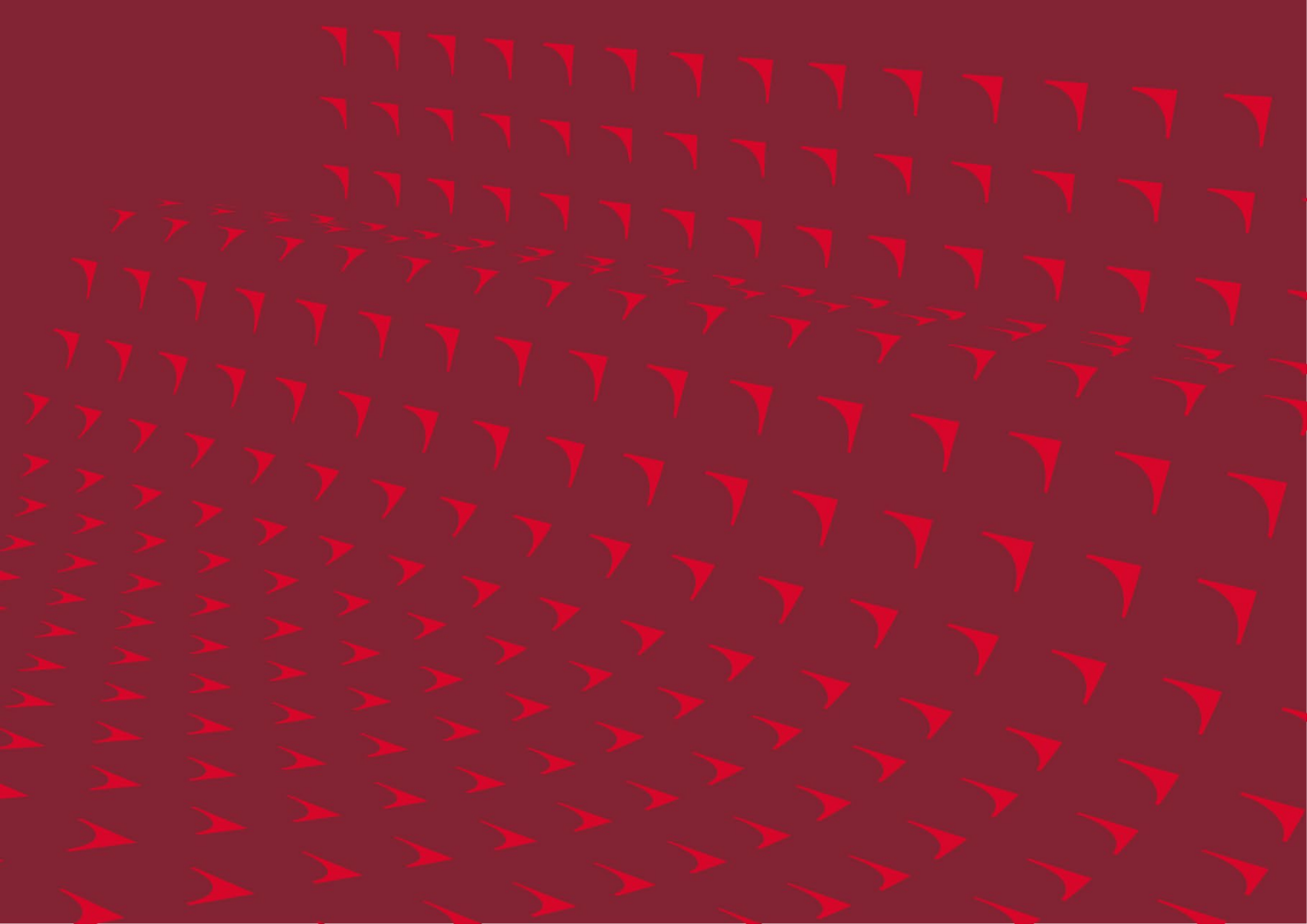




(Translation from the Italian original which remains the definitive version)

# Consolidated 2022 Non-Financial Statement

Pursuant to Legislative Decree no. 254/2016



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## Letter to the stakeholders

*Dear Stakeholders,*

*In our managerial role of the CIR group and as long-term shareholders of our subsidiaries, our goal is to generate value in the short, medium, and long-term, for the benefit of all stakeholders.*

*This means adopting initiatives, behaviours and, in general, a way of doing business that allows for the sustainable success of the Company and its subsidiaries to be achieved.*

*To achieve lasting success, we believe that excellent governance is essential above all, guaranteeing long-term strategic vision and management based on commitment, rigour, integrity, and transparency.*

*From this point of view, the governance of the Company and its subsidiaries is in line with best practices, starting from the composition of the management bodies. Mostly made up of qualified independent directors, their composition reflects the principles of diversity in terms of gender, experience, skills, and age. We have always promoted the establishment of independent and effective control functions, even beyond the legal obligations, and have spread a managerial culture based on a strategic vision and an orientation towards sustainable long-term economic prosperity.*

*We only invest in business models that make it possible to create value in an ethical and responsible way, which combine opportunities for success and a contribution to the progress and well-being of the companies in which we operate.*

*CIR Group operates in two very different sectors: in the health and social care sector in Italy and Germany, through KOS, and in the automotive components sector, through Sogefi, active around the globe.*

*Both sectors are directly involved in some of the biggest challenges that Western societies have to face: the well-being of increasingly large elderly populations and eco-sustainable mobility.*

*KOS's mission is to provide services to the elderly population who are no longer self-sufficient and to those affected by mental or physical disabilities; it is an activity with a high social impact, which supports and cooperates with the national health system, to provide solutions to people in situations of fragility.*

*The company is based on a philosophy of care and service aimed at bringing the maximum possible well-being to people with the aforementioned frailties and is committed to the continuous improvement of the quality of care and service, for the benefit of its guests and the sustainable success of the Group.*

*The pandemic, in addition to putting a strain on KOS structures and their staff, to whom we renew our thanks, had a significant impact on the functioning of the sector, affecting the volume of activity, i.e., the number of guests present in the residences as well as the rehabilitation services provided.*

*It should be added that over the last few years, all the costs necessary to maintain the high-quality standards that constitute the raison d'être of our company have significantly increased, due to the scarcity of resources for social and health care and, more recently, high inflation, which has affected all the hotel management costs we incur.*

*We are confident that, after the recovery recorded in 2022, 2023 will see normal conditions restored, for the full operation of our structures and institutions, engaged today in the reform of the health system and in directing and implementing the investments required by the PNRR for health. They will lend their support to the Social Care Residences, a crucial system in a society that counts among its main challenges precisely that of a progressive and rapid aging of its population.*

*As far as Sogefi is concerned, we are committed to ensuring that the company is an active player in the technological transition that affects the entire automotive sector, dedicating its consolidated research and innovation capabilities to preparing solutions for sustainable mobility, ensuring the company holds a leading role in the market in the long term, accompanying its customers in the process of technological transition.*

*We are satisfied with how the company has been able to manage the difficulties caused by the health crisis, by tensions on the availability and prices of raw materials and energy, and by the still-limited car production volumes, especially in Europe, recording higher results in 2022 compared to 2019.*

*We are convinced that the stability shown by our companies in the face of the many difficulties that have characterized the environment in recent years will allow us to successfully face the new challenges of our sectors.*

*We would like to conclude by expressing our gratitude to all Group employees and collaborators for their commitment and the results obtained.*

*And we submit our sustainability report to the attention of all of you stakeholders, which shows how our activities are implementing the defined ESG plans and making progress in line with the objectives in terms of impacts on the environment, people, and society.*

Rodolfo De Benedetti  
Chairman

Monica Mondardini  
Chief Executive Officer

## Introduction

This document constitutes the consolidated Non-Financial Statement (hereinafter “NFS”), in compliance with Legislative Decree no. 254/2016 (“Decree”) and subsequent amendments or additions and drawn up as a separate report from other published disclosures, conforming with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the “Global Reporting Initiative” (“GRI”), for the period from January 1<sup>st</sup>, 2022, to December 31<sup>st</sup>, 2022.

### 1. The CIR Group

**CIR – Compagnie Industriali Riunite S.p.A.** (“CIR” or the “Company”) is an Italian holding company, listed on the Milan Stock Exchange in the Euronext Milan segment, FTSE Italy Mid Cap index, which controls operating and finance companies (CIR and its subsidiaries together constitute the “CIR Group”, or simply the “Group”). The company, based in Milan, was founded in 1976 and has always been controlled by Fratelli De Benedetti S.p.A., which on 31 December 2022 owned 36.0% of the ordinary share capital and 46.3% of the voting rights.

CIR's **mission** is to hold controlling stakes with a view to being a stable shareholder and to create leading companies in their field, oriented towards responsible and sustainable long-term growth.

Through its subsidiaries, the CIR Group operates in **three sectors**: long-term care through KOS S.p.A., components for the automotive sector through Sogefi S.p.A. and financial management through CIR Investimenti S.p.A. and CIR International S.A.

**KOS**, of which CIR holds 59.8%, was founded in 2003 by CIR and via a series of acquisitions has become a leading Italian healthcare Group operating, in health and social care with various well-known brands and in chronic residential care in Italy and Germany, and rehabilitation, psychiatry and acute care medicine in Italy.

**Sogefi**, of which CIR holds 56.6%, was founded by CIR in 1980 and today is a leading company operating worldwide in the design and production of filtration systems, air and cooling systems and suspensions for vehicles, both original equipment and for the aftermarket. The Group collaborates with the world's leading manufacturers of industrial vehicles, cars, two-wheeled and three-wheeled commercial vehicles, and earthmoving equipment. It has production plants in Europe, NAFTA, LATAM, China and India. Sogefi shares, which have been quoted on the Milan Stock Exchange since 1986, have been traded on the STAR segment (now Euronext STAR Milan) since January 2004.

Below, the activities of the Group and their main strategic objectives are summarized.

	<b>59.8%</b> <b>KOS</b>	<b>56.6%</b> <b>SOGEFI</b>	<b>100.0%</b> <b>CIR Investimenti</b> <b>CIR International</b>
<b>Activities</b>	<ul style="list-style-type: none"> <li>• one of the main Italian operators in the health and social care sector;</li> <li>• in Italy, 56 residential care homes for the elderly and 36 psychiatric and rehabilitation facilities, 36 day-hospitals e 2 hospitals;</li> <li>• in Germany, 51 residential care homes for the elderly;</li> <li>• Turnover 2022: €701m</li> <li>• No. of beds: 13,500</li> <li>• No. of employees: c. 11,000</li> </ul>	<ul style="list-style-type: none"> <li>• produces automotive components in three sectors: Filtration, Air &amp; Cooling, and Suspensions;</li> <li>• present on four continents, 18 countries with 37 production plants and 8 research centres;</li> <li>• partners with the largest vehicle manufacturers, and operates in the original equipment, original spare parts, and independent spare parts markets;</li> <li>• Turnover 2022: €1,552m</li> <li>• No. of employees: c. 5,400</li> </ul>	<ul style="list-style-type: none"> <li>• a diversified asset portfolio</li> <li>• liquid assets (fixed income funds, cash &amp; time deposits, and hedge &amp; equity funds);</li> <li>• investments in private equity funds</li> <li>• direct investments in minority interests</li> <li>• property investments</li> <li>• around €400 m in assets</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• maintain <i>leadership</i> based on the excellence of its own philosophy on the quality of its services;</li> <li>• in Italy, continue to build on organic development and acquisitions of new structures, capitalising on know-how gained through helping the elderly, rehabilitation and in psychiatric assistance;</li> <li>• consolidate a significant position in Social Care Residences in Germany, starting with the acquisition of a local company in 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• to develop a range of products for electric vehicles;</li> <li>• focus development on products that are high-tech with high added value;</li> <li>• increase its presence in NAFTA and China, while maintaining its significant positions acquired in the European market.</li> </ul>	<ul style="list-style-type: none"> <li>• maintain a conservative and diversified policy of asset allocation;</li> <li>• Contain and limit the Value at Risk of the portfolio.</li> </ul>

CIR's **consolidated equity** amounts to € 1,004.2 million.

## 2. The economic value generated and distributed by the Group in 2022<sup>1</sup>

The Group's activities in 2022 recorded a marked recovery, after being affected by the consequences of the COVID-19 pandemic in 2020 and 2021.

As far as KOS is concerned, the initial phase of the pandemic spreading led to a real emergency in the structures, due to the infections of both guests and staff. Denying entrance to the Social Care

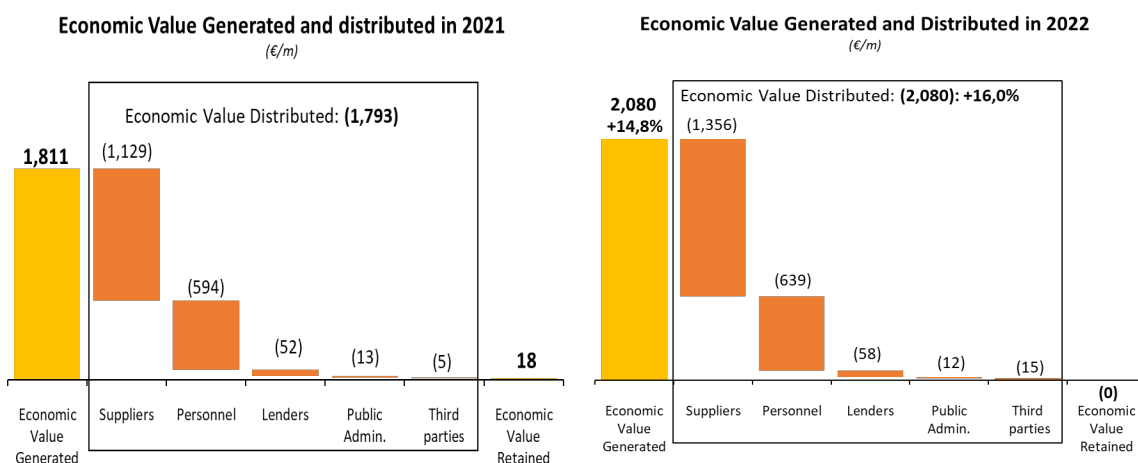
<sup>1</sup> The 2021 figure for the economic value generated and distributed has been restated with respect to the previous Non-Financial Statement following the application of the IFRS5 standard to the Indian Subsidiary of the KOS Group.



Residences, which took place in 2020 and 2021 to contain the number of infections resulted in a drop in the number of guests present in the structures; moreover, the marked reduction in planned hospital activities, done in order to give priority to the pandemic emergency, reduced the demand for rehabilitation services. With vaccinations, the situation was brought under control and the effects of the pandemic were significantly mitigated. From mid-2021, activities have been able to resume, and in 2022 the recovery was significant, and the trend is expected to continue in 2023, reaching full operation in 2024. At the same time, KOS, like the entire sector in which it operates, is addressing issues linked to the shortage of social and health personnel, which emerged following the pandemic, as well as the increase in all management costs due to the high level of inflation, issues that will have to be managed gradually, in cooperation with institutions. Positive and long-term sustainable conditions look to be restored over the next three years.

