
Temporary agency labour	-	-	-	-	-	-	587	143	730
Contractors	-	-	-	-	-	-	210	72	282
Consultants	-	-	-	-	-	-	39	12	51
Total							836	227	1,063

During 2022, new employee hires and employee turnover were as follows (GRI401-1).

<u>New employee hires and turnover by age group</u>	2022 hires				2022 t/over			
	Male	Fem	Total	Rate	Male	Fem	Total	Rate
<18 years	0	0	0	0%	0	0	0	0%
18-29 years	184	69	253	43%	182	49	231	39%
30-39 years	94	43	137	9%	376	55	431	30%
40-49 years	72	22	94	4%	272	36	308	14%
50 years and above	50	22	72	3%	274	40	314	13%
Total	400	156	556	8%	1,104	180	1,284	19%
<i>Rate</i>	<i>7%</i>	<i>16%</i>	<i>8%</i>		<i>19%</i>	<i>19%</i>	<i>19%</i>	

<u>New employee hires and turnover by region</u>	2022 hires				2022 t/over			
	Male	Fem	Total	Rate	Male	Fem	Total	Rate
Europe	204	67	271	5%	385	84	469	9%
South Africa	85	59	144	16%	543	80	623	70%
Russia	7	2	9	9%	76	12	88	92%
Brazil	104	28	132	28%	100	4	104	22%
Total	400	156	556	8%	1,104	180	1,284	19%
<i>Rate</i>	<i>7%</i>	<i>16%</i>	<i>8%</i>		<i>19%</i>	<i>19%</i>	<i>19%</i>	

The turnover of employees was exceptionally high in 2022, due to special circumstances in South Africa and Russia. In South Africa there was a high level of dismissals due to the run out of a contract with Ford and the transfer of some business to Isuzu. In Russia the impact of the Ukraine conflict has meant that volumes of vehicles manufactured in Russia fell to almost zero – meaning there is only work available for a small level of aftermarket sales.

As of December 31st, 2022, about 86% of all the Group’s employees were employed through collective bargaining agreements (2-30).

Percentage of employees employed through collective bargaining agreements	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total employees	6,620	1,047	7,667	6,441	984	7,425	5,753	965	6,718
Employed through collective bargaining agreements	6,160	954	7,114	5,907	866	6,773	4,998	810	5,808
%	93%	91%	93%	92%	88%	91%	87%	84%	86%

A further 375 employees (6%) were not covered by collective bargaining agreements, but their conditions were largely based on a collective bargaining agreement. These employees were based in South Africa.

The Group’s relationship with labor unions has historically been based on transparency and focused on establishing balanced agreements between the parties. Group employees have the right to join collective bargaining organizations such as labour unions and other workers’ organisations, and to communicate their grievances regarding working conditions through their collective bargaining organization (2-25a).

Where required by local rules, salary policies are communicated to labour unions and subject to specific agreements with those unions.

One of the lessons learnt from the Covid-19 crisis was that in many instances the traditional model of employees working in offices each day is not necessarily the best solution for some functions. Other models of working were found to be possible and even beneficial. To this end, the Smart Working Policy set out the fundamental principles of trust, autonomy and flexibility which are the basis of the smart-working model, and which contribute to aligning the company with changes in technology and new concepts of how to communicate. The Group has also recognized that smart working may help to reduce its carbon footprint by reducing travel to and from the office and enhance the health and safety of its employees through reduced travel risk. It should also allow the Group to better address issues of diversity by allowing excluded groups to achieve better results due to a more flexible approach to when or where they can conduct their work.

CLN Group Corporate HR continues to monitor the implementation of smart working and gives feedback on the developments and evolution of flexible working within CLN Group during the annual human resources Corporate Social Responsibility meeting.

The most concerning conclusion of the analysis of headcount over the past years is the persistently low level of women in the workforce (2-23b.ii). The Board of Directors of the Group has determined that the percentage of female employees is too low and not improving and consequently opportunities for women to participate in advancement of their careers are not high enough in the Group. During 2022 a new target was therefore put in place to increase the percentage of women in white collar and executive roles by 7% by 31 December 2030 compared to the base year of 2019. This means that we aim to have one third of white collar and executive positions covered by women by 2030 (at the end of 2022 the percentage was 29%). There is also a separate HR target to increase the percentage of women in blue collar jobs by 1% per year from 2023 to 2030. Our central HR department has been tasked with leading these initiatives with regular participation of the HR managers of the individual facilities (GRI405-1).

Headcount by age group	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<18 years	-	-	-	-	-	-	-	-	-
18-29 years	671	134	805	574	84	658	491	100	591
30-39 years	1,706	257	1,963	1,563	250	1,813	1,218	236	1,454
40-49 years	2,144	333	2,477	2,134	324	2,458	1,885	302	2,187
50 years and above	2,099	323	2,422	2,170	326	2,496	2,159	327	2,486
Total	6,620	1,047	7,667	6,441	984	7,425	5,753	965	6,718

Headcount by age group %	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<18 years	-	-	-	-	-	-	-	-	-
18-29 years	9%	2%	10%	8%	1%	9%	7%	1%	9%
30-39 years	22%	3%	26%	21%	3%	24%	18%	4%	22%
40-49 years	28%	4%	32%	29%	4%	33%	28%	4%	33%
50 years and above	27%	4%	32%	29%	5%	34%	32%	5%	37%
Total	86%	14%	100%	86%	14%	100%	86%	14%	100%

To ensure that the Group's objectives regarding management of employees, human rights and equal opportunities are met, a specific Labour and Human Rights CSR report is prepared annually to report to the Board Member responsible for CSR matters and the Corporate CSR Officer on issues arising from the GRI data collected and specific concerns and actions arising during the year. The main issues arising in the Labour and Human Rights CSR report during 2022 were as follows (2-23a.iv):