As far as Sogefi is concerned, the pandemic in 2020 led to the collapse of the automotive market, due also to the government lockdowns and restrictions that suspended production activities. In 2021, the recovery was uncertain, due to problems seen at a global level, such as the shortage of certain raw materials and components, the rise in prices and logistical criticalities. Despite the persistence of these tensions, as well as the outbreak of the Russia-Ukraine conflict, in 2022 the recovery was more remarkable, with global production growing overall by 6.0%. The automotive sector is also facing challenges from the technological transition from traditional motors to electric motors: Sogefi, for product lines directly impacted by the transition, a long time ago had already launched research and development activities for sustainable mobility and offers products aimed at the transition. In 2022, Sogefi recorded positive results that exceeded those of 2019, and important progress in the development its range of E-mobility products.

In the context of activities recovering, the Group’s Distributed Economic Value grew by 16.0%, thanks to the increase in activity, the increase in the price of supplies, in particular raw materials and energy, the increase in human resources employed and personnel costs, in an inflationary context. The retained economic value, on the other hand, decreased, due to the decreasing net income, due to the negative return on financial management activities, in the context of negative financial markets throughout 2022.





### 3. CIR’s ESG vision

CIR adheres to the **ESG** values and goals of the UN 2030 Agenda, and in carrying out its own activities it sets the goal of creating value in an ethical and responsible way. CIR integrates good governance, respect for the environment, and social objectives into its own strategy.

Over the last few years, CIR’s **Board of Directors** has decided to give a clear boost to the Group’s vision and strategy on ESG, moving from non-financial performance reporting to defining ESG plans integrated into the related strategic and business plans, and in the remuneration, mechanisms planned for management, for each of the companies that make up the Group.

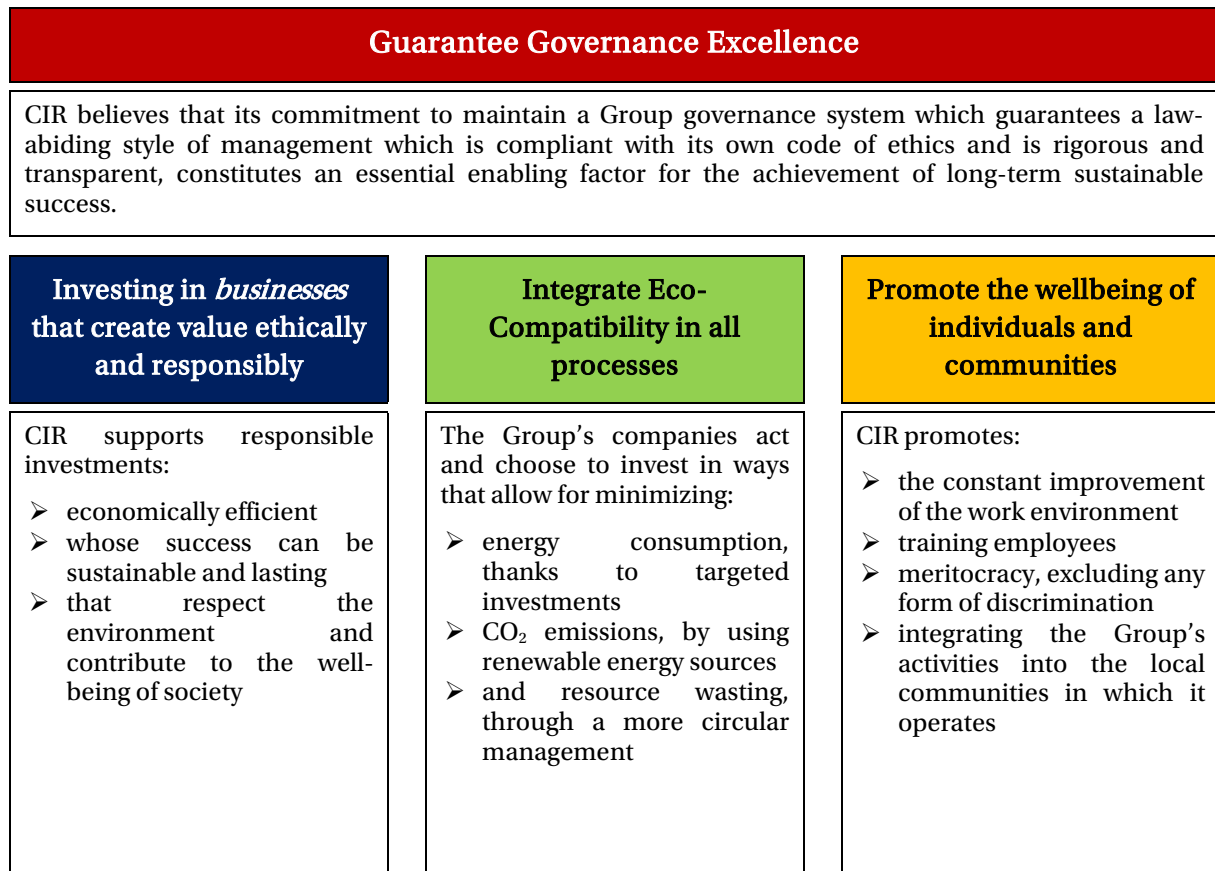
The Board of Directors has defined a governance structure suitable for accompanying the process of integrating ESG aspects into strategic and operation planning, in particular:

- ✓ The Board of Directors attributed to the **Control, Risks and Sustainability Committee**, competences relating to sustainability, with the role of accompanying the formulation of a Group ESG strategy, as well as monitoring its implementation and verifying the results achieved;
- ✓ CIR’s management established an **ESG department**, which plays a pivotal role in coordinating company and Group initiatives, under the pulse of CIR’s CEO and the Control, Risks and Sustainability Committee
- ✓ CIR also boosted the implementation of a similar **ESG governance mechanism** in each of **the main subsidiaries**, which involves the Board of Directors and a dedicated company function, with the tasks of coordinating the company’s ESG plan and strategy, while involving all company functions.

In order to formulate the Group’s strategy, CIR and its subsidiaries referred to the United Nations Sustainable Development Goals (SDGs) framework, which defines the sustainable development objectives, dividing them into specific targets to which individuals, communities and business should take inspiration when carrying out their activities to ensure responsible and ethical actions, preserving the ecosystem and achieving social progress.



In 2021, CIR put forward the Group's sustainable growth plan, updated further in 2022, which is based on four **long-term strategic goals**, which the holding group implements and promotes in all the Group's activities.



CIR believes that the prerequisite for healthy, responsible, ethical, and knowledgeable business management is to have effective **governance**. This objective is expressed through **i)** the optimal composition and functioning of top management bodies, **ii)** a system of shared values with all stakeholders, **iii)** a system of controls capable of verifying compliance with them, and **iv)** evaluation and risk management systems that contribute to informed decision-making, as elaborated upon in the "Report on Corporate Governance and Ownership Structures".

CIR also believes that the creation of value, in order to be lasting, must take place through **investments in sustainable businesses and products**, the impacts of which are in line with the overall well-being objectives of the companies in which the Group is active. After all, the sectors in which CIR operates have potentially high impacts on the environment and the well-being of the population, which must therefore be at the heart of the companies' strategy.

Particular attention is paid to **eco-compatibility**, due to the fact that some Group activities are energy-intensive (e.g., Sogefi's industrial processes) and produce large amounts of scraps or waste. All CIR companies have adopted plans aimed at **i)** energy efficiency, **ii)** increased use of green energy consumption, **iii)** waste reduction and **iv)** waste recycling.

Finally, since sustainable success depends on the well-being and engagement of internal human resources, CIR undertakes precise commitments regarding **employee well-being**, and in particular **i)** training of human resources, **ii)** occupational safety, and **iii)** equal treatment.

The Group's first ESG plan was formulated in 2021, and defined objectives starting from 2022. These objectives have mainly been achieved, with progress by all subsidiaries and all indicators.

Since the subsidiaries operate in very different sectors, the 2022 performance and medium-term objectives are presented separately for each company (attached are all the consolidated indicators required by the GRI).

#### 4. CIR Group: 2022 ESG Plan and performance

In its role as a *holding* company, CIR contributes to the sustainability plan mainly through **i)** its own governance choices and **ii)** advocacy activities towards its own subsidiaries, to ensure that they adopt the best *governance* practices, develop sustainable *business* models, integrating respect for the environment and contributions to social progress into their businesses.

##### 4.1 Corporate Governance

#	COMMITMENT	GOALS
1	Corporate Governance and Advocacy Excellence	<ul style="list-style-type: none"> <li>✓ maintain governance that ensures accountability, transparency, attention to diversity and aligns itself with best practices</li> <li>✓ integrate ESG topics as a key mission of the BoD and management (also by linking incentive plans to sustainable objectives) and informing the market</li> <li>✓ continue to promote responsible, ethical, and compliant actions of all stakeholders, through the Code of Ethics, ensuring adequate training and adherence of all personnel and an effective whistleblowing mechanism</li> <li>✓ integrate the risks associated with climate change into the control and risk management systems</li> <li>✓ ensure that these principles are also adopted by the subsidiaries</li> </ul>

CIR has adopted all measures to ensure the excellence of governance.

##### ***a) A Board of Directors composition that guarantees professionalism and diversity***

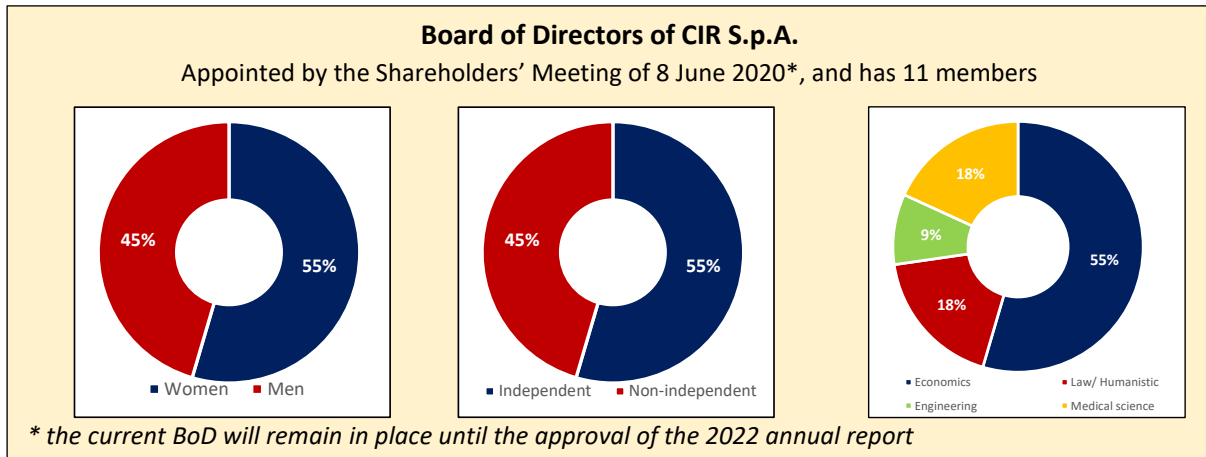
CIR's corporate governance model is a "traditional" one, with the Shareholders' Meeting, the Board of Directors as the management body and the Board of Statutory Auditors as the control body. The Board of Directors is delegated with the broadest powers to manage the Company.

CIR's Board of Directors has a composition suitable for guaranteeing the interests of all shareholders, with an adequate plurality of profiles and skills.

At the date of this NFS, the Board of Directors is made up of eleven members, of which two are executive directors and the others are non-executive directors. Non-executive directors are, in number and authority, sufficient to guarantee that their judgement has a significant weight in board decisions.

Six out of the eleven directors are **independent**. In terms of profile and number, given that most directors are independent, they ensure that the Board of Directors has sufficient autonomy to act in the interests of all the shareholders.

The composition of the Board of Directors ensures a marked level of **diversity**, in terms of gender (with a prevalence of female directors), training, age, and experience, setting an example for the entire Group.



***b) The Board of Directors operates in line with best practices***

CIR's Board of directors, in addition to acting in compliance with the pro-tempore legislation in force and with the provisions of its by-laws, in order to guarantee the effectiveness and transparency of the functioning of the administrative body, and more generally of corporate activity in line with best practices, has adhered to the Corporate Governance Code of Borsa Italiana S.p.A, and has adopted internal operating rules, including its own Corporate Governance Code, the Regulation of the BoD, and numerous procedures and policies that regulate the performance of the main activities of the BoD.

Attention to the governance system has been constant throughout the mandate of the BoD: in 2021, CIR's new Corporate Governance Code was adopted, in line with Borsa Italiana S.p.A.'s new Corporate Governance Code, and in 2022, the BoD formulated the Regulation of the Board of Directors, which sets out the principles of corporate governance in the functioning of the BoD. All the main procedures adopted by the BoD have been reviewed in order to incorporate the main innovations of the new Code, including the dimension of sustainable success.

The 2022 board review painted a very positive picture in all aspects: from the composition of the BoD to the quality and timeliness of the documentation, to the transparency of the exposures, to the completeness of discussions.

***c) ESG strategies and policies integrated into corporate activities***

The Board of Directors has also fully integrated the definition of ESG strategies and policies among its activities:

- ✓ incorporated the principles according to which the former guides the Group and its strategy with the goal of long-term sustainable success into its own Corporate Governance Code, therefore integrating sustainability as a relevant dimension of strategy and business plans;
- ✓ entrusted the Control, Risk and Sustainability Committee with the task of evaluating the ESG plans and monitoring their implementation and the performances achieved;
- ✓ approved the first business plan supplemented by ESG objectives in 2021 for the 2022-2025 period, and updated it in 2022 for the 2023-2026 period;
- ✓ decided to include ESG objectives among relevant KPIs in the variable remuneration system starting from 2021, with the aim of engaging its managers and collaborators.

CIR informs the market, and all stakeholders on ESG performance every year, via the publication of the “Non-Financial Disclosure”. From 2021, in addition to reporting on non-financial performance, it also discloses sustainability plans and objectives to the market.

For a more in-depth analysis of the Company’s and Group’s governance, please refer to the “Report on Corporate Governance and the ownership structure 2022”, and for information on the remuneration system of the various corporate bodies, to the “Report on the remuneration policy and on remuneration paid”, available on the company’s website.

#### ***d) Solid safeguards to guarantee compliance***

In order to promote ethical behaviour by all stakeholders, CIR has also adopted the following tools and models:

- ✓ **Code of Ethics:** a set of ethical and behavioural rules that define the values and principles of the Group; in particular, it promotes compliance with the provisions of the law, and the principles of honesty, impartiality, reliability, loyalty, correctness, transparency and good faith, as well as the centrality of people in compliance with the Universal Declaration of Human Rights of the UN and the ILO; all group employees, suppliers and collaborators are bound to comply with the code, with non-compliance being dealt with by a sanction system;
- ✓ **231 Model:** the “Organisation, Management and Control Model”, pursuant of Legislative Decree no. 231/2001 has the objective of ensuring conditions of fairness and transparency in the conduct of company activities, preventing the crimes envisaged by the Decree; this model was updated in 2021 to comply with new regulations and the evolutions of the organizational structure<sup>2</sup>, and in 2022 a training course was carried out for personnel, regarding the behaviours to adopt, the procedures to be followed and the changes that have occurred in the model;
- ✓ **Whistleblowing:** is a system for the receipt of anonymous reports of any violation or suspected violation of the Code of Ethics or any crime or offence, while guaranteeing anonymity to avoid the risk of retaliation; the task of overseeing the whistleblowing system and receiving reports has been delegated to the Supervisory Body; the Company did not receive news of any reports during the year from the Supervisory Body;
- ✓ **Enterprise Risk Management (ERM):** a structured, formal process to analyse and evaluate the risk elements that the business is exposed to and to define suitable tools to prevent, manage and mitigate the most relevant ones; in particular, the risks associated with any behaviour that does not comply with laws and/ or incorrect operating practices are assessed; based on the assessment updated in 2022, no significant risks have emerged that do not correspond to adequate control measures;
- ✓ **IT security and privacy management tools:** a set of safeguards for the risks associated with fraudulent and unauthorised access by third parties to IT systems; CIR has appointed a Data Protection Officer (DPO) who periodically implements and updates the appropriate technical and operational measures; during 2022, various interventions were carried out, and three new tools were implemented to strengthen the network infrastructure and the IT perimeter of the company; various actions aimed at strengthening IT security are also being implemented, which in 2022 saw the revision of the hardware structure and an update of the procedures for the management of Information Technology;

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<sup>2</sup> The 231 Model is available on the website [www.cirgroup.it](http://www.cirgroup.it) in the section on Governance/ Governance Systems.

- ✓ **Related party procedure:** a set of rules of conduct that the Company is required to adopt to ensure correct management of transactions of this nature; the procedure determines the criteria and methods for identifying related parties of the Company, lays down the principles for identifying transactions with related parties and regulates the procedures for carrying them out, which are periodically assessed by the Board of Directors; the transactions are submitted for the opinion of the Related Party Transactions Committee, made up entirely of independent directors, which assesses the correctness and convenience of such transactions, with a consultative or binding opinion, depending on the circumstances;
- ✓ **Training Plan:** plans are prepared periodically for employee training on the 231 Model and internal regulations to minimise the risk of committing the offences mentioned in Legislative Decree no. 231/2001.

**e) An integrated risk management system, including social and environmental impacts, for informed management**

Finally, CIR S.p.A., in order to responsibly adopt strategies and decisions, has set up an integrated internal control and risk management system which identifies a set of rules aimed at contributing:

- ✓ to the compliance with the legislation, the by-laws, and internal regulations in force from time to time;
- ✓ to the trustworthiness, reliability, and accuracy of financial and non-financial information;
- ✓ to management of the company based on the adoption of informed, sound, correct, prudent decisions, coherent with corporate objectives;
- ✓ to reduce the possibility of making wrong management decisions;
- ✓ to the effective and efficient implementation of company processes;
- ✓ to achieve the sustainable success of the Company;

through an adequate process of identification, measurement, management of the main managerial and compliance risks, the monitoring of these risks, the mitigation measures and any corrective actions identified, the structuring of adequate information flows and the coordination of the players involved.

This Internal Control and Risk Management System (ICRMS) is inspired by and aligned with national and international best practices. In particular, the Company has defined the ICRMS consistently and in accordance with the recommendations of the current Code of Corporate Governance of Listed Companies as implemented by the Company with its own Code of Corporate Governance. It is also in line with the so-called CoSO Report, which represents the internationally recognised regulatory framework of reference for the understanding, analysis, and integrated evaluation of the system's effectiveness.

The ICRMS presents three levels of control, according to the "three lines" model <sup>(3)</sup> and with the related principles, to support the identification of the facilities and processes that can best assist in the achievement of the goals, facilitating robust governance and risk management processes.

In this "three lines" model, the Board of Directors, assisted by the Control, Risks and Sustainability Committee, defines the guidelines, deploys the necessary resources, ensures organisational

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(3) The Institute of Internal Auditors, "The IIA'S three lines model: an update of the three lines of defence", 2020.



delegation and subsequent supervision. The ICRMS also integrates the evaluation of risks linked to social and environmental impacts from actions carried out and monitors their evolution.

For a more in-depth description of the ICRMS, please refer to the “2022 Report on Corporate Governance and Ownership Structures”, available on the company’s website.

During 2022, particular attention was given to the assessment of **risks deriving from “climate-change”**, **i)** the impacts that the intensification of phenomena connected to climate change can potentially have on the value chain (e.g., operations, supply chain, customers and markets), so-called physical risks, also determining risks of deterioration of the economic and financial performances, and **ii)** of the consequences that the decarbonization process can have on the Group’s activities, products and production processes, which are transition risks.

The subsidiaries Sogefi and KOS carried out an assessment, with the support of an external consultant, on how resistant their operating sites are to the five-year impacts of the risks indicated by the “Climate change Delegated Act – Annex II Climate Change Adaptation”.

The analysis was carried out using the models of the IPCC (“Intergovernmental Panel on Climate Change”, the main international body for the assessment of climate change), in two different climate scenarios: an “optimistic” one, which takes into account the adoption of effective measures to combat climate change, and a “pessimistic” one, i.e., the absence of mitigations. This analysis shows that, although some Sogefi and KOS sites are exposed to single “medium” and “high” risks, no site has a high overall risk (the sites that present an overall medium risk are those located in Brazil, China, Morocco and the USA, the others have a “low” risk, even in the most adverse scenarios); these risk profiles do not require urgent action, but could lead to higher operating costs in the future, which companies will take into account in their operating plans.

For Sogefi, the impacts of the transition are: **i)** industrial processes, to be made neutral in terms of emissions, and **ii)** the range of products, which will increasingly have to move towards electric vehicles. In particular, the second aspect concerns the Filtration and Air & Cooling business units, whose product range is destined to evolve.

## 4.2 Ethical and Responsible development models

#	COMMITMENT	TARGET
2	Promote ethical and responsible development models	<ul style="list-style-type: none"> <li>✓ Promote a business culture oriented towards long-term economic prosperity</li> <li>✓ Give priority to the development of products and services taking into consideration their positive contribution to the environment, the well-being of customers and social progress, as well as their economic efficiency</li> </ul>

In this context, CIR, in its capacity as an investment holding company, has an advocacy and monitoring role for its subsidiaries, whose plans, updated this year on the basis of 2022 results, are referred to.

## 4.3 Eco-Compatibility

#	COMMITMENT	TARGET
3	Reduce CO <sub>2</sub> emissions and minimise waste	<ul style="list-style-type: none"> <li>✓ Use energy entirely from renewable sources</li> <li>✓ Plastic ban for all applications, with plastic-free alternatives</li> <li>✓ Minimise the production of unsorted waste</li> </ul>



CIR, whose holding activity has substantially irrelevant impacts on the environment, has nevertheless chose to adopt its own rigorous policy: in 2022, it used energy coming exclusively from renewable sources and reduced unsorted waste and plastic consumption, resorting to “plastic-free” alternatives where possible. This commitment by CIR is also confirmed for the future.

#### 4.4 Well-being of individuals and communities

#	COMMITMENT	TARGET
4	Well-being of communities	✓ Support not-for-profit initiatives with a view to contributing to the debate on socially sensitive issues

CIR S.p.A. supports the initiatives of the Fondazione Ing. Rodolfo De Benedetti ([frdb.org](http://frdb.org)), which promotes applied research on economic policy decisions in the field of the labour market, immigration, and welfare, and organises public events for the scientific community and a wider public of experts and policy makers.

In 2022, the Foundation’s activity consisted of **i)** research on non-rivalry agreements in employment contracts, **ii)** study of the Ukrainian labour market, identifying some guidelines for intervention for future reconstruction.

CIR is also a member of various trade associations and takes part in their activities: Assonime, European Issuers and ERT - European Round Table for Industry.

## 5. KOS: 2022 ESG Plan and performance

### 5.1 The business

KOS is a leading Italian healthcare group operating in the field of health and social care and chronic residential care, rehabilitation, psychiatry, and acute care medicine. In particular, its business is organised around five divisions, each with its own brands.



**Anni Azzurri** offers residential and health care to self-sufficient and non-self-sufficient elderly people, including those with disabilities and pathologies, through a network of 56 facilities in 8 regions for a total of 6,200 beds; there are currently around an additional 350 beds under construction.



**Charleston** offers the same services in Germany, through 51 residences with an availability of 4,400 beds and 4-day care centres; there are currently around an additional 350 beds under construction.



**Santo Stefano** offers functional, residential and outpatient rehabilitation services through a network of 16 facilities for a total of 1,800 beds.



**Neomesia** offers mental health services in 19 different facilities, both communities and clinics, with a total of over 800 beds; there are currently another 20 in construction to be added



**“Suzzara Hospital”** and **“Villa dei Pini”**, are hospitals in Italy, with over 300 beds and 34 outpatient centres.



KOS S.p.A. is held by CIR S.p.A. (with 59.77% of the share capital) and F2i – Fondi Italiani per le Infrastrutture SGR (40.23%).

### 5.2 KOS’s strategic commitment for sustainable growth

The KOS group operates in a sector crucial for the well-being of society, in particular that of assisting the elderly who are no longer self-sufficient, or who are affected by pathologies and disabilities that make residential healthcare necessary.

The centrality of the sector is destined to increase, when taking into account the aging population that currently characterises Western societies, and that constitutes one of the most significant challenges in the long-term.

KOS’s strategy is focused on the quality of care and hospitality offered to its guests and patients, which constitutes the company mission: *“We offer our customers healthcare and personal assistance services with professionalism, a welcoming spirit and humanity...”*.

A corporate mission that requires responsible and transparent management, particularly attentive to the professionalism and motivation of its personnel, without neglecting the environmental impacts.

The strategic commitments of KOS for sustainable growth are summarized below.

Governance excellence		
<b>Quality of care and innovation</b>	<b>Eco-compatibility</b>	<b>Well-being of individuals and communities</b>
<p>KOS strives for:</p> <ul style="list-style-type: none"> <li>✓ permanent enrichment of its own care philosophy</li> <li>✓ continuous improvement in the quality of the assistance offered to its patients and guests</li> <li>✓ looking for innovative services able to respond to the growing needs of care</li> </ul>	<p>KOS is committed to reducing:</p> <ul style="list-style-type: none"> <li>✓ its energy consumption</li> <li>✓ its CO<sub>2</sub> emissions</li> <li>✓ the waste of resources generated by the functional consumption to the services offered</li> </ul>	<p>KOS is aware that lasting success in one's profession requires one's lifelong commitment to:</p> <ul style="list-style-type: none"> <li>✓ contribute to the well-being of their guests and patients</li> <li>✓ motivate the engagement of its human resources</li> </ul>

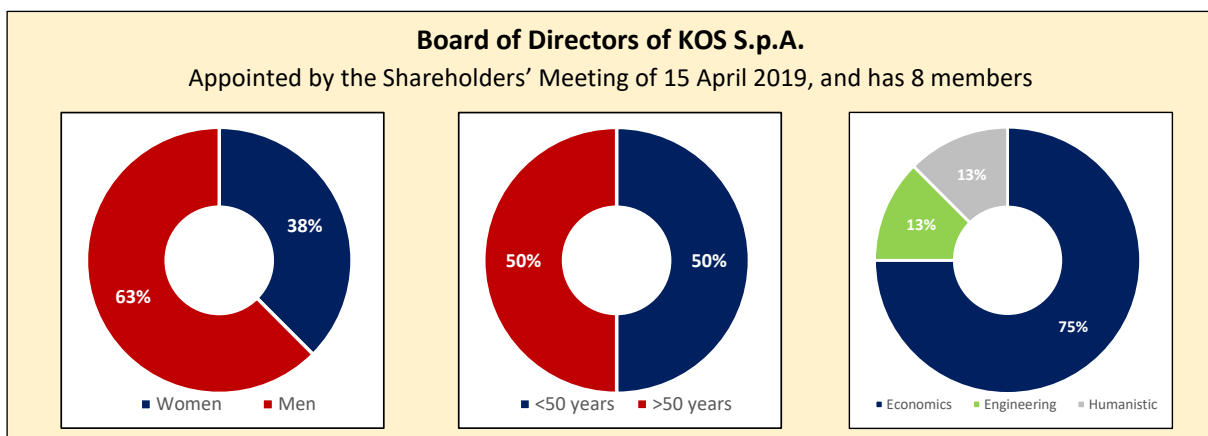
KOS has set out action plans and targets functional to its ESG strategy and in 2022 its performance was in line with the defined targets.

It should be noted that until 2022, the ESG plan only concerned the Italian businesses, as those in Germany were recently acquired. The medium-term objectives, set out below for 2026, include both countries.

### 5.3 Governance

The corporate governance model is a "traditional" one, with the Shareholders' Meeting, the Board of Directors as the management body and the Board of Statutory Auditors as the control body. The members of the Board are appointed by the two shareholders on the basis of a shareholders' agreement which regulates the number of members appointed by each.

The composition of the Board of Directors reflects a reasonable level of **diversity** by gender, age, and skills.



The KOS Board of Directors has adopted an advanced **governance system**, in line with market best practices for listed companies, in particular with the establishment of internal board committees.

KOS has also set up all the **internal control and risk management systems** described above for CIR, in particular by equipping itself with all the bodies and functions envisaged and adapting the system to the specific nature of the activity carried out, as well as to the reference regulatory framework.

In particular, taking into account the activity performed, the KOS control system pays particular attention to: **i)** controls on healthcare and healthcare operations, based on an annual plan approved by the BoD, both in Italy and Germany, to which are added any check on reports or particular situations that might have occurred throughout the year, **ii)** the discipline of Relations with the Public Administration<sup>4</sup>, conducted in compliance with the strictest observance of the applicable legal and regulatory provisions and reserved exclusively for the responsible and authorized company functions.