- The employment circumstances of all employees under the age of 18 in the Group are investigated by Corporate Human Resources every trimester. No incidents of child labour were found to have taken place in any of the Group's operations. A comprehensive review of the CSR approach of the major suppliers of the Group did not give rise to any concerns of suppliers at risk for incidents of child labour (see section on Sustainability in the steel supply chain below) (GRI408-1).
- Approximately 14% of the Group's employees were women as of 31 December 2022. As commented above, CLN recognizes that it has not made sufficient progress in increasing the percentage of women employees, and consequently does not offer enough opportunity for advancement of women in the workforce.
- CLN Group operations in South Africa are required to formally submit an Employment Equity plan to the authorities to comply with the Employment Equity Act No55 of 1998. South African Companies are required to submit to audits to gauge compliance with Broad Based Black Economic Empowerment (BBBEE). BBBEE is a programme launched by the South African government to address inequalities by encouraging businesses to integrate previously disadvantaged people in the workspace and support black businesses. MA South Africa's customers have a target for their suppliers to be at least at Level 4 to support the BBBEE programme. During the first semester of 2022, MA South Africa was subjected to a new certification by Sanas, the BBBEE Verification Agency, and achieved a Level 2, which was a very good result, and an improvement from the Level 3 which was achieved in the previous certification.
- The percentage of employees receiving performance and career development review has improved over the last few years from a relatively low base.
- The high levels of part time employees identified in 2020 in MAAP (Portugal) and MAP (Poland) seem to be moving in the right direction, with reductions seen in both entities during 2021 and 2022.

During 2022 no major incidents of discrimination were reported to the senior management of the company for race, colour, sex, religion, or political views. During 2022 no major incidents of discrimination were reported through the Whistleblowing portal (GRI406-1).

Occupational health and safety ('H&S') (3-3)

The topic of occupational H&S has been the Group's main priority for many years. As our employees are the most important resource for the success of the business, personal safety, the management of health issues and the guarantee of a healthy workplace are among the Group's fundamental values. The sustainability of these values is a pre-condition for all operating decisions and activities.

The Group believes that a high level of H&S requires formal certification covering all employees and subcontractors who work on the Group’s premises. The Group’s Board of Directors has therefore set a target for 100% of the Group’s facilities to be certified under ISO 45001 by December 2030. ISO 45001 is the most widely recognized H&S risk management standard in the automotive sector. As of 31 December 2022, 86% of the facilities had achieved certification, a good step up from 2021. Additional facilities are planning to undergo audit for certification during 2024. The effectiveness of the management system is assured by recurring internal and external audits with the aim of identifying new improvement opportunities and to highlight critical issues (GRI403-1).

Safety managers and officers are present in each CLN facility. The approach to H&S is set out in the Group’s H&S Policy, applicable to all employees of the Group. Performance is monitored monthly at Group level and at each CLN Group Board meeting, focusing on the frequency of accidents, gravity of accidents and number of days lost. All production facilities are required to collect full data on work related hazards and assess risk daily for all employees or other workers on site, and all employees are encouraged to report any non-conformities to the facility EHS officer or Plant Manager. Non-conformities include unsafe acts, unsafe conditions, near misses, first aid, minor injuries, serious injuries, and fatalities. Individual work-related incidents are managed using a specific root cause analysis called the S-EWO form which includes a 5Why+1 analysis, correction plan, and analysis of similar risks in the facility. All S-EWO forms related to injuries with time lost are reported to and monitored by the Group EHS department. Each facility is required to have a Safety Committee which analyses the monthly data based on a Heinrich Pyramid and makes decisions on required safety activities and remedial actions. The Safety Committee is also responsible for implementing and monitoring safety training. There is a group Whistleblowing system in place which protects workers from reprisals in cases where they feel a serious safety issue has not been dealt with appropriately by local management.

As an additional measure of control, the Board of Directors of CLN takes the lead by setting annual targets and medium term (2030) targets, and by committing to roll out ISO 45001 to all production facilities in the Group (GRI403-2).

A summary of the safety performance of the Group is as follows:

<u>Safety metrics</u>	2020	2021	2022
Frequency Rate/Injury rate (n° accidents/n° hours worked)	2.68	3.14	3.65
Gravity Rate/Lost day rate (n° days of absence due to injury/n° hours worked)	0.12	0.15	0.20

There were no fatalities during 2022. There has been a worsening of both the Frequency Rate and Gravity rate over the past 3 years. The number of injuries rose to 51 in 2022 from 46 in 2021, and the number of days lost rose to 2,807 from 2,206 in 2021. Those production facilities that suffered an unacceptable level of injuries are being carefully monitored by our Group safety team, who report to the Group CEO every three months with detailed action plans.

In terms of individual facilities:

- MAP Kielce was the worst performer in the Group with 8 injuries mainly due to established procedures not being followed correctly. A process was put in place to review the situation every two weeks with all the management of the facility to ensure the correct application of procedures. A focus meeting with all the first and second level of the facility led by central EHS department was carried out in November 2022 to re-enforce the importance of this matter.
- MA Chivasso registered 7 injuries in 2022, 60% of which were during the period from September to December. A special pilot project called ‘Change management in safety’ was launched involving 50 employees in the facility, with deep involvement of plant supervisors. In addition, an SMAT internal audit was carried out to further engage our plant employees. Specific follow-up is carried out every two weeks in the facility.
- The high contribution to days lost of the Eurostamp plant in France and Atessa 2 plant in Italy were due to a carryover of incidents which occurred in 2021.

Due to the persistence of Covid-19 there were restrictions on our corporate H&S officers carrying out audits. During 2022 audits were carried out mostly in Italy (6 audits) but also in Poland (3), France (1) Romania (1) and Turkey (1). Safety audits and plant visits will be intensified in 2023 with a clear focus on the most critical regions and facilities.

Training of employees (3-3)

The development and growth of professional and management skills of all employees within the Group is fundamental to guaranteeing the quality and safety of corporate processes, and to the understanding of CSR issues within the Group. The Group’s approach to training is to offer broadly the same range of training across all facilities and regions.

The Group has carried out almost 127,000 hours of training in 2022. Although there has been a moderate improvement in the amount of training hours per person during 2022 and 2021, the level of training is not at a high enough level and therefore the Board of CLN has set out specific 2030 targets for our Group to promote an improvement in training over the next few years (GRI404-1):

<u>Hours of training offered (n° of hours)</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	427	147	574	616	180	796	1,106	241	1,347
Employees (White collar)	16,053	7,865	23,918	19,152	5,296	24,447	19,311	9,166	28,477
Manual workers (Blue collar)	87,456	7,836	95,292	103,176	8,529	111,705	86,830	9,969	96,799
Total	103,936	15,848	119,784	122,945	14,005	136,949	107,247	19,376	126,623

<u>Average hours of training by category (n° of hours)</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	5	11	6	7	10	7	12	12	12
Employees (White collar)	15	19	16	21	13	18	22	23	23
Manual workers (Blue collar)	16	13	16	19	15	19	18	18	18
Total	16	15	16	19	14	18	19	20	19

Group Corporate human resources monitors training by type to focus on the key areas which require attention to upgrade employee skills to meet the Groups expectations. Due to the Group being involved in manufacturing, special attention is attached to monitoring the training in technical-professional skills, health safety and environment, management skills, and CSR/Sustainability issues. Training hours by type are reported to Corporate HR quarterly to ensure training initiatives or other interactive communication sessions are carried out in all facilities and regions and that targets are respected. Those regions and production facilities which are falling behind are engaged individually (2-23f). The types of training undertaken were as follows: (GRI404-2).

<u>Type of training offered (n° of hours)</u>	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Technical-professional skills	30,309	5,373	35,682	33,294	3,785	37,079	26,548	4,669	31,217
Health, Safety and Environment	49,920	5,241	55,161	55,396	6,643	62,039	41,543	4,354	45,897
Management skills	5,114	1,622	6,736	18,935	137	19,072	18,133	4,738	22,872
Ethics	9,097	1,637	10,734	5,375	1,287	6,662	4,105	1,141	5,246
Languages	1,533	854	2,387	417	146	563	1,398	258	1,656
Cybersecurity	197	137	334	1,278	330	1,609	218	57	274
Other types	7,766	984	8,750	8,249	1,676	9,925	15,302	4,159	19,461
Total	103,936	15,848	119,784	122,945	14,005	136,949	107,247	19,376	126,623

The training of senior management on Business Ethics is carried out by the Corporate CSR Officer, and all regional CSR Officers and regional managers have received training. Specific in-house training courses have been prepared on several important CSR topics, and local management is responsible for rolling out the training in each region or country.

As employee safety is a priority within the Group, safety training and employee involvement in safety issues are considered one of the most important objectives of training. The aim is to create a strong safety culture focused on risk awareness and on participation in safety-related activities. All facility employees are reminded of safety daily - for example many attend ‘5 minutes for safety’, a field-training session calling the attention of workers on specific topics. Training on EHS has decreased during 2022 which is a concern. (GRI403-5).

As training on CSR issues – health and safety, environment, ethics, cybersecurity/GDPR - has not been high enough during the past few years, the Group’s Board has set a target of 10 hours training on CSR issues per year per white collar employee by 2030 to galvanize improvement in this respect.

During 2020 the Group started to measure the percentage of employees receiving regular performance and career development reviews to start to review this topic on a regular basis. During 2022 the percentage of employees receiving such a review continued to increase due to this initiative as follows (GRI404-3):

Percentage of total employees receiving performance review	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	18%	15%	24%	54%	42%	52%	59%	38%	55%
White collar	21%	18%	26%	26%	24%	26%	33%	32%	33%
Blue collar - Indirect	17%	12%	18%	11%	9%	11%	14%	15%	14%
Blue collar – Direct	11%	11%	16%	13%	7%	12%	18%	14%	17%

Environmental compliance (3-3)

The Group’s operations involve a wide range of metal manufacturing processes performed in the production facilities. Such processes require the use of significant natural and energy resources which thus have an environmental impact. CLN is aware that environmental protection is a key factor in determining the approach to corporate activity.

Guidance on environmental compliance is set out in the Groups’ Environmental Policy. The policy sets out how the day-to-day operations undertaken by CLN Group companies should be managed to minimize damage to the environment and improve overall environmental performance. The policy also sets out the Group’s intentions and principles

on environmental issues and provides the framework for action and for guiding the Group's ongoing environmental efforts, environmental objectives, and targets.

The Environmental Policy is approved by the Board of Directors of CLN Group, represented by the Chief Executive Officer.

The Group has a Corporate Environmental department which reports to the Group EHS manager, who in turn reports to the Group CEO. The focus of the Environmental department is on the following:

- guaranteeing compliance with environmental legislation and international standards for environmental protection.
- defining and implementing action and control plans for environmental risks.
- improving corporate performance by regularly monitoring environmental indicators and the impact of the Group's activities.
- providing corporate management with an efficient and effective system to allow timely assessment of new environmental issues, to support decision-making and to allocate responsibilities.
- increasing the involvement, motivation, and awareness of workers and third-party companies working at CLN facilities.
- reducing environmental impact by means of technical innovation, reduced consumption, compensation actions, waste reduction, an increase in recycling, and prevention of environmental contamination.

The Group carries out its activities in full compliance with current legislation and standards and commits to promoting activities which can reduce or offset environmental impacts arising from its manufacturing processes. Furthermore, it is Group policy that the production facilities are subjected to external audit to verify the efficiency of their environmental management system. To this end, the Group aims to have an increasing number of its facilities accredited for ISO 14001:2015 certification each year. The target set by the Group Board of Directors is to have 100% of the facilities certified by December 2030. As of 31 December 2022, 89% of the Group's facilities have an ISO 14001:2015 certification, which is aligned with Group targets. During 2023 three further production facilities are planning to certify in accordance with ISO 14001:2015.

Regional and site EHS officers are responsible for keeping site employees informed about their environmental roles and responsibilities and for fostering the development of in-house learning, management capacity and leadership on environmental topics relevant to each facility. Regional and site EHS officers are also responsible for addressing internal and external stakeholders' environmental concerns, including the concerns of environmental agencies, Group Corporate EHS department and local customers. To

evaluate the environmental performance of individual facilities in the Group, all facilities are required to monitor the achievement of improvement targets monthly for the main indicators related to energy consumption, GHGs, water use and waste generation. These indicators are collected and monitored by CLN Group Corporate EHS department to identify and act on areas of concern.

All subsidiaries in the Group are committed to respect protected and conserved areas and to mitigate any adverse impacts on biodiversity in their area of influence. In the few facilities of the Group adjacent to natural habitats, indigenous vegetation is planted to try to enhance biodiversity. Examples of this can be seen in South Africa where a local tree called Spekboom has been planted in large numbers and in Brazil where a piece of land to the rear of the facility has been encouraged to return to its natural state.