#### 5.4 ***Quality of care and innovation***

Targets	#	KPIs	2021*	2022*	2026 Target
Orientate the organisation towards continuous improvement in the care and services provided to patients/customers	1	Net Promoter Score**: % of facilities that have an NPS score higher than 30	84%	77%	85%
	2	Electronic Medical Record: % of facilities that adopt digital medical records	18%	31%	90%
	3	Diffusion of the approach to care: % of new hires who have completed a training course in corporate culture	85%	95%	95%
Guide the organisation and all stakeholders to act in full compliance with the law and the Group's Code of Ethics	4	Compliance audit: % of facilities checked annually	41%	44%	55%
	5	Internal clinical audits: % of facilities checked annually	64%	74%	80%
	6	Suppliers: % of suppliers subjected to screening based on ISO 14001 and ISO 45001 certifications	-	67%	90%

\* the 2021 and 2022 values refer only to the perimeter of activity in Italy. The goals for 2026 include the entire KOS Group

\*\* synthetic index of customer experience; the value 30 is reached when at least 65% of the interviewees expressed that they would recommend the structure to friends and relatives. Compared to the 2021 NFS, the calculation method has been simplified.

With a view of **continuous improvement of the care and services provided**, KOS attaches particular importance to three aspects:

- the **satisfaction expressed by guests** (and/ or their families), which, in addition to constituting a measure of success in their mission, represents the most direct and effective way to listen to the needs and areas for improvement perceived by the guests, constitutes a permanent stimulus for all those in charge of the structures. In particular, KOS Italy carries out a multi-channel survey every year (interviews, discussions, surveys, and "totems"), making use of third-party providers, and has set the goal of obtaining a Net Promoter Score (NPS) higher than 30 in 85% of their facilities; in 2022, the goal was 74% and the Net Promoter Score index was higher than 30 in 77% of the structures, thus

<sup>4</sup> The services provided to patients in affiliated facilities are remunerated by the National Health Service through the regional health services; the Group signs annual contracts with the local health authorities which establish budgets for the work to be performed and govern how payments are made; In Germany, the costs of care for the elderly are partly guaranteed by insurance or by local public funds which establish the levels of service.

exceeding the defined goal. In Germany, in 2023, KOS will implement the same system, with the aim of then inserting the targets in the next plan;

- the **digitization of patient medical records**, which favours real-time information sharing within the multidisciplinary team that takes care of patient, as well as eventually with family members. The digitization process began in 2020, and the medium-term goal is to equip 90% of the group's structures with the tool. In 2022 KOS had the goal of moving from 18% of the structures to 25% in Italy and this goal was exceeded (31%);
- the professionalism of the human resources who provide care and service, and therefore **the training of new collaborators**; in this sense, KOS aims to complete the training of new hires in its philosophy of care during their first 12 months of work. In 2022, training was given to 95% of new hires, with a significant improvement compared to 2021, and the goal is to maintain this coverage in Italy and extend it to activities in Germany, where this policy is not currently adopted.

Furthermore, with a view of compliance with ethical principles by all stakeholders, KOS carries out an intense and systematic verification process in the structures, particularly concerning compliance with the defined health protocols, the ethical behaviour of the structures and their service providers and intends to intensify this activity. It therefore decided to set some targets, which were achieved in 2022. In particular:

- to ensure the compliance of all facilities with the group's clinical and health protocols, KOS carries out internal audits every year, in addition to those of the health and administrative authorities in the individual facilities; KOS has defined the medium-term goal of increasing the clinical health audit activity; for 2022 it was set only for Italy, where coverage has increased to 74%, compared to the target of 72%; from 2023, the goal will also include Germany and consists of achieving 80% coverage in 2026;
- to ensure compliance with ethical principles and legislation, KOS carries out **compliance audits** on its structures and believes that in the medium term, each structure must be checked at least once every two years; starting from 41% of structures verified in 2021, the goal for 2022 was to reach 44% of structures, which was achieved; from 2023, the goal will also include Germany and consists of achieving 55% coverage in 2026;
- to guarantee the quality of the performance of **suppliers of goods and/or services**, in 2021 KOS launched a screening of its suppliers, based on the main "ethical" certifications (ISO 14001 and ISO 45001); in 2022, around 67% of suppliers in Italy presented these certifications, compared to the target set at 40%, and the goal is to reach 2026 with 90% of their suppliers certified, both in Italy and in Germany.

### ***5.5 Eco-Compatibility***

KOS's business has a low environmental impact: **i) this activity is not energy-intensive**; energy is mainly for residential use and medical equipment, therefore the potential for reduction is low; **ii) product waste** consists of sanitary material for the treatment of patients, material for the maintenance and management of buildings and ordinary waste produced by the facilities, while water consumption is for hygiene and food, therefore the potential for reduction is low.

Nonetheless, KOS has adopted a policy in this area.

TARGET	#	KPIs	2021*	2022*	2026 Target
Reduce CO2 emissions by increasing energy efficiency, reducing energy consumption, and promoting renewable energy sources	7	Energy Mix**: % renewable electricity used/total energy used	0.31%	16%	25%
	8	Energy intensity: reduction of energy consumed /revenue	0.27	0.23	-4% vs 2022
	9	Monitoring systems: % of plants covered by energy monitoring systems	16%	20%	26%
Minimise waste and promote recycling and reuse	10	Food waste reduction: % of facilities with a meal reservation system	22%	37%	75%
Adopt best operating practices	11	% of newly built facilities that are LEED-certified	50%	**	100%

\* the 2021 and 2022 values refer only to the perimeter of activity in Italy. The goals for 2026 include the entire KOS Group

\*\* during the year, no facilities were built in Italy

To contribute to decarbonisation efforts, the Group is pursuing **i)** the procurement from renewable energy sources, **ii)** a reduction in energy intensity, and **iii)** the installation of systems to monitor energy consumption.

In 2022, energy supply from renewable sources represented 16% of total consumption in Italy, with strong growth compared to 2021, and in line with the set target; the goal of reaching 25% by 2026 for the entire group, including Germany, has been set.

With regard to **energy intensity**, the Company has adopted a plan for the redevelopment of the thermo-cooling systems and the decommissioning of the diesel and LPG system, which is currently being implemented; in 2022 energy intensity decreased (0.23 compared to 0.27 in 2021 and 2020), already reaching the target previously set for 2025 in 2022; therefore, the company has redefined the target, which aims at a 4% reduction in energy intensity in 2026 compared to that of 2022, for both Italian and German businesses.

For the purpose of reducing **food waste**, a software for managing daily meal reservations is being implemented in Italy, which replaces a mechanism that is already present but not adequately supported in terms of tools; in 2022 the new tool became operational in more than a third of the Italian structures and the goal for 2026 is an overall coverage of 75% in Italy (in Germany the system is already implemented in all structures).

Finally, the company has chosen to adopt the best operating practices in the field of environmental protection, and in particular to build the new structures with **LEED certification** (the strictest system in place with regard to building efficiency) and implement a continuous measurement system of energy, gas and water consumption, to promote rational and efficient use of these resources; this system currently covers 20% of the structures in Italy and none in Germany and the 2026 target provides for an increase to 26%, including Germany.

## **5.6 Well-being of individuals and communities**

Human resources are a key success factor for the business: their skills and engagement largely determine the quality of service provided, and the satisfaction of the guests. From this point of view, HR management plans geared to ensuring an adequate and structured plan for the development of skills and careers and a safe, fair, and motivating work environment are a strategic priority for the Company.

TARGET	#	KPIs	2021*	2022*	2026 Target
Contribute to the development of various professional skills	12	Training: number of training hours per year for employees and external workers	6.5	19	25
	13	Remuneration policies: % employees involved in a structured assessment process	n.a.	60%	75%
Ensure a fair, safe and motivating work environment	14	Diversity: basic salary ratio between man and woman	98%	99%	99%-101%
	15	Level of staff satisfaction and involvement**	10%	30%	50%
	16	Work-related injuries***: frequency of accidents at work	21.4	26.2	-4% vs 2022
Contribute to a positive impact on the local community	17	Sustainability initiatives in the area (e.g., education, sports, solidarity, health): % of facilities involved	40%	49%	75%

\* the 2021 and 2022 values refer only to the perimeter of activity in Italy. The goals for 2026 include the entire KOS Group

\*\* % of employees surveyed/ other types of satisfaction measurements

\*\*\* calculated as the number of injuries per million hours worked, excluding Covid and injuries when travelling, if not organised by the company

KOS attributes a key role to training and in this spirit has launched KOS Academy, able to impart multidisciplinary and continuous training on technical skills in the clinical field to professionals who work in assisting frail people. In 2021, the hours of **training** given to employees were reduced due to the pandemic, which forced a priority on field work. In 2022, the per capita training hours increased to 19, exceeding the target set for the year (15). The goal is to further increase the investment in training reaching 25 hours per year, both for employees and collaborators, both in Italy and in Germany.

KOS also believes that an extensive and structured staff **skills assessment** process is strategic for promoting professional growth and the efficiency, effectiveness, quality, and productivity of services. KOS applies a so-called "mixed" assessment, i.e., an assessment of skills and an assessment by objectives (MBO reward system). At the same time, a digital project for human capital management was launched, through the adoption of *Talentia*, a platform for managing and monitoring organizational and performance data, which covered 60% of personnel in Italy in 2022, exceeding the target of 55% defined for the year. By 2026, KOS aims to extend the process to 75% of its employees, both in Italy and in Germany.

KOS is concerned with offering a fair working environment and in particular monitors **wage equality between genders**: the data of Italian activities for 2021 and 2022, for similar professional figures, confirms total alignment. KOS affirms its commitment to maintain the current equal pay index, and from 2023 will also introduce this measurement in Germany.

In 2022, the program for measuring the degree of **staff satisfaction and involvement**, a process useful for offering more appropriate responses to one's collaborators, covered 30% of staff, an increase compared to 2021 and in line with the target. KOS aims to extend the program to cover 50% of the entire group's employees each year.

With regard to **workplace safety**, the accident rate, excluding those deriving from Covid-19, is slightly higher than the value of the previous year, although significantly reduced compared to historical values (38 in 2018 and 28 in 2019); the company's future efforts will be aimed at reducing it further, reaching -4% in 2026, compared to 2022, including in Germany.



In 2022, **initiatives in favour of local communities** increased, organized by 49% of the structures, a figure in line with the objectives set. KOS has also maintained initiatives to combat Covid-19 in the territories in which it operates in cooperation with the National Health Service. The goal is that 75% of the structures, both in Italy and in Germany, can carry out at least one initiative of this nature every year.

For more information about the activities of the KOS Group, its methods of managing ESG issues and those relating to Legislative Decree 246/2016, please refer to the Sustainability Report prepared by the KOS Group, which is available on the company's website.

## 6. Sogefi: 2022 ESG Plan and performance

### 6.1 The business

The Sogefi Group's business, production of components for the automotive industry, consist of **three product lines**, each with numerous sub-categories.

**Air and Cooling** designs and manufactures high-tech thermoplastic components for vehicles that replace the metal parts used in the past, with significant advantages in terms of price, weight, and emissions. In addition to this traditional activity, it makes products for E-Mobility, i.e., for the needs of customers wanting electric and fuel cell mobility.

**Filtration** produces a full range of vehicle engine filters for the Original Equipment (OE), Original Equipment Spares (OES) and Independent Aftermarket (IAM). Added to these are new applications linked to the transition to electric with new products such as air purifiers and transmission filters for e-mobility.

**Suspension** produces a wide range of suspension components (coil springs, stabilizer bars, torsion bars, , leaf springs and track tensioning units) used in cars, light and heavy commercial vehicles, earthmoving machinery, and railway carriages.

Sogefi S.p.A., which controls the Sogefi group, is a company listed on the Star segment of Euronext, of which CIR holds 56.6%.

### 6.2 Sogefi's strategic commitments for sustainable growth

As is well known, Europe is rapidly advancing measures to combat climate change and in particular decarbonisation: the Green Deal requires net zero greenhouse gas emissions by 2050 and the achievement of -55% of emissions by 2030.

The EU initiative "Fit for 55" defines the targets for reducing CO2 emissions for cars and vans: - 25% by 2025, -55% for cars and -50% for vans by 2030 and -100 %, i.e., a ban on the production of internal combustion (diesel or petrol) and hybrid vehicles from that date.

The regulatory framework is giving a strong boost to decarbonisation and in this context the impact for Sogefi is twofold: **i)** on its industrial processes, which it will have to "decarbonise" and **ii)** as a manufacturer of automotive components, on its range of products, which will increasingly have to move towards electric or emission-free vehicles.

In order to be a part of the technological transition, Sogefi has already been developing new e-mobility products for years and has an ambitious growth plan on sustainable mobility platforms.

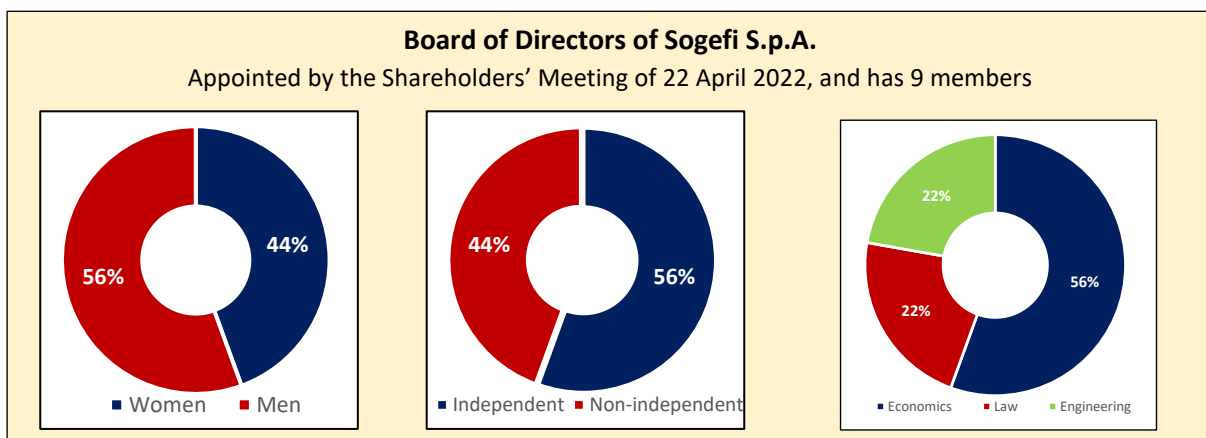
In this context, Sogefi's ESG plan and performance are of particular importance and are a key element for the company's medium and long-term success.

Governance excellence		
<b>Sustainable innovation</b>	<b>Eco-compatibility</b>	<b>Well-being of individuals and communities</b>
<p>Sogefi aims to:</p> <ul style="list-style-type: none"> <li>➤ acquire a leading position in the emerging electric vehicle (EV) market;</li> <li>➤ adapt its products to the needs of the EV market</li> <li>➤ developing high-tech products starting from the know-how gained in thermal management systems</li> </ul>	<p>Sogefi undertakes to:</p> <ul style="list-style-type: none"> <li>➤ reduce CO2 emissions, increasing energy efficiency and the use of energy from renewable sources</li> <li>➤ minimise waste and promote recycling and reuse</li> <li>➤ adopt operating best practices</li> </ul>	<p>Sogefi undertakes to:</p> <ul style="list-style-type: none"> <li>➤ help personnel to develop professional skills</li> <li>➤ ensure equal treatment, rejecting all forms of discrimination</li> <li>➤ ensure a safe and motivating work environment</li> <li>➤ contribute to a positive impact on the local community</li> </ul>

### 6.3 Governance

Sogefi's corporate governance model is a "traditional" one, with the Shareholders' Meeting, the Board of Directors as the management body and the Board of Statutory Auditors as the control body. The Board of Directors has the central role, to which are delegated the broadest powers to manage the Company.