The Group is committed not to initiate activities or plan associated facilities in any location worldwide that is immediately adjacent to World Heritage Sites, protected areas of the International Union for Conservation of Nature (IUCN) protected area management categories I-VI, conservation areas protected under national law, indigenous and community-conserved areas, wetland Ramsar sites or key biodiversity areas. As a rule, no subsidiary is permitted to significantly convert or degrade natural habitats within its perimeter.

No significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations were received during the year ended 31 December 2022 (GRI307-1).

Energy use and efficiency (3-3)

The production carried out at Group facilities includes a wide range of metal manufacturing processes. Such processes can require a relatively high level of electrical energy. All the processes within the sites use electricity supplied in the main from the local electricity grid. The facilities also use significant amounts of gas, principally for heating and for certain production processes such as painting.

Because of the high level of electrical energy consumed, the Group is committed to reducing the total electrical energy utilized and to utilizing a higher proportion of its requirements from energy purchased from 'clean' renewable or low GHG sources.

Energy consumption in the Group is collected using installed meters and the Group requires all CLN facilities to report this energy consumption to the Group's Corporate EHS department every month. The corporate EHS department is responsible for setting targets annually for each facility and for monitoring the energy reduction processes in place. Guidance on the required approach to energy consumption is set out in the Group's Environmental Policy. The Corporate EHS department is responsible for evaluating the

progress of each site against their targets, for reporting on the overall progress of energy consumption and for requesting remedial action when this is required.

During 2022, the Group's energy consumption was below 2021 levels, and still significantly below the level of 2019. This reduction was largely due to the impact of Covid-19, the Ukraine conflict and the shortage of semi-conductors for the Automotive industry which significantly reduced the Group's activities, and which have still not returned to normal levels as at the date of this report. Moreover, the Group struggled to find financially viable electricity from renewable sources in some regions due to the volatility of the energy market due to the Ukraine conflict (GRI302-1, GRI302-3):

<u>Energy consumption (GJ)</u>	2020	2021	2022
Electrical energy consumption	692,447	734,377	723,322
<i>Of which from renewable sources</i>	<i>144,867 (21%)</i>	<i>531,799 (72%)</i>	<i>473,036 (65%)</i>
Fuel consumption for heating from non-renewable sources	446,074	466,056	418.369
Total energy consumption	1,138,521	1,200,433	1,141,691

<u>Energy Intensity within the organisation</u>	2020	2021	2021
Electricity Intensity Ratio within the organisation (Total energy consumption x 1000/Standard hours) <i>Note: an error was found in the calculation of one of the French plants and the historic data has been adjusted accordingly</i>	143	141	142
	2020	2021	2021
Fuel Intensity Ratio within the organisation (Total energy consumption x 1000/Standard hours) <i>Note: an error was found in the calculation of one of the French plants and the historic data has been adjusted accordingly</i>	92	89	82

During 2022 a small amount of energy amounting to 667GJ (2021: 574GJ) was sold back to the network from electricity produced and not consumed by the photovoltaic plants in MA Melfi and CLN Caselette.

The CSR team has determined that the quickest and most effective way to reduce the Group's carbon footprint is to purchase the energy required for its operations from clean - low or zero carbon – energy sources such as hydroelectric, wind, solar or nuclear energy, where these are readily available, and it is economically feasible. During 2022 therefore, the Board of Directors has set a Group target to have 50% of energy purchased from clean sources by 31 December 2030. Local purchasing departments are required to properly research their local energy market when each energy contract comes up for renewal, and to present the options available and cost implications to CLN Group Head Office Purchasing for assessment. Every CLN site is required to report the percentage of energy purchased from clean sources to Group EHS Corporate department on a regular basis, and the results of this initiative will be reported to the Group's Board each year. For the year ended 31 December 2022, the Group purchased 41% of its total energy from clean sources, and we are confident that new clean energy contracts can be found in the next few years.

Solar power studies or bio-energy studies are taking place in South Africa, Brazil, Poland, Portugal, Romania, and Turkey to determine feasibility.

Water use (3-3)

The Group is conscious of the fact that global pressures on fresh water are rising rapidly due to population and economic growth, which means that users like CLN must take responsibility for their impacts on this shared resource and work diligently to manage its sustainability. Metal manufacturing and painting sites require the use of water in the cooling process and for washing parts, as well as water used for civil purposes. All the water used by the Group for these purposes is drawn from properly regulated municipal sources, except for a small amount of rainwater harvested from the roofs of buildings.

An uncontrolled use of water causes negative environmental impacts not just inside the facility but more importantly to the general local environment, such as from the reduction in water resources available and through the modification of natural ecosystems. The optimization of water uses and alteration of water sources by facilities is directly linked to good management within the operations, and as such the Group can reduce its general impact on the environment, which may also have a positive impact on operating costs (GRI303-1).

The Group's requirements regarding water management are set out in its Environmental Policy (GRI-303-2). CLN Group sites are required to demonstrate good water stewardship to properly manage water use, regulatory risk, and reputational risk, and to have documented procedures in place to achieve this aim. Site EHS Officers are required to ensure that they understand and document where water is drawn from for use on the site, and the locations it returns discharges to, to properly define the risks and opportunities for water management. Where possible, the Group encourages management to engage with local

initiatives to gain a perspective on current and future uses of water and the shared water challenges of the catchment area.

CLN Group sites are required to measure the flow of water in and out of the facility and the quality of water withdrawals and discharges from/to the municipal system, and to keep records accordingly. Sampling of water to determine the physical, chemical, and biological aspects of water quality is required to be sufficiently frequent to detect and allow for a timely response to significant changes.

CLN Group sites are also required to evaluate their water related impacts on the local environment, considering the quantity of water used, the quality of water discharges, and consideration of extreme events such as flooding and the local community in which it operates.

CLN Group sites are required to integrate water considerations, challenges, and adverse impacts into their business planning processes. To do so the sites are required to set targets for water use and minimum requirements for water quality that serve to reduce the adverse impacts on the local environment. CLN Group sites are encouraged to present the Group's Corporate EHS department with potential projects of innovative technologies to treat wastewater or facilitate clean disposal to help guide decisions regarding annual investments.

Where the site is in an area with stressed or scarce water resources, a specific action plan is put in place to relieve pressure on the water system through measures such as water recycling, water capture, alternative sources, and efficient use. The Water Stressed Areas project using the Aqueduct Water Risk Atlas tool showed considerable risks in the review carried out in June 2022, for the sites operating in Rosslyn and Gqeberha, in South Africa, JMW Turkey and MW Romania. In Turkey and Romania, the municipality has declared that the risk for our plants is low.

The situation in Gqeberha, South Africa has become very concerning during 2022. Since 2015, Gqeberha, formerly known as Port Elizabeth, has been in the grip of a historic drought. The city estimates it also loses about a third of its water supply to leaks in its piping and has a big backlog of unfixed leaks. The specific area where the facility is located can obtain water from the Lesotho / Orange River via the Nooitgedagt pipeline, but due to infrastructure problems and mismanagement by local government, the facility has experienced days without water supply. As a contingency two boreholes have been sunk together with a water treatment/filtration/purification facility, as prolonged usage of our borehole water in its raw form is not suitable for our cooling towers and manufacturing processes. During water shortage periods drinking water is purchased for our employees. The facility has joined the Nelson Mandela Bay Business Chamber forum that actively engages with the Metro/Municipality on service delivery issues to try and get improvement from the local government.

All CLN sites are expected to report their water consumption and the amount of water recycled and reused to the Group’s Corporate EHS department monthly, and to set annual targets aligned to CLN Group targets, in order that the effectiveness of the management approach can be monitored and assessed. The amount of water used is monitored directly by the Groups Board which has set the target of a reduction of 15% of water used by the Group by 31 December 2030 compared to the base year of 2019. (GRI303-2).

In 2022 the Group has withdrawn 375,727 m³ of water from third-party water suppliers during the year, an increase on 2021 but still below pre-pandemic levels. (GRI303-3):

<u>Water withdrawal (megaliters)</u>	2020	2021	2022
Freshwater withdrawn from third party municipal water supplies or private utilities measured using installed water meters*	461	338	375
Of which from areas with water stress drawn from surface water (South Africa, Turkey and Romania)	10	0	169

* Note: A small amount of rainwater is collected directly and used by the organisation, but this is not material to the reporting.

Water efficiency projects continue to encourage production facilities to engage in substantial water efficiency actions, and these projects are reviewed centrally on an annual basis to spread the best ideas across the production facilities.

To support the reuse of water, an indicator of water recycled and reused is reported monthly to the Corporate EHS department. The amounts remain small.

<u>Water recycled and reused (megaliters)</u>	2020	2021	2022
Total volume of water recycled and reused*	5	7	8
	2020	2021	2020
Total volume of water recycled and reused as a percentage of water withdrawn	1%	2%	2%

* Note: Represents water filtered and reused in processes measured using flow meters. A small amount of rainwater is also included but this is not included in the data as it is not measured accurately.

CO2 emissions management (3-3)

As explained earlier in this report, the production carried out at Group facilities includes a wide range of processes which use large amounts of energy. This means that the Group's facilities are a significant indirect contributor to GHG emissions, mainly CO₂, through their use of energy sources to produce components. The Group has therefore committed to the global goals of the Paris Agreement and Group companies are required to support this commitment. The Group reports to the Carbon Disclosure Project ("CDP") in support of these aims. The CDP's data both encourages and tracks global progress towards building a truly sustainable economy for people and the planet. There is a high and growing market demand for environmental disclosure, and disclosure is the essential first step to drive environmental action. CDP is the gold standard for corporate environmental reporting. Moreover, there are tangible business benefits to be gained from responding to our customer stakeholders' requests for disclosure in terms of demonstrating our alignment with their ambitions and commitments.

The Group manages the topic of GHG emissions top-down. Scope 1+2 GHG emission targets are essential because of the Paris Agreement. For this reason, the Group's Board of Directors has set a target of a reduction of 50% of Scope 1 and 2 GHG emissions by 2030 (adjusted for clean energy sources). The choice of this target and the 2030 timeframe was made considering the targets of our main stakeholder customers who require their suppliers to commit to steep reductions in GHG emissions. The long-term goal of our customers, and of CLN, is to achieve net-zero GHG emissions in accordance with the Paris Agreement. The alignment with our customer targets means that the Group's emissions reduction pathway and medium-term targets are compatible with a long-term emissions reduction pathway for the industry in which CLN is engaged.

The emissions target for 2030 has been allocated by region and facility to be able to identify those areas where special attention may be required.

The Group also monitors an emissions intensity figure calculated according to market standards as - Scope 1 + Scope 2 emissions/Total revenue in Euro. The emissions intensity figure for 2022 is 0.066 Kg of CO₂ per Euro.

The strategy for achieving emission targets, together with the timeline for change across the Group's subsidiaries, is monitored monthly by the Group's Corporate EHS department who are responsible for identifying the conditions that need to be in place for the successful implementation of the strategy and for ensuring the individual subsidiaries meet their targets.

Oversight for climate related risk and opportunity is the responsibility of the Group EHS Corporate department manager, who reports to the CLN Board Member responsible for

CSR compliance when matters need to be brought to the attention of the CLN Board. Energy use data from every facility in the Group is collected monthly, converted into metric tons of CO₂ equivalent, and consolidated by Group EHS Corporate department for reporting purposes. In 2022 the Group’s direct and indirect CO₂ amounted to 106,716 metric tons of carbon dioxide equivalent, which is lower than expected due to the impact of Covid-19 and the shortage of semi-conductors in the market which reduced vehicle production (GRI305-1, GRI305-2).

<u>Group SCOPE 1 - tCO₂e from fuel combustion on site</u>	2020	2021	2022
Direct CO ₂ emissions (metric tons of CO ₂ equivalent)	14,506	14,199	16,215
<u>Group SCOPE 2 - tCO₂e from electricity purchased</u>	2020	2021	2022
Indirect CO ₂ emissions (metric tons of CO ₂ equivalent)	89,591	92,965	90,501
<u>Group SCOPE 1+2 - tCO₂e</u>	2020	2021	2021
Total direct and indirect emissions (location based)	104,097	107,164	106,716
<i>Note: Estimation adjusted for energy coming from green sources (market based)</i>	89,230	64,211	75,018

Calculation basis: The GHG emissions have been calculated using the International Energy Agency 2020 conversion factors.