The composition of the Board of Directors ensures a marked level of diversity, in terms of gender (with a prevalence of female directors), training, age and international experience, allowing for it to guarantee the interests of all shareholders.



It is made up of nine members, two of whom are executive directors and the remainder non-executive. The non-executive directors are, in terms of number and authority, such as to guarantee that their judgment can have a significant weight in the decisions of the Board.

Of the nine directors, five are independent. Due to their number, constituting the majority of the directors, and their profile, the independent directors ensure that the Board of Directors has managerial autonomy and acts in the interests of all shareholders.

The Board of Directors of Sogefi, in addition to acting in compliance with the pro-tempore legislation in force and the provisions of its by-laws, in order to guarantee the effectiveness and transparency of the functioning of the administrative body, and more generally of **corporate activity in line with best practices**, has adhered to the Corporate Governance Code of Borsa Italiana S.p.A. and has adopted internal operating rules, including its own Corporate Governance Code, the Regulation of the Board of Directors and numerous procedures and policies that regulate the performance of the main activities of the Board of Directors.

Sogefi, in order to promote ethical behaviour by all stakeholders, is equipped with tools and models such as the code of ethics, Model 231, the whistleblowing mechanism, enterprise risk management and the related party procedure. It has also set up an Internal Control and Risk Management System in line with the characteristics of the ICRMS, already described above for CIR.

The 2022 board review painted a very positive picture on all aspects: from the composition of the board to the quality and timeliness of the documentation, to the transparency of the exposures, to the completeness of the discussions.

#### 6.4 Sustainable innovation

Sogefi's business, like the entire automotive sector, is heavily involved in the "green" transition process, driven by regulatory evolution, with increasingly stringent laws and regulations on the reduction of CO<sub>2</sub> emissions. Sogefi, like the entire automotive industry, is therefore increasingly committed to designing and producing vehicle components with reduced environmental impact.

TARGET	#	KPIs	2021	2022	2026 Target
Develop innovative and eco-responsible products and technologies, mainly intended for the E-Mobility market	1	sales of e-mobility products* as a % of total sales	15%	14%	29%
	2	value of orders for e-mobility products* as a % of total orders acquired**	23%	52%	70%
	3	R&D expenditure for e-mobility products* as a % of total R&D expenditure	n.a.	35%	55%
	4	Number of new patents registered per year	32	37	55

\* intended for vehicles with electric/ hybrid/ fuel-cell engines

\*\* best internal estimation of the destination of Sogefi products for both combustions platforms and E-Mobility platforms

In particular, Sogefi has defined four performance indicators through which it measures the **effectiveness of its transition process**: **i)** the annual share of sales of products destined for e-mobility platforms (hybrid, electric or fuel cell vehicles) out of the total of sales; **ii)** the annual share of new orders for products destined for e-mobility platforms out of total orders; **iii)** the annual share of R&D for e-mobility products out of total R&D expenditure; **iv)** the number of new patents registered each year, as an indicator of innovation capacity.

Between 2021 and 2022, the **share of turnover deriving from products mounted on hybrid and electric platforms** remained stable (14% of the total compared to 15% in 2021); the growth in turnover for products intended for electric and hybrid mobility should be highlighted, but at the same time Sogefi also recorded strong recoveries in the volumes of some segments of traditional

production, such as Aftermarket, which currently focuses on products for non-electric motors. Already in 2022, regarding the Air and Cooling and Suspension business units, a quarter of the turnover was destined for hybrid and electric platforms. In light of the sales mix in 2023 and the forecasts on the evolution of the automotive market, the goal for 2026 is to increase the value of production destined for e-mobility to 29%.

In 2022, the **share of new orders for e-mobility platforms** acquired during the year rose to 52%, compared to 23% in 2021, exceeding the target set for the year. The goal for 2026 is to reach 70%.

Sogefi is also increasing the share of **research and development destined for E-Mobility platforms**; it is 35% in 2022, higher than what was recorded in 2021, and the goal is to reach 55% by 2026.

Lastly, Sogefi intends to keep a high level of focus on technological innovation, not only intended for the transition, and set the goal of expanding its **patent portfolio**, which was enriched by 37 new registered patents during the year, an increase compared to the previous year, and aims to raise the annual number of patents to 55 in 2026.

## 6.5 Eco-Compatibility

Since 2016, the Group has adopted and established an Environmental Management System (EMS) to monitor the risks and mitigate the impacts of its production and commercial activities on the external environment.

TARGET	#	KPIs	2021	2022	2026 Target
Reduce CO <sub>2</sub> emissions by increasing energy efficiency, reducing and promoting renewable energy sources	5	Energy* Mix: renewable electricity used as a % of total energy used	5%	8%	30%
	6	Energy intensity: reduction of energy consumed*/revenue	1,352	1,345 (-10% vs.19)	1,260 (-6%vs.22)
Minimise waste and promote recycling and reuse	7	Waste recycling or regeneration: waste destined for recycling, regeneration, or energy recovery as a % of total waste, in tons	80%	89%	97%
Adopt operating best practices	8	% of sites certified for quality systems, environmental systems, and energy management systems:			
		▪ Quality (QL): IATF 16949	100%	97%	100%
		▪ Environment (EV): ISO 14001	100%	100%	100%
		▪ Health and Safety (EG): ISO 45001	2 sites	7 sites	8 sites

\*energy expressed in MWh

Sogefi undertakes to reduce the environmental impacts of its production activities in terms of CO<sub>2</sub> emissions, through **i)** a reduction in energy intensity and **ii)** procurement from sustainable sources (also by purchasing Guarantees of Origin).

In 2022 there was a 7% drop in **energy intensity** compared to 2021, reaching the target set for the year, and the target for 2026 foresees a further reduction of 6% compared to 2022. In 2022, Sogefi has received a “C” rating from the Carbon Disclosure Project.

**Procurement from sustainable sources**, excluding the national energy mix, covered more than 8% of the energy consumed, an increase from the 5% covered in 2021, despite the difficult pricing

situation that occurred throughout the year; the goal is to reach 30% of energy from renewable sources (excluding the national energy mix) by 2026.

In 2022, around 90% of the **waste** was **recycled**, a significant increase compared to 2021 and higher than the target set for the year. In the medium term, Sogefi aims to reach 97%.

Lastly, to guarantee the implementation of operational best practices, Sogefi set the goal of keeping all its **sites certified**, with the IATF 16949 (international standard for quality, specific for the automotive sector), the ISO 14001 (international environmental standard) and increase the number of sites certified ISO 45001 (international standard for health and safety in the workplace), after the remarkable progress in 2022.

## 6.6 Well-being of individuals and communities

Sogefi has approximately 5,400 employees around the world, distributed in 18 countries, of which 73% are blue-collar workers, 26% are office workers, and 1% are managers. 92% of the Group's employees have a permanent employment contract.

TARGET	#	KPIs	2021	2022	2026 Target
Contribute to the development of various professional skills	9	Training: number of training hours per year for employees	14.3	19	>25
Enhancing diversity and ensuring equal treatment, rejecting all forms of discrimination and harassment	10	Diversity: % of staff members on which the "Gender Equality Index" is measured *	9%	100%	Improve the rating
	11	Staff satisfaction level: carrying out one survey per year **	-	✓	Improve the rating
Ensure a safe and motivating work environment	12	Work-related injuries: frequency of accidents at work (per million hours worked)	3.5	2.0	<1.3
Contribute to a positive impact on the local community	13	% of sites involved in sustainability projects in the area (e.g., educational, sports, solidarity, health): % of facilities involved	65%	100%	100%

\* after reaching the application of this index globally, in the next year, targets will be set

\*\* upon obtaining a complete and reliable data set, targets will be set

Throughout the year, the hours of **training** provided per employee amounted to 19, up by over a third compared to 2021. The goal is to increase the training provided to over 25 hours per employee, while keeping in mind the evolution of technologies and products in the future.

Sogefi is keen to ensure a fair and meritocratic work environment and in particular monitors the "**Gender Equality Index**", an indicator that was extended throughout the whole group in 2022; starting from the value obtained for 2022, the commitment is to improve this indicator, in particular by making progress in the regions where it shows less satisfactory results.

In 2022, aware of the importance that a work environment can have on employee engagement and well-being, a monitoring activity was carried out on the **degree of employee satisfaction**, looking at the various aspects of corporate culture and management. The result was a satisfaction index of 64 (64 "positive" and "very positive" responses for every 100 responses received); Sogefi's goal is to improve in the satisfaction index in the coming years.

Sogefi pays particular attention to **workplace safety**; over the years, safety and prevention measures have been consistently improved, leading to a reduction in injuries over time. In 2022,

the frequency of accidents was 43% lower than in 2021; Sogefi's goal is to reduce the frequency of occupational accidents by 35% compared to 2022 (and by 63% compared to 2021) by 2026.

All the Group's production sites have carried out various **initiatives with a social vocation in their community**, including initiatives in partnership with various associations. For the future, the group's commitment is aimed at maintaining this level of involvement as well as improving the impact of these activities on the community.

For more information about the activities of the Sogefi Group, its methods of managing ESG topics and those relating to Legislative Decree no. 246/2016, please refer to the Non-Financial Report prepared by the Sogefi Group, which is available on Sogefi's website.



## 7. Other information

### 7.1 EU Taxonomy

The EU Taxonomy Regulation (EU Regulation 2020/852 and Delegated Regulation 2021/2178 – as follows also Taxonomy Regulation) introduces the obligation for listed companies to indicate which part of their business contributes to the achievement of six environmental objectives, through an evaluation process that involves identifying the activities that are considered "eligible", indicate the value of certain KPIs of these activities and quantify the share of the KPIs that are "compliant" or "non-compliant" with certain technical parameters, qualitative valuations and specific management methods.

For 2022, companies were asked to indicate which activities fall within the scope of the first two objectives, i.e., mitigation and adaptation to climate change, to define the KPIs and their methods of calculation.

Sogefi carried out a two-level analysis: the first on its own activities, comparing them with those included in the technical annexes to the taxonomy – resulting in no eligible activities – and a second, at a product level, which highlighted that the company is developing products for E-Mobility, which only once completed and distributed will fall within the scope of the Taxonomy. The only eligible capex and opex are not material (installation of photovoltaic panels and replacement of a gas heat pump), so the company did not include any figures.

The analysis of KOS's activities revealed that the management of health and social care residences – "home care activities" in Italy and Germany – are eligible and therefore fall within the scope of the Taxonomy Regulation (as described in point 12.1 of Annex II to EU Reg. 852). However, these activities are not "enabling" (their product does not support other activities to become compliant); so, according to the instructions contained in the FAQ published on 2 February 2022 by the European Commission, neither the turnover nor the costs or capital investments can be declared as eligible. Capital investments, which refer exclusively to energy efficiency projects carried out at the various structures, are of an insignificant amount.

At the moment, due to lack of information and the complexity of the data collection process, it is not possible to include in eligible operating expenses and investments those referring to suppliers aligned with the Taxonomy.

The tables required by the Regulation are present in the attachments.

## 7.2 GRI Indicators

The GRI indicators that are significant for the CIR Group, based on the materiality analysis, are presented as an attachment to this document.

When the information required by the reporting scheme is already included in other corporate documents that have been made public, explicit reference will be made to them (such as the Report on Corporate Governance and Ownership Structures, Report on Remuneration, the Annual Financial Report, the Code of Ethics, etc.).

## 7.3 Reporting Scope

The NFS has been prepared in compliance with articles 3 and 4 of the Legislative Decree no. 254/2016, and the data and information reported related to CIR<sup>5</sup> and all of the subsidiaries consolidated on a line-by-line basis on 31 December 2022, except for the Indian Subsidiary of the KOS Group, which was dealt with based on the application of the IFRS5 (hereinafter also the “Group” or the “CIR Group”).

The data and information relating to 2022, when possible, in order to show the evolution over time, are compared with those of 2020 and 2021 on a like-for-like basis. Any limitations of scope or use of estimates (based on the best information available or on sample surveys) are appropriately indicated in the text. In view of the data contained in the 2021 NFS, those relating to waste, injuries and work-related ill health have been modified, due to an improvement in the data collection process.

This NFS was approved by the Board of Directors of the CIR Group on 13 March 2023.

This document has been subjected to a limited assurance engagement by KPMG S.p.A. (in accordance with the criteria envisaged in the ISAE 3000 Revised standard). The work was carried out in accordance with the procedures described in the “Auditors' Report”, which is included in this document.

The NFS is also available on the Group’s website ([www.cirgroup.it](http://www.cirgroup.it)).

For further information about the corporate social responsibility policies adopted by the Group, or clarification about the information presented in this consolidated non-financial statement, please write to CIR’s Press Office ([infostampa@cirgroup.com](mailto:infostampa@cirgroup.com)), or to the Investor Relations function ([ir@cirgroup.com](mailto:ir@cirgroup.com)).

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<sup>5</sup> “CIR” indicates the set of “Corporate” activities, which include, in addition to CIR S.p.A., CIR Investimenti S.p.A., CIR International S.A., CIGA Luxembourg S.à.r.l. and Jupiter Marketplace S.r.l. As CIGA Luxembourg S.à.r.l., and Jupiter Marketplace S.r.l., as well as KOS’s Indian subsidiary do not have employees and uses of directly attributable environmental resources, they do not fall within the perimeter of the data and information contained in the chapters on “personnel-related responsibility” and “environmental responsibility”. KOS’s Indian Subsidiary has been consolidated under IFRS5.

## 7.4 Materiality matrix

The CIR Group has mapped its stakeholders, as follows:



For KOS, the mapping of stakeholders, carried out in 2021, started from a benchmarking of companies operating in the management of hospitalization and treatment healthcare facilities, equipped with sustainability or non-financial reports; this helped identify, in 2021, and was confirmed in 2022, a set of potentially relevant sustainability issues, which was followed by a survey for the assessment of the material topics administered to KOS employees and suppliers. The topics were then subjected to an assessment by management, which attributed their relevance to the Group in consideration of their present and prospective impact.

In 2022, Sogefi repeated the Sustainability Survey, aimed at a panel of external (customers, suppliers, relationship banks and professional schools) and internal (the first line of Group management) stakeholders. Through these surveys, the relevance of the identified ESG aspects relevant to the business was assessed. These assessments were then shared with the CEO and agreed with the Control, Risk & Sustainability Committee.