Site and regional management are required to consider the effectiveness and cost of installing technology, process optimization or equipment that reduce GHG emissions or decrease energy consumption or generate energy from renewable sources, such as solar, wind or biomass. Associated projects are submitted to the Group’s Corporate EHS department for review and approval.

Local EHS officers are responsible for ensuring that employee awareness programs and/or training programs on energy conservation are carried out periodically. The Group is aware that environmental protection must be – above all – pursued through the optimization of energy use, and through little everyday actions carried out at the production facilities and offices. The Group has organized communication campaigns to promote several “Top Tips” to raise environmental awareness among employees, and to reduce its environmental impact by means of simple but effective behavioral rules including conscious use of air conditioning and heating systems as well as efficient lighting.

The Group promotes the use of compensation measures for its GHG emissions. For example, it promotes the creation of green spaces (trees, bushes, grass, and flowers) to increase carbon capture and sequestration, as well as to contribute to an increase in

biodiversity in the areas close to the production facilities. The Board has set a target to have planted 15,000 trees by 31 December 2030, including those planted from 1 January 2019 (Spekboom in South Africa is defined as a tree for this target). As of 31 December 2022, CLN Group has planted the following number of trees since 2019:

- MW division – 6,053 trees accumulated.
- MA division – 8,775 trees accumulated.

CLN actively encourages its subsidiaries to reduce the emissions from transport. To this end, the Group Travel Policy has the purpose of helping CLN Group to reduce the energy consumption and GHGs attributable to its activities and to encourage a smarter approach to travel, whilst enhancing the H&S of its employees. Travel is only permitted if the business objective of the trip cannot be achieved using remote meeting resources such as telephone conferencing or applications approved by CLN IT department, such as Microsoft Teams. In cases where travel cannot be avoided, rail is the preferred option for Group employees as it is both safer and more environmentally friendly than other methods of transport such as airline travel or the use of cars. As flying is the most polluting form of travel, all airline bookings must be approved by the Divisional CEO.

Scrap and waste management (3.3)

CLN Group facilities produce significant metal scrap waste during the process of transformation of steel and aluminium coils and purchased metal components into metallic assemblies using the following production processes, all of which are located within the Group's facilities:

- Cold stamping of steel and aluminium.
- Roll forming of steel and aluminium.
- Assembly of metal components by means of robot welding.
- Coating of metal components (cataphoresis, powder/liquid finishing).
- Longitudinal and transversal cutting of steel.
- Steel annealing in furnaces and through heat treatment.

Steel and aluminium are by far the most significant input required for the Group's activities, and over 98% of the Group's total waste is non-hazardous metal scrap sold for recycling. Other non-hazardous waste such as cardboard and wood pallets are also recycled but represent only a small proportion by weight.

The impacts are all generated within the facilities themselves and can therefore be controlled using procedures at site level. Steel, which is by far the raw material most utilized by the Group, is the most recyclable and recycled material in the world, since it is one of the few materials that does not lose its properties when it is recycled. In fact, more than

80% of steel worldwide is estimated to be recycled. Moreover, with its resistance and versatility steel lends itself to countless strategic sectors, including:

- Transportation: trains, watercraft, cars, bicycles, etc.
- Energy: load-bearing elements of wind power production facilities and electrical power transmission lines (trellises)
- Construction: concrete reinforcement and other components

Aluminium scrap, which is the Group's second most important by-product after steel scrap, is also highly recyclable and managed in the same way as steel in all Group facilities.

The input steel and aluminium used in the Group's production processes is of a very high quality and grade and is always approved by our customers and purchased from large multinational steel or aluminium producers. As outlined in the next section of this report, the Group's suppliers of steel and aluminium are carefully vetted to ensure that they meet high levels of sustainability compliance. Because of the high quality of input material, nearly all the scrap steel and aluminium waste produced, most of it generated within the Group's own facilities, is collected, and recycled. A much smaller quantity of similar waste is generated by the suppliers of metallic sub-components, which is generally managed in a similar manner by these suppliers (GRI306-1).

All Group facilities are expected to carefully monitor scrap metal as a proportion of input material and reduce scrap rates according to annual targets. Furthermore, the scrap metal generated must be weighed using dedicated weighbridge equipment and documented, normally before it is permitted to leave the facility. Scrap metal generated and sold is therefore very carefully controlled daily. Most CLN Group facilities have dedicated areas for scrap management on site for the collection, preparation, and sorting of scrap metal. Local management ensure that their scrap dealers manage scrap in line with specific agreements which outline conditions between the parties and are aligned with local legislation. These merchants sell the Group's scrap to steel and aluminium producers who in turn use it to produce steel and aluminium for sale to industry (GRI306-2).

Other than scrap metal, the Group's manufacturing processes do not generate a significant quantity of non-hazardous waste. However, although the amount of such waste is minor compared to steel and aluminium scrap, the Group takes the management of such waste very seriously as set out in the Groups Environmental Policy. CLN Group facilities are required to take measures to reduce the impacts from effluents, by-products, residues, and waste arising from operations to have the smallest environmental impact possible. CLN Group facilities are required to ensure associated recovery or disposal processes are designed to pose as little risk as possible to humans and the environment. Discharge of

production residues directly into rivers, streams, lakes, or submarine environments is strictly prohibited.

CLN Group facilities are required to have strict processes in place for labeling, storing, handling, and transporting hazardous waste. On-site and off-site storage areas are required to effectively prevent the release of residues into the environment and must be checked regularly to ensure their integrity. CLN facilities are required to request chain of custody and ownership documentation and to use only licensed third parties for transport of hazardous waste. Where a facility has been the subject of controversy in relation to waste or residues it is required to report the issue immediately to the Groups Corporate EHS department with a proposed mitigation plan.

CLN Group is conscious that materials which have reached the end of their life within its operations or offices have much less impact on the environment when recycled or reused. All CLN sites and offices are required to have in place containers and/or bins to enable segregation of all such materials, including wooden pallets, metals, plastics, paper, and carton. These segregated materials are required to be disposed of using licensed third parties who can ensure that the materials are recycled where possible. Furthermore, CLN Group sites are required to actively seek to replace consumables and packaging with materials that can be recycled or are made from recycled or biodegradable material, for example plastics with cartons for packaging. Where possible plastic packaging and wrapping are being eliminated.

All CLN sites are expected to report their hazardous and non-hazardous waste to the Group’s Corporate EHS department monthly and to set medium term targets aligned to CLN Group targets.

During 2022, the Group has re-sold about 270,000 metric tons of metals (steel and aluminum) destined for recycling with reputable third-party scrap merchants or steel producers which are monitored by a specific manager responsible for each region. Hazardous waste generated by the Group is relatively small, mainly waste oil and elements contaminated with oil such as kegs or rags which are disposed of according to local legal requirements (GRI306-3; GRI306-4; GRI306-5):

<u>Metal scrap and hazardous waste (metric tons)</u>	2020	2021	2022
Non-hazardous waste – mainly metal scrap diverted from disposal and re-sold for recycling into reusable material offsite	256,158	278,457	272,661
Hazardous waste disposed of with licensed third parties for incineration offsite without energy recovery.	2,689	2,602	2,547

The Group collects data monthly on the tons of non-hazardous waste, mainly represented by scrap metal which is sold for recycling. The percentage of waste recycled by the Group as a percentage of the sum of hazardous and non-hazardous waste is as follows:

<u>Recycled waste percentage</u>	2020	2021	2022
Recycled waste percentage	96%	98%	98%

Significant spills are required to be reported to the Corporate EHS department. No significant spills occurred during the year ended 31 December 2022, and there were no significant fines or sanctions for non-compliance with waste disposal laws and/or regulations.

Sustainability in the steel and aluminium supply chain (3-3)

The Group’s main purchase and supplier types are (2-6b.ii):

- Raw material, principally of steel and aluminium
- Direct goods and services for production purposes
- Investments in plant, equipment, and machinery
- Tooling/dies.

Purchases of raw material (steel and aluminum coils and plate in particular) is carried out through approximately 10 large multinational manufacturers and these large suppliers are largely managed by Corporate Purchasing in Italy. In fact, more than 70% of CLN purchases are of steel or aluminium and come from this small number of suppliers. These companies generally have extensive CSR reporting available for review and have long-term business relationships with the Group. Subsidiaries are informed of which suppliers they are permitted to use and the conditions of purchase, and the steel or aluminium mill used is normally chosen because of its relatively close geographic location to the CLN facility concerned. The steel sector has special characteristics regarding GHG emissions due to the high use of coal in the production process. During 2022, CLN was a member of ResponsibleSteel to monitor developments for low carbon steel in the sector and furthermore, CLN employees receive regular updates from suppliers in face-to-face meetings.

Direct goods and services for production purposes – related directly to the production cycle – mainly include semi-finished goods, transportation, energy, maintenance, and services for payroll management and cleaning. There is a large supplier pool with suppliers mainly

located in the regions in which the Group operates, given the requirement to provide prompt assistance to avoid business interruption.

The Group emitted a Supplier Policy statement and Code of Conduct in May 2021 to set out the guidelines that CLN expect suppliers to follow regarding Corporate Social Responsibility issues. The policy is published on the Group website, and CLN calls upon its suppliers to encourage their subcontractors to comply with the guidelines set out.

The Conflict Minerals Policy Statement adopted by the Group in January 2021 sets out the goal of ensuring that only Conflict Free minerals are used in the materials and products purchased, and to direct procurement choices towards suppliers that align with the principles expressed in this statement.

Based on the preliminary unaudited closing of CLN, the total amount of purchases in 2022 was about 1,307 million euros. Of these 1,068 million euros are for purchases of steel or aluminium coils and plates. Purchases related to plant, machinery, tooling, and dies represent a spot form of purchase carried out with multinational players that may be located anywhere in the world. Purchases in equipment and machinery amounted to about 103 million euros.

To maintain the highest possible level of customer satisfaction, the Group selects its suppliers based upon objective quality and reliability characteristics, technological innovation, and value for money. The Group uses predominantly steel and aluminium to produce its products. This means that the steel and aluminium supply chain is key to the Groups success, both in terms of quality and cost. Therefore, the Group buys steel and aluminium either directly from large multinational companies or through resale or quasi-resale mechanisms from its major customers (meaning negotiations regarding terms and conditions are carried out by the Group's customer).

The main responsibility the Group has regarding its supply chain is to ensure alignment with the Group's Code of Ethics. The Group's principal suppliers generally have extensive CSR programs, and a large amount of comfort regarding the social responsibility of these suppliers can be obtained by a regular and detailed review of their main CSR and sustainability initiatives. Approximately 80% of CLN purchases are of steel or aluminium and the Group's CSR Compliance Officer has carried out a review of CLN suppliers supplying over 90% of the steel and aluminium to the Group during the last few years. The review included an extensive review of CSR and sustainability reports, independent audit conclusions, and major CSR and sustainability initiatives. The conclusion was that these suppliers represent a low level of risk regarding CSR compliance.

The other main elements of the Groups supply chain are stamped components, representing approximately 8% of total purchases and capital items representing approximately 8% of total purchases. For these suppliers, CLN Group is committed to

responsible sourcing and to communicating this commitment as broadly as possible within the supply base. Where CLN becomes aware that a key supplier has policies or practices which are incompatible with the Group's Code of Ethics, the purchasing organisation is responsible for taking action to try to improve the performance of the supplier or discontinue sourcing where this is feasible.

An addendum to the supplier Terms and Conditions has been drafted and is being included with new purchase orders for important suppliers from 2022 onwards. This means that the Group's CSR requirements will become a formal requirement of those suppliers for every new purchase order issued. The new addendum to the terms and conditions of suppliers includes Business Ethics and Corporate Responsibility clauses on:

- Working conditions/Labour standards/Human rights
- Business ethics standards
- General environmental standards
- Conflict minerals

The Board of Directors of CLN has set a target for our purchasing department that the terms and conditions addendum will be rolled out to over 70% of suppliers by 2030 (excluding steel and aluminium suppliers). This will allow the Group to withdraw from a supply contract in the case of material non-compliance.

CLN was a member of the ResponsibleSteel initiative during 2022. ResponsibleSteel seeks to develop standards and certification to support sustainability for businesses in the steel processing supply chain. Members include important suppliers of the Group, such as ArcelorMittal and Voestalpine, and important customers such as Daimler and BMW.