In order to be aligned with the indications envisaged by the new 2021 GRI Universal Standards, both the KOS Group and the Sogefi Group, when beginning their materiality analysis that they carried out in 2022, identified the current and potential, positive and negative, significant impacts that they have towards the environment, people, and the economy. The impacts were defined on the basis of an analysis of the reference context, the business model, the guidelines, and the objectives of the Sustainability Plan. These impacts are represented by the material issues identified by each company.

Following the analysis of the results of KOS and Sogefi, the topics were prioritized for the CIR group on the basis of the vote given by the individual companies. The material topics of CIR therefore, while respecting the specific aspects of the two businesses, provide an overview of the activities. The synthesis of these topics is represented in the materiality matrix of the CIR group, approved by the Control, Risk and Sustainability Committee, and divided into four macro-areas, aligned with the pillars of the ESG Plan, which are the reference point for reporting on the present NFS: Governance, Business Innovation, Eco-Efficiency and People & Community.

Compared to the material topics identified in 2021, the relevance of the "Privacy and data protection" topic has increased following the greater relevance at Sogefi of the topics of "Cyber-Security and Data Protection" and the relevance of the topics of patient privacy of KOS.

A description of the materiality topics based on the impacts they represent for each of the Group’s companies is presented in the Annex.

### CIR Group Materiality Matrix 2022



With reference to the management of the main topics relating to sustainable development, both KOS and Sogefi have developed various policies and procedures. The details of these policies and the relative methods of application are reported in the NFS and Sustainability Report of the individual companies; the list of these is given below; for further details, please refer to the NFS of the two groups and the information available on their websites:

Sogefi	KOS
<ul style="list-style-type: none"> <li>• Organisation, Management and Control Model, pursuant to Legislative Decree no. 231/ 2001</li> <li>• Code of Ethics</li> <li>• Whistleblowing procedure</li> <li>• Human Rights Policy</li> <li>• Occupational Health and Safety Policy</li> <li>• Environmental Policy</li> <li>• Code of Business Conduct</li> <li>• Sustainable Purchasing Policy</li> <li>• General policy on IT security systems</li> </ul>	<ul style="list-style-type: none"> <li>• Organisation, Management and Control Model, pursuant to Legislative Decree no. 231/ 2001</li> <li>• Code of Ethics</li> <li>• Whistleblowing procedure</li> <li>• Charter of Services</li> </ul>

## 7.5 IT security management

In order to carry out its activities, CIR S.p.A. makes use of very simple computer equipment (IT), which is made up, for the hardware part, of company PCs and telephones, a proprietary server and other minor personal equipment, and for the software part of accounting programs, timecard management and commonplace applications such as "Microsoft Office" and similar programs, as well as a website with basic architecture and low complexity.

Given this structure, it was not deemed necessary to form a committee for IT risks, but the management of the IT system and its security is entrusted to the corporate affairs department, which makes use of some external consultants for ordinary and extraordinary maintenance and IT security and risk management. Throughout 2022 and in the two previous years, no IT intrusions or breaches were detected in the security system, the solidity of which was also tested by an "intrusion test" carried out in 2022 by a leading auditing company, which certified the robustness of the system. In order to maintain a high level of attention on safety, an updated IT procedure was issued in 2022, which provides instructions for maintaining appropriate and safe behaviour and provides for adequate staff training. Training was carried out for employees on IT risks during the year.

In KOS, the protection of the confidentiality of information and sensitive data, both of employees and patients, held by the organisation, and compliance with the legislation on the protection of personal data are essential for the characteristics of the business. This topic is also closely related to cyber security since more and more information is stored on computer systems. In this regard, each KOS employee and collaborator is obliged to:

- Determine the confidential nature of the information in accordance with the provisions of current legislation and related corporate procedures;
- Only acquire and process data that is necessary and directly connected to their functions;
- Store such data in order to prevent third parties from gaining knowledge of it;
- Communicate and disclose the data within the established procedures.

KOS operates in compliance with the GDPR. As such, it has appointed a Data Protection Officer (DPO) and a Privacy Manager, and has prepared the processing register, mapped the risks, and adapted the organisation in terms of privacy.

Furthermore, a training plan has been prepared by KOS Italia for the various operators, and tools have been put in place to guarantee the safety of the systems.

Should situations at risk of data breaches arise, verification procedures are activated involving the ICT, the privacy manager and the functions involved under the supervision of the DPO. The corrective actions to contain future events are therefore defined. These activities are traced in a special register.

With reference to Sogefi, the Group has implemented an Information Security Management System (ISMS) in order to prepare the necessary human and technical resources, and to guarantee the hardware and software security of the information and communication system. The IT department is responsible for implementing and monitoring the proper functioning of the IT system, while the user is responsible for the resources entrusted to him in the performance of his duties. To implement the ISMS, a General Information Security Policy, an IT Charter, and a training program have been organised with the aim of educating employees on information security practices.

In 2022, more than 90% of industrial sites and 2 commercial sites obtained the TISAX certification. TISAX (Trusted Information Security Assessment Exchange) represents an approach to information security assessment based on a maturity model and explicitly oriented towards the needs of the automotive sector.

The objective of the standard is to define a common level of safety for the automotive sector (the model is based on the VDA-ISA), ensure the comparability and quality of the assessments, and share best practices and lessons learned.

## 7.6 Taxation

The companies of the CIR group adopt a transparent and responsible tax policy, based on the tax regulations in force in the countries in which they operate. In particular, both the KOS group and the Sogefi group determine the tax burden of each legal entity on the basis of the activities carried out, the revenue generated and the legislation in force in each tax jurisdiction, according to a "business-driven" approach (and not "tax-driven" approach).

KOS operates mainly in Italy and Germany, with extremely limited trade between the two countries. Within the Sogefi group, the transfers of goods and services between entities belonging to different tax regimes are governed by "transfer price" mechanisms, which:

- ✓ in the case of recharges for personnel and services (management fees), they are limited and based on costs without any significant mark-up;
- ✓ in the case of the sale of goods (a situation that is frequent only for the Filtration Aftermarket business), arising from end customer requests to have relations with "local counterparties" (to which the "production" companies of the Sogefi Group transfer the products); they take place on the basis of cost plus a mark-up aimed at remunerating local production and not at transferring profits to more convenient tax regimes.

Given the presence of several legal entities in certain tax jurisdictions, the CIR Group makes use of tax consolidations, mainly in Italy (involving CIR S.p.A. and the Italian businesses of KOS and Sogefi) and in France (where consolidation occurs for various companies of the three Sogefi divisions).

The CIR group does not have a central tax department, as taxation is managed by the entities that make up the Group, which are responsible for compliance with applicable tax regulations. The tax risk has been identified as low, both in terms of magnitude and probability.

Control over local tax practices takes place at different levels: from adherence to the Codes of Ethics of the directors of the various companies to the segregation of duties in place among different actors, as well as the checks carried out by the internal audit functions, the supervisory bodies and, lastly, the local tax authorities. There are also mechanisms to report any critical topics or illegal or unethical behaviour, including whistleblowing (see what has been written previously on this topic).

The Group (in its current scope of activity) and the individual companies that make it up have been subject to checks several times from which no significant or relevant problems have emerged.

Tax matters are not material for the Group, which having chosen a "business-based" approach to calculating taxes and having a low "appetite for risk", has never activated "advocacy" processes or

approaches to taxation or to the tax authorities, other than having a transparent relationship with the tax administration in the various countries in which it operates. Tax matters are no doubt of interest to external stakeholders, such as governments and local organisations, but they have not been involved in terms of shareholders' engagement.

The CIR Group is made up of 121 corporate entities, of which 18 operate in Italy, 68 in Germany and 7 in France; in total, 106 entities are located in Europe, while the remainder are in India, China, and North and South America. There are no companies operating in "low-tax regimes", as defined by Italian Law (i.e., those where corporate taxes are less than 50% of the Italian rate), or in so-called "black-list" or "grey-list" countries as defined by the EU.

The attachments provide information on tax on a "country by country"<sup>6</sup> basis, presenting the total aggregate figured by country (i.e., by tax jurisdiction), resulting from the "country by country" report sent to the Italian Tax Authorities.

The differences between the taxes paid and those charged to the income statement derive mainly from the normal mismatch between the amount paid during the year, which includes the balance due for the previous year and advances for the current year and the taxes actually accrued and charged to the income statement at the end of the year. Then there is the fact that the KOS Group and the Sogefi Group are sometimes both present in the same tax jurisdiction, which gives rise to an offsetting of the "economic impacts" but not of the cash impacts.

The "country by country" report containing this information is subjected to a set of procedures and processes and to an internal and external control system typical of financial information, as it is such. External assurance activities include these figures and were carried out without any significant findings.

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<sup>6</sup> The numbers contained in it differ from those in the consolidated financial statements as (i) it excludes the accounting impacts of the consolidation, (ii) it classifies financial and other income as revenue and (iii) it only considers the taxes paid and not those collected (refunds, withholding tax or income from tax consolidation); the complete list of companies by individual tax jurisdiction and details of the activities carried out is in the consolidated financial statements.



## 8. Other consolidated indicators

### Taxation (2021)

#### GRI 207 - Tax

Figures for 2021								
€ / m	No. of companies	No. of employees	Revenue from third parties	I/ C revenue	Profit/ (loss) before taxes	Property, plant and equipment (other than cash and cash equivalents)	Taxes paid	Income taxes in the income statement
France	7	2,131	400.6	79.3	-31.6	114.2	0.8	2.1
Germany	68	3,302	279.9	31.5	6.8	30.5	0,3	0.8
Italy	19	7,764	580.7	75.8	67.3	255.6	4.3	3.3
Luxembourg	2	2	18.0	0.1	14.9	-	-	-
Holland	2	31	4.6	1.1	0.1	2.0	0.2	0.1
Romania	2	257	35.9	0.6	-9.9	59.0	0.4	0.3
Russia	1	3	2.1	-	0.7	-	0.1	-
Slovenia	1	355	32.6	18.0	-0.4	13.7	0.1	0.1
Spain	2	249	77.6	0.0	8.9	17.4	0.7	1.9
Sweden	1	1	-	0.4	-1.9	-	-	-
<b>EU</b>	<b>105</b>	<b>14,095</b>	<b>1,432</b>	<b>131.0</b>	<b>54.9</b>	<b>492.4</b>	<b>6.6</b>	<b>8.6</b>
<b>UK</b>	<b>3</b>	<b>309</b>	<b>60.6</b>	<b>6.0</b>	<b>-5.3</b>	<b>12.9</b>	<b>-0.1</b>	<b>-0.1</b>
Canada	1	329	108.5	0.9	8.0	21.5	2.6	1.8
Mexico	1	186	53.0	0.5	0.3	1.2	0.5	0.8
United States	2	449	100.1	7.7	10.5	25.6	3.0	3.2
<b>NAFTA</b>	<b>4</b>	<b>964</b>	<b>261.6</b>	<b>9.1</b>	<b>18.8</b>	<b>48.3</b>	<b>6.1</b>	<b>5.8</b>
China	4	659	98.0	3.8	4.7	54.2	0.3	0.4
India	3	2,970	92.4	5.2	6.7	39.4	1.3	1.9
<b>Asia</b>	<b>7</b>	<b>3,629</b>	<b>190.4</b>	<b>9.0</b>	<b>11.4</b>	<b>93.6</b>	<b>1.6</b>	<b>2.3</b>
Argentina	1	264	45.2	-	4.0	4.6	1.6	1.4
Brazil	1	176	32.5	0.3	5.3	8.8	0.5	0.3
<b>LATAM</b>	<b>2</b>	<b>440</b>	<b>77.7</b>	<b>0.3</b>	<b>9.3</b>	<b>13.4</b>	<b>2.1</b>	<b>1.7</b>
<b>Morocco (Africa)</b>	<b>1</b>	<b>152</b>	<b>25.7</b>	<b>2.6</b>	<b>2.6</b>	<b>14.1</b>	<b>-</b>	<b>0.5</b>

**Taxation (2020)**

Figures for 2020								
€ / m	No. of companies	No. of employees	Revenue from third parties	I/ C revenue	Profit/ (loss) before taxes	Property, plant and equipment (other than cash and cash equivalents)	Taxes paid	Income taxes in the income statement
France	7	2,205	368.7	74.3	-114.8	117.9	0.3	0.1
Germany	67	3,232	260.5	35.2	-6.9	28.7	2.6	2.3
Italy	22	7,561	549.5	72.6	78.8	286.0	7.2	2.6
Luxembourg	3	2	20.7	0.1	5.5	0.0	-	0.0
Holland	2	31	3.9	1.2	0.8	2.1	0.1	0.2
Romania	2	210	32.2	0.2	-2.2	56.4	0.4	0.3
Russia	1	3	1.8	-	-1.4	-	-	-0.2
Slovenia	1	401	31.8	17.3	0.7	15.9	-	0.2
Spain	3	393	76.3	4.9	-39.0	20.8	5.3	3.9
Sweden	1	1	-	0.4	0.1	-	0.0	0.0
<b>EU</b>	<b>109</b>	<b>14,039</b>	<b>1,345.4</b>	<b>206.3</b>	<b>-78.4</b>	<b>527.7</b>	<b>15.9</b>	<b>9.5</b>
<b>UK</b>	<b>3</b>	<b>347</b>	<b>58.2</b>	<b>5.9</b>	<b>0.2</b>	<b>16.9</b>	<b>0.0</b>	<b>0.1</b>
Canada	1	339	98.6	0.8	5.0	17.9	1.4	1.0
Mexico	1	219	54.9	0.2	0.2	1.1	0.8	0.7
United States	2	380	97.1	7.2	6.0	26.1	3.4	3.3
<b>NAFTA</b>	<b>4</b>	<b>938</b>	<b>250.6</b>	<b>8.1</b>	<b>11.2</b>	<b>45.1</b>	<b>5.6</b>	<b>5.0</b>
China	4	554	84.5	7.3	2.1	51.4	-	-
Hong Kong	1	-	-	-	-	-	-	-
India	4	2,683	72.8	3.4	-10.0	37.4	1.3	1.0
<b>Asia</b>	<b>9</b>	<b>3,237</b>	<b>157.3</b>	<b>10.7</b>	<b>-7.9</b>	<b>88.8</b>	<b>1.3</b>	<b>1.0</b>
Argentina	2	423	33.9	0.3	0.2	7.0	0.1	0.7
Brazil	2	658	49.8	0.4	-9.1	17.4	-	0.0
<b>LATAM</b>	<b>4</b>	<b>1,081</b>	<b>83.7</b>	<b>0.7</b>	<b>-8.9</b>	<b>24.4</b>	<b>0.1</b>	<b>0.7</b>
<b>Morocco (Africa)</b>	<b>1</b>	<b>149</b>	<b>27.6</b>	<b>0.6</b>	<b>-7.5</b>	<b>15.6</b>	<b>-</b>	<b>-</b>

## Human Resources

### GRI 2-7 – Employees

### GRI 2-8 – Workers who are not employees

CIR Group – Breakdown of employees and collaborators by gender									
Headcount	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	6,732	10,228	16,960	6,344	10,177	16,521	6,327	10,415	16,742
Collaborators <sup>7</sup>	1,451	968	2,419	1,837	1,409	3,246	2,313	1,103	3,416
<b>Total</b>	<b>8,183</b>	<b>11,196</b>	<b>19,379</b>	<b>8,181</b>	<b>11,586</b>	<b>19,767</b>	<b>8,640</b>	<b>11,518</b>	<b>20,158</b>

There are no employees without non-guaranteed hours by contract

CIR Group – Breakdown of employees by professional type (full-time vs. part-time) and by gender									
Headcount	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	6,204	6,558	12,762	5,699	6,517	12,216	5,674	6,689	12,363
Part-time	528	3,670	4,198	645	3,660	4,305	653	3,726	4,379
<b>Total</b>	<b>6,732</b>	<b>10,228</b>	<b>16,960</b>	<b>6,344</b>	<b>10,177</b>	<b>16,521</b>	<b>6,327</b>	<b>10,415</b>	<b>16,742</b>

CIR Group – Breakdown of employees by contract type (fixed-term vs. permanent) and by gender									
Headcount	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term contract	507	1,559	2,066	701	1,541	2,242	760	1,465	2,225
Permanent contract	6,225	8,669	14,894	5,643	8,636	14,279	5,567	8,950	14,517
<b>Total</b>	<b>6,732</b>	<b>10,228</b>	<b>16,960</b>	<b>6,344</b>	<b>10,177</b>	<b>16,521</b>	<b>6,327</b>	<b>10,415</b>	<b>16,742</b>

CIR Group – Breakdown of employees by contract type (fixed-term vs. permanent) and by geographical area (2022)											
Headcount	Europe		North America		South America		Asia		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total
Fixed-term contract	613	1,446	-	-	147	19	-	-	760	1,465	2,225
Permanent contract	4,084	8,508	628	266	206	6	649	170	5,567	8,950	14,517
<b>Total</b>	<b>4,697</b>	<b>9,954</b>	<b>628</b>	<b>266</b>	<b>353</b>	<b>25</b>	<b>649</b>	<b>170</b>	<b>6,327</b>	<b>10,415</b>	<b>16,742</b>

CIR Group – Breakdown of employees by contract type (fixed-term vs. permanent) and by geographical area (2021)											
Headcount	Europe		North America		South America		Asia		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total
Fixed-term contract	549	1,526	--	--	152	15	--	--	701	1,541	2,242
Permanent contract	4,235	8,267	571	215	207	7	630	147	5,643	8,636	14,279
<b>Total</b>	<b>4,784</b>	<b>9,793</b>	<b>571</b>	<b>215</b>	<b>359</b>	<b>22</b>	<b>630</b>	<b>147</b>	<b>6,344</b>	<b>10,177</b>	<b>16,521</b>

<sup>7</sup> For Sogefi, the main types of collaborators correspond to contract workers through external agencies, while for KOS, to freelance doctors and nurses.

CIR Group – Breakdown of employees by contract type (fixed-term vs. permanent) and by geographical area (2020)											
Headcount	Europe		North America		South America		Asia		Total		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total
Fixed-term contract	507	1,559	--	--	--	--	--	--	507	1,559	2,066
Permanent contract	4,383	8,271	573	207	505	43	764	148	6,225	8,669	14,894
<b>Total</b>	<b>4,890</b>	<b>9,830</b>	<b>573</b>	<b>207</b>	<b>505</b>	<b>43</b>	<b>764</b>	<b>148</b>	<b>6,732</b>	<b>10,228</b>	<b>16,960</b>

**Turnover**<sup>8</sup>**GRI 401-1 – New employee hires and employee turnover**

CIR Group – Incoming and outgoing turnover by gender and age (2022)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	723	821	242	1,786	28%	581	875	332	1,788	28%
Women	967	1,711	757	3,435	33%	711	1,625	876	3,212	31%
<b>Total</b>	<b>1,690</b>	<b>2,532</b>	<b>999</b>	<b>5,221</b>	<b>31%</b>	<b>1,292</b>	<b>2,500</b>	<b>1,208</b>	<b>5,000</b>	<b>30%</b>

CIR Group in Europe– Incoming and outgoing turnover by gender and age (2022)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	492	612	209	1,313	28%	419	672	298	1,389	30%
Women	876	1,601	747	3,224	32%	650	1,561	863	3,074	31%
<b>Total</b>	<b>1,368</b>	<b>2,213</b>	<b>956</b>	<b>4,537</b>	<b>31%</b>	<b>1,069</b>	<b>2,233</b>	<b>1,161</b>	<b>4,463</b>	<b>30%</b>

CIR Group in North America– Incoming and outgoing turnover by gender and age (2022)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	162	111	32	305	49%	114	109	27	250	40%
Women	70	66	10	146	55%	45	36	12	93	35%
<b>Total</b>	<b>232</b>	<b>177</b>	<b>42</b>	<b>451</b>	<b>50%</b>	<b>159</b>	<b>145</b>	<b>39</b>	<b>343</b>	<b>38%</b>

CIR Group in South America– Incoming and outgoing turnover by gender and age (2022)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	4	4	1	9	3%	4	9	2	15	4%
Women	4	0	0	4	16%	1	0	0	1	4%
<b>Total</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>13</b>	<b>3%</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>16</b>	<b>4%</b>

<sup>8</sup> The data relating to turnover for the geographical areas of Europe and Asia do not include data relating to incoming and outgoing employees from the English companies and the Indian company of the KOS Group.

CIR Group in Asia– Incoming and outgoing turnover by gender and age (2022)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	65	94	0	159	24%	44	85	5	134	21%
Women	17	44	0	61	36%	15	28	1	44	26%
<b>Total</b>	<b>82</b>	<b>138</b>	<b>0</b>	<b>220</b>	<b>27%</b>	<b>59</b>	<b>113</b>	<b>6</b>	<b>178</b>	<b>22%</b>

CIR Group – Incoming and outgoing turnover by gender and age (2021)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	530	655	176	1,361	21%	477	776	345	1,598	25%
Women	733	1,355	465	2,553	25%	649	1,431	675	2,755	27%
<b>Total</b>	<b>1,263</b>	<b>2,010</b>	<b>641</b>	<b>3,914</b>	<b>24%</b>	<b>1,126</b>	<b>2,207</b>	<b>1,120</b>	<b>4,353</b>	<b>26%</b>

CIR Group in Europe – Incoming and outgoing turnover by gender and age (2021)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	383	440	156	979	20%	276	512	310	1,098	23%
Women	683	1,272	459	2,414	25%	596	1,182	660	2,438	25%
<b>Total</b>	<b>1,066</b>	<b>1,712</b>	<b>615</b>	<b>3,393</b>	<b>23%</b>	<b>872</b>	<b>1,694</b>	<b>970</b>	<b>3,536</b>	<b>24%</b>

CIR Group in North America – Incoming and outgoing turnover by gender and age (2021)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	104	88	17	209	37%	89	98	22	209	37%
Women	42	38	6	86	40%	29	40	11	80	37%
<b>Total</b>	<b>146</b>	<b>126</b>	<b>23</b>	<b>295</b>	<b>37%</b>	<b>118</b>	<b>138</b>	<b>33</b>	<b>289</b>	<b>37%</b>

CIR Group in South America– Incoming and outgoing turnover by gender and age (2021)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	6	11	--	17	5%	6	19	6	31	9%
Women	1	2	--	3	14%	3	153	--	156	709%
<b>Total</b>	<b>7</b>	<b>13</b>	<b>--</b>	<b>20</b>	<b>5%</b>	<b>9</b>	<b>172</b>	<b>6</b>	<b>187</b>	<b>49%</b>

CIR Group in Asia– Incoming and outgoing turnover by gender and age (2021)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	37	116	3	156	25%	106	147	7	260	41%
Women	7	43	--	50	34%	21	56	4	81	55%
<b>Total</b>	<b>44</b>	<b>159</b>	<b>3</b>	<b>206</b>	<b>26%</b>	<b>127</b>	<b>203</b>	<b>11</b>	<b>341</b>	<b>44%</b>

CIR Group – Incoming and outgoing turnover by gender and age (2020)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	474	601	172	1,247	18%	550	1,536	1,239	3,352	50%
Women	856	1,327	558	2,741	27%	943	2,050	1,291	4,284	42%
<b>Total</b>	<b>1,330</b>	<b>1,928</b>	<b>730</b>	<b>3,988</b>	<b>23%</b>	<b>1,493</b>	<b>3,613</b>	<b>2,530</b>	<b>7,636</b>	<b>45%</b>

CIR Group in Europe– Incoming and outgoing turnover by gender and age (2020)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	387	479	160	1,026	21%	402	1,147	1,152	2,701	55%
Women	827	1,271	554	2,652	27%	879	1,884	1,276	4,039	41%
<b>Total</b>	<b>1,214</b>	<b>1,750</b>	<b>714</b>	<b>3,678</b>	<b>25%</b>	<b>1,268</b>	<b>2,170</b>	<b>1,081</b>	<b>6,740</b>	<b>46%</b>

CIR Group in North America – Incoming and outgoing turnover by gender and age (2020)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	49	56	11	116	20%	54	80	22	156	27%
Women	16	37	4	57	27%	16	27	7	50	24%
<b>Total</b>	<b>65</b>	<b>93</b>	<b>15</b>	<b>173</b>	<b>22%</b>	<b>70</b>	<b>107</b>	<b>29</b>	<b>206</b>	<b>26%</b>

CIR Group in South America– Incoming and outgoing turnover by gender and age (2020)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	7	15	1	23	5%	54	215	52	321	64%
Women	1	7	--	8	19%	39	117	8	164	381%
<b>Total</b>	<b>8</b>	<b>22</b>	<b>1</b>	<b>31</b>	<b>7%</b>	<b>93</b>	<b>332</b>	<b>60</b>	<b>485</b>	<b>93%</b>

CIR Group in Asia – Incoming and outgoing turnover by gender and age (2020)										
no. of people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	31	51	--	82	11%	40	121	13	174	23%
Women	12	12	--	24	16%	9	22	--	31	21%
<b>Total</b>	<b>43</b>	<b>63</b>	<b>--</b>	<b>106</b>	<b>13%</b>	<b>49</b>	<b>143</b>	<b>13</b>	<b>205</b>	<b>27%</b>

## Diversity and equal opportunity

### GRI 405-1 – Diversity of governance bodies and employees

CIR Group – Percentage of employees broken down by professional category and by gender (2022)			
% of the total	Men	Women	Total
Executives	1%	1%	2%
Managers	0%	0%	0%
White collar	12%	22%	34%
Blue collar	17%	6%	23%
Operators	7%	34%	41%
<b>Total</b>	<b>37%</b>	<b>63%</b>	<b>100%</b>

CIR Group – Percentage of employees broken down by professional category and by age bracket (2022)				
% of the total	<30	30-50	50>	Total
Executives	0%	1%	1%	2%
Managers	0%	0%	0%	0%
White collar	5%	18%	11%	34%
Blue collar	4%	12%	7%	23%
Operators	6%	20%	16%	41%
<b>Total</b>	<b>15%</b>	<b>51%</b>	<b>34%</b>	<b>100%</b>

CIR – Percentage of employees broken down by professional category and by gender									
% of the total	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	20%	5%	25%	22%	6%	28%	23%	6%	29%
Managers	5%	20%	25%	6%	11%	17%	6%	12%	18%
White collar	15%	35%	50%	17%	39%	56%	18%	35%	53%
<b>Total</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>	<b>47%</b>	<b>53%</b>	<b>100%</b>

CIR – Percentage of employees broken down by professional category and age bracket												
% of the total	2020				2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0%	0%	25%	25%	0%	6%	22%	28%	0%	5%	24%	29%
Managers	0%	10%	15%	25%	0%	11%	6%	17%	0%	12%	6%	18%
White collar	0%	20%	30%	50%	0%	22%	33%	56%	0%	18%	35%	53%
<b>Total</b>	<b>0%</b>	<b>30%</b>	<b>70%</b>	<b>100%</b>	<b>0%</b>	<b>39%</b>	<b>61%</b>	<b>100%</b>	<b>0%</b>	<b>35%</b>	<b>65%</b>	<b>100%</b>



KOS Group – Percentage of employees broken down by professional category and by gender									
% of the total	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	1%	1%	1%	1%	1%	1%	1%	1%	1%
White collar	9%	28%	37%	9%	30%	39%	9%	29%	38%
Operators	11%	51%	62%	11%	49%	60%	11%	50%	61%
<b>Total</b>	<b>20%</b>	<b>80%</b>	<b>100%</b>	<b>21%</b>	<b>79%</b>	<b>100%</b>	<b>21%</b>	<b>79%</b>	<b>100%</b>

KOS Group – Percentage of employees broken down by professional category and age bracket												
% of the total	2020				2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0%	1%	1%	1%	0%	1%	1%	1%	0%	1%	1%	1%
White collar	6%	19%	12%	37%	6%	20%	12%	39%	6%	19%	13%	38%
Operators	9%	30%	22%	62%	9%	29%	22%	60%	8%	29%	23%	61%
<b>Total</b>	<b>15%</b>	<b>50%</b>	<b>35%</b>	<b>100%</b>	<b>15%</b>	<b>50%</b>	<b>35%</b>	<b>100%</b>	<b>14%</b>	<b>49%</b>	<b>37%</b>	<b>100%</b>

Sogefi – Percentage of employees broken down by professional category and by gender									
% of the total	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	2%	0%	2%	1%	0%	1%	1%	0%	1%
White collar	20%	7%	27%	20%	8%	28%	19%	7%	26%
Blue collar	53%	18%	71%	53%	17%	71%	54%	19%	73%
<b>Total</b>	<b>75%</b>	<b>25%</b>	<b>100%</b>	<b>74%</b>	<b>26%</b>	<b>100%</b>	<b>74%</b>	<b>26%</b>	<b>100%</b>

Sogefi – Percentage of employees broken down by professional category and age bracket												
% of the total	2020				2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0%	1%	1%	2%	0%	1%	1%	1%	0%	1%	1%	1%
White collar	3%	17%	7%	27%	3%	16%	9%	28%	3%	17%	6%	26%
Blue collar	14%	38%	19%	71%	12%	38%	21%	71%	13%	39%	21%	73%
<b>Total</b>	<b>17%</b>	<b>56%</b>	<b>27%</b>	<b>100%</b>	<b>15%</b>	<b>55%</b>	<b>30%</b>	<b>100%</b>	<b>16%</b>	<b>56%</b>	<b>28%</b>	<b>100%</b>

## Remuneration policies

### GRI 405-2 – Ratio of basic salary and remuneration of women to men

CIR Group – Ratio of the average basic salary of women to men	
%	2022
Executives	59%
Managers	91%
White collar	83%
Blue collar	88%
Operators	92%

CIR Group – Ratio of the average remuneration of women to men	
%	2022
Executives	54%
Managers	88%
White collar	87%
Blue collar	86%
Operators	89%

The remuneration of the highest-paid individual is 119 times that of the median of employees and is down 5.5% compared to 2021. The remuneration of the highest-paid individual is the same as in 2021, with a 6% increase in the average employee salary.