On behalf of Board of Directors

Beatrice Perris Magnetto

Member of the Board of CLN S.p.A.

APPENDIX: Content Index according to GRI-1: Foundation 2021

CLN Coils Lamiere Nastri S.p.A. has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 in accordance with GRI Universal Standards 2021

GRI Standard	Disclosure	Page number	Omissions/Notes concerning coverage of GRI disclosure
GRI 2 General Disclosures 2021	2-1a. Legal name of organisation	8	-
	2-1b. Nature of ownership and legal form	8	-
	2-1c. Location of headquarters	8	-
	2-1d. Countries of operation	9	-
	2-2a. Entities included in the sustainability reporting	17	-
	2-2b. Difference of entities with financial reporting	17	-
	2-2c. Approach for consolidating information	17	-
	2-3a. Reporting period	8	-
	2-3b. Financial reporting period	8	-
	2-3c. Publication date of CSR report	1,8	-
	2-3d. Contact point for questions regarding this report or reported information	16	-
	2-4 Restatement of information	17	-
	2-5 External assurance	8	-
	2-6a. Sectors in which CLN is active	8	-
	2-6b.i. Activities, products and markets served	9	-
	2-6b.ii. Supply chain	50	-
	2-6b.iii. Entities downstream from the organisation and their activities	8	-
	2-6c. Relevant business relationships	9	-
	2-6d. Significant changes in activities, value chain and business relationships	9	-
	2-7 Information on employees	28	Non-guaranteed hours employees do not exist in the Group so no disclosure is reported for this type of employee.
2-8 Workers who are not employees	31	The data is not reported for the previous years as it was not available.	
2-9 Governance structure and composition	10	-	
2-10 Nomination and selection of the board of directors	-	CLN is a privately owned company and the disclosure of the nomination and selection process and the criteria used for appointing members of the board of directors are omitted for reasons of the confidentiality of the individuals involved.	
2-11 Chair of the highest governance body	10	-	
2-12 Role of highest governance body in overseeing the Management of impacts	15	-	
2-13 Delegation of responsibility for managing impacts	15	-	
2-14 Role of the highest governance body in sustainability reporting	15	-	
2-15 Conflicts of interest	10	-	
2-16 Communication of major concerns	28	-	
2-17 Knowledge of the highest governance body	26	-	
2-18 Evaluation of the performance of the highest governance body	-	CLN is a privately owned company and the disclosure is omitted for reasons of the confidentiality of the individuals involved.	
2-19 Remuneration policies	-	CLN is a privately owned company and the disclosure is omitted for reasons of the confidentiality of the individuals involved.	
2-20 Process to determine remuneration	-	CLN is a privately owned company and the disclosure is omitted for reasons of the confidentiality of the individuals involved.	

	2-21 Annual total compensation ratio	-	CLN is a privately owned company and the disclosure is omitted for reasons of the confidentiality of the individuals involved.
	2-22 Statement from senior decision-maker	2	-
	2-23 Policy commitments	12	-
	2-24 Embedding Corporate Social Responsibility within the Group	15	
	2-25 Processes to remediate negative impacts	14,15,18,22,32	-
GRI Standard	Disclosure	Page number	Omissions/Notes concerning coverage of GRI disclosure
	2-26 Mechanisms for seeking advice and raising concerns	16,23,24	
	2-27 Compliance with laws and regulations	14,23,24	
	2-28 Membership of associations	19	-
	2-29 Stakeholder engagement	17	
	2-30 Collective bargaining agreements	32	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics	20	-
	3-2 List of material topics	21	-
MATERIAL TOPIC ETHICAL BEHAVIOUR			
GRI 3: Material Topics 2021	3-3 Management of material topics	22	Also covered in each section of material topic
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	22,25	-
	205-2 Communication and training about anti-corruption policies and procedures	26	-
	205-3 Confirmed incidents of corruption and actions taken	25	-
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	25	-
MATERIAL TOPIC ENERGY			
GRI 3: Material Topics 2021	3-3 Management of material topics	40	-
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	41	-
	302-3 Energy intensity	41	-
MATERIAL TOPIC WATER			
GRI 3: Material Topics 2021	3-3 Management of material topics	42	-
GRI 303: Water and effluents 2018	303-3 Water withdrawal	44	-
MATERIAL TOPIC CO₂ EMISSIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics	45	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	46	-
	305-2 Energy indirect (Scope2) GHG emissions	46	-
MATERIAL TOPIC WASTE			
GRI 3: Material Topics 2021	3-3 Management of material topics	47	-
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	48	-
	306-3 Waste generated	49	
	306-4 Waste diverted from disposal	49	
	306-5 Waste directed to disposal	49	

GRI Standard	Disclosure	Page number	Omissions/Notes concerning coverage of GRI disclosure
MATERIAL TOPIC ENVIRONMENTAL COMPLIANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	38	-
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	40	-
MATERIAL TOPICS EMPLOYMENT, HUMAN RIGHTS and EQUAL OPPORTUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics	28	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	31	-
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	11.33	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	34	-
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	34	-
MATERIAL TOPIC OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	34	-
GRI 403: Management approach 2018	403-1 Occupational health and safety management system	35	-
	403-2 Hazard identification, risk assessment, and incident investigation	35	-
	403-5 Worker training on occupational health and safety	38	-
Occupational health and safety	Work-related injuries	35	The Group reports alternative data using Frequency rates and Gravity rates of injury instead of reporting under GRI403-9 as this is the system used for many years and is deemed adequate by the Group
MATERIAL TOPIC TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics	36	-
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	36	-
	404-2 Programs for upgrading employee skills and transition assistance programs	37	Incomplete - Does not include transition assistance programs as these do not exist in the Group. At this point in time the group has not established a timeframe to obtain this information.
	404-3 Percentage of employees receiving regular performance and career management reviews	38	Incomplete - Collection of data commenced during 2020 by Central HR and we expect to be able to fully comply by 2023.
MATERIAL TOPIC SOCIOECONOMIC COMPLIANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	24	-
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	25	-
GRI 415: Public policy 2016	415-1 Political contributions	25	-
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25	-