Sogefi Group <sup>9</sup>						
	Ratio of the average basic salary of women to men by professional category and geographical area			Ratio of the average remuneration of women to men by professional category and geographical area		
	2020	2021	2022	2020	2021	2022
<b>Europe</b>						
Executives <sup>10</sup>	0.73	1.00	0.78	0.77	0.94	0.79
White collar	0.81	0.84	0.81	0.77	0.70	0.79
Blue collar	0.84	0.78	0.82	0.81	0.75	0.83
<b>North America</b>						
Executives	0.73	0.58	n/a	0.66	0.84	n/a
White collar	0.84	0.80	0.75	0.86	0.83	0.71
Blue collar	0.90	0.85	0.94	0.95	0.84	0.90
<b>South America</b>						
Executives	n/a	n/a	n/a	n/a	n/a	n/a
White collar	0.64	0.69	0.68	0.64	0.69	0.69
Blue collar	0.82	0.80	0.80	0.83	0.80	0.80
<b>Asia</b>						
Executives	n/a	n/a	n/a	n/a	n/a	n/a
White collar	0.84	0.69	0.77	0.84	0.69	0.77
Blue collar	0.92	0.96	1.00	0.98	1.00	1.00

<sup>9</sup> n/a as there are no women employed in the specific professional category. Furthermore, the salary and remuneration of the CEO and CFO are excluded from the calculation.

<sup>10</sup> The salary and remuneration of the CEO are not considered.

CIR – women/ men basic pay ratio			
%	2020	2021	2022 <sup>11</sup>
Executives	n/a	n/a	n/a
Managers	97%	99%	91%
White collar	95%	95%	105%

CIR – women/ men average remuneration ratio			
%	2020	2021	2022
Executives	n/a	n/a	n/a
Managers	103%	71%	88%
White collar	85%	84%	121%

KOS Group – women/ men basic pay ratio			
	2020	2021	2022
Executives	66%	70%	69%
White collar	68%	68%	78%
Operators	89%	88%	92%

The data in the table refers to the entire KOS Group, while the ESG plan only refers to Italy.

KOS Group – women/ men average remuneration ratio			
	2020	2021	2022
Executives	67%	70%	53%
White collar	70%	72%	78%
Operators	88%	91%	89%

## Training and education

### GRI 404-1 – Average hours of training per year per employee

CIR Group – Average annual hours of training per employees (2022)			
no. hours	Men	Women	Total
Executives	12.2	17.4	14.5
Managers	10.0	3.8	5.9
White collar	20.7	18.0	18.9
Blue collar	19.3	13.6	17.8
Operators	8.0	8.9	8.7
<b>Total</b>	<b>17.4</b>	<b>12.6</b>	<b>14.4</b>

CIR – Average hours of training by employee category and by gender									
no. hours	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	18.0	2.0	14.8	6.0	--	4.8	7.8	-	6.2
Managers	22.0	3.5	7.2	6.0	7.0	6.7	-	5.0	3.3
White collar	--	17.8	12.5	--	14.9	10.5	10.0	3.8	5.8
<b>Total</b>	<b>11.8</b>	<b>11.7</b>	<b>11.7</b>	<b>3.8</b>	<b>11.9</b>	<b>8.3</b>	<b>7.6</b>	<b>3.6</b>	<b>5.5</b>

<sup>11</sup> n/a as there are no women employed in the specific professional category. Furthermore, the salary and remuneration of the CEO of CIR S.p.A were excluded from the calculation of the women/ men ratios.

KOS Group – Average hours of training by employee category and by gender									
no. hours	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	3.2	5.5	4.4	5.8	7.5	6.7	13.8	14.9	14.4
White collar	4.7	5.1	5.0	6.4	6.7	6.6	19.7	17.5	18.1
Operators	4.3	4.5	4.5	4.3	4.0	4.1	8.0	8.9	8.7
<b>Total</b>	<b>4.4</b>	<b>4.7</b>	<b>4.7</b>	<b>5.3</b>	<b>5.1</b>	<b>5.1</b>	<b>13.3</b>	<b>12.1</b>	<b>12.4</b>

The table above shows the value for employees only, while the ESG plan shows the average value for employees and collaborators.

Sogefi – Average hours of training by employee category and by gender									
no. hours	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	4.2	3.8	4.2	30.1	22.9	28.9	10.2	43.8	15.3
White collar	15.3	11.6	14.3	17.8	17.1	17.6	21.7	21.8	21.7
Blue collar	7.9	5.8	7.4	14.1	8.3	12.6	19.3	13.6	17.8
<b>Total</b>	<b>9.8</b>	<b>7.5</b>	<b>9.2</b>	<b>11.0</b>	<b>15.0</b>	<b>12.0</b>	<b>19.8</b>	<b>16.1</b>	<b>18.8</b>

## Occupational health and safety<sup>12 13 14 15</sup>

### GRI 403-9 – Work-related injuries

CIR Group – Employee work-related injuries			
No. of injuries	2020	2021	2022
Work-related injuries	1,335	527	2,122
Of which cases of Covid-19 (where applicable)	1,006	223	1,773
Of which fatalities	--	--	1
Of which with serious consequences (excluding deaths)	--	1	1

CIR Group – Hours worked by employees			
	2020	2021	2022
Hours worked	24,149,703	24,848,140	26,247,760

CIR Group – Employee health and safety indicators			
No. of injuries	2020	2021	2022
Injury frequency rate (excluding cases of Covid-19)	13.6	21.0	13.3
Injury frequency rate (including cases of Covid-19)	55.3	12.2	80.8
Death rate	--	--	0.04
Rate of injuries with serious consequences (excluding deaths)	0.0	0.04	0.04

<sup>12</sup> The rates are calculated based on 1,000,000 hours worked:

- Injury frequency rate: (number of injuries/ number of hours worked) x 1,000,000.
- Death rate: (number of fatalities as a result of work-related injuries/ numbers of hours worked) x 1,000,000.
- Rate of injuries with serious consequences: (number of injuries with serious consequences/ number of hours worked) x 1,000,000.

<sup>13</sup> Following various improvements to the reporting system, Sogefi group's 2020 data on work-related injuries for employees and collaborators has been restated with respect to the data published in the previous NFS.

<sup>14</sup> In 2020, out of the 1,285 work-place injuries recorded for the KOS Group, 1,006 were cases of Covid-19, all in Italy.

<sup>15</sup> Following various improvements to the reporting system, KOS group's 2021 data on work-related injuries and the employee injury rate has been restated with respect to those published in the previous NFS.

CIR Group – Collaborator work-related injuries <sup>16</sup>			
	2020	2021	2022
No. of injuries			
Work-related injuries	18	12	4
Of which fatalities	--	--	--
Of which with serious consequences (excluding deaths)	--	--	1

CIR Group – Hours worked by collaborators <sup>17</sup>			
	2020	2021	2022
Hours worked	3,624,090	4,477,713	5,126,470

CIR Group – Collaborator health and safety indicators			
	2020	2021	2022
No. of cases			
Injury frequency rate	5.0	2.7	0.8
Death rate	--	--	--
Rate of injuries with serious consequences (excluding deaths)	--	--	0.2

There have been no accidents involving employees of CIR S.p.A.

#### **GRI 403-10 – Work-related ill health**

CIR Group – Employee work-related ill health <sup>18</sup>			
	2020	2021	2022
Work-related ill health	23	15	8
Of which fatalities	--	--	--

CIR Group – Collaborators work-related ill health			
	2020	2021	2022
Work-related ill health	--	2	--
Of which fatalities	--	--	--

<sup>16</sup> The data relating to the number of injuries for collaborators refers only to the Sogefi group. As for the KOS Group, the company will deepen the analysis on the significance of other non-employee workers, in order to evaluate the need to collect data from the employees of external collaborators and the suppliers who operate on the Group's sites and/ or under the control of the group, by assessing the quality and accuracy of the data over which it doesn't not hold direct control.

<sup>17</sup> The data relating to hours worked by collaborators refers only to the Sogefi group.

<sup>18</sup> Following various improvements to the reporting system, KOS Group's 2021 data relating to employee occupational ill-health has been restated with respect to data published in the previous NFS.

## Environment<sup>19</sup>

### Energy and emissions

#### GRI 302-1 – Energy consumption within the organisation

CIR Group – Energy consumption						
	2020 <sup>20</sup>		2021		2022	
	Total	GJ	Total	GJ	Total	GJ
Electricity (kWh)	277,184,791	997,857	266,059,546	957,809	269,914,513	973,455
Natural gas (m <sup>3</sup> )	41,347,663	1,585,748	35,134,073	1,341,193	36,557,938	1,311,875
Diesel (l)	329,672	19,948	546,437	41,410	893,937	32,328
District heating (kWh)	5,886,608	21,192	6,755,746	24,321	9,141,537	32,910
LPG (l)	202,704	4,928	191,493	4,661	99,346	2,418
Wood chips (ton)	565	7,684	455	6,181	332	4,515
Petrol (l)	71,425	2,344	168,088	5,567	79,844	2,735
<b>Total</b>	-	<b>2,639,701</b>	-	<b>2,381,142</b>	-	<b>2,360,023</b>

#### GRI 305-1 – Direct (Scope 1) GHG emissions

#### GRI 305-2 – Energy indirect (Scope 2) GHG emissions

CIR Group – Greenhouse gas (GHG) emissions			
tCO <sub>2</sub>	2020	2021	2022
<b>Scope 1</b> – Direct GHG emissions	85,309	74,128	76,213
<b>Scope 2</b> – Location based	77,522	72,770	77,077
<b>Scope 2</b> - Market based	91,117	88,263	77,052
<b>Total Location-based emissions</b>	<b>162,831</b>	<b>146,898</b>	<b>153,290</b>
<b>Total Market-based emissions</b>	<b>176,426</b>	<b>162,391</b>	<b>153,266</b>

<sup>19</sup> The following conversion factors were used to calculate energy consumption:

- electricity 1 kWh = 0.0036 GJ for the three-year period;
- natural gas 1m<sup>3</sup>= 0.03576 in 2020, 1m<sup>3</sup>= 0.03584 in 2021, and 1m<sup>3</sup>= 0.03588 in 2022
- diesel fuel 1t=42.64 GJ in 2020, 1t=42.47 GJ in 2021, and 1t= 42.60 GJ in 2022

<sup>20</sup> The energy consumption of some structures for Charleston (KOS Group), in the absence of the final data for 2020, was estimated on the basis of 2019's final results. Furthermore, the 2020 data for the Sogefi Group was estimated for some plants. Estimates are based on consumption in previous years.

**Waste<sup>21</sup>**

CIR Group – Waste generation (t) <sup>22</sup>						
tons	2020		2021		2022	
	Total	%	Total	%	Total	%
Non-hazardous waste	20,095	81%	23,353	84%	25,005	85%
Hazardous waste	4,761	19%	4,326	16%	4,172	15%
<b>Total</b>	<b>24,856</b>	<b>100%</b>	<b>27,679</b>	<b>100%</b>	<b>29,177</b>	<b>100%</b>

**GRI 306-4 Waste diverted from disposal** (2020 data is not present, as the GRI has only required this from 2021)

Waste diverted from disposal, by recovery operations (tons) - Group			
	2022		
	On-site	Off-site	Total
<b>Hazardous waste</b>	<b>179</b>	<b>333</b>	<b>512</b>
Reuse	179	0	179
Recycling	0	333	333
<b>Non-hazardous waste</b>	<b>2,376</b>	<b>17,465</b>	<b>19,841</b>
Reuse	2,376	0	2,376
Recycling	0	17,455	17,455
Other <sup>23</sup>	0	10	10
<b>Total</b>	<b>2,555</b>	<b>17,798</b>	<b>20,353</b>

Waste diverted from disposal, by recovery operations (tons) - Group			
	2021		
	On-site	Off-site	Total
<b>Hazardous waste</b>	<b>121</b>	<b>0</b>	<b>121</b>
Reuse	117	0	117
Recycling	4	0	4
<b>Non-hazardous waste</b>	<b>2,256</b>	<b>15,815</b>	<b>18,071</b>
Reuse	2,256	37	2,293
Recycling	0	15,743	15,743
Other <sup>24</sup>	0	35	35
<b>Total</b>	<b>2,377</b>	<b>15,815</b>	<b>18,192</b>

<sup>21</sup> Following various improvements to the reporting system, KOS Group's data relating to waste generated, waste directed to disposal and diverted from disposal, has been restated with respect to the data published in the previous NFS.

<sup>22</sup> The chart does not show the tonnes of waste generated by CIR, which amounts to 0.004403 % of the total in 2021. In addition, the quantities of waste produced by some Charleston facilities (KOS Group) have been estimated, as municipal and local waste collection services do not provide statistics on the weight of the waste.

<sup>23</sup> Other refers to various operations that include composting, on-site storage, and deep-well injection.

<sup>24</sup> Other refers to various operations that include composting, on-site storage, and deep-well injection.



## GRI 306-5 Waste directed to disposal

Waste directed to disposal, by disposal operations (tons) - Group			
	2022		
	On-site	Off-site	Total
<b>Hazardous waste</b>	<b>0</b>	<b>3,660</b>	<b>3,660</b>
Incineration (with energy recovery)	0	312	312
Incineration (thermal destruction)	0	1,263	1,263
Landfilling	0	276	276
Energy recovery	0	1,809	1,809
<b>Non-hazardous waste</b>	<b>0</b>	<b>5,163</b>	<b>5,163</b>
Incineration (with energy recovery)	0	1,978	1,978
Incineration (thermal destruction)	0	2,307	2,307
Landfilling	0	744	744
Energy recovery	0	135	135
<b>Total</b>	<b>0</b>	<b>8,823</b>	<b>8,823</b>

Waste directed to disposal, by disposal operations (tons) - Group			
	2021		
	On-site	Off-site	Total
<b>Hazardous waste</b>	<b>75</b>	<b>3,833</b>	<b>3,908</b>
Incineration (with energy recovery)	3	597	600
Incineration (thermal destruction)	0	1,400	1,400
Landfilling	2	522	524
Energy recovery	70	1,313	1,383
<b>Non-hazardous waste</b>	<b>107</b>	<b>5,175</b>	<b>5,282</b>
Incineration (with energy recovery)	0	1,642	1,642
Incineration (thermal destruction)	0	2,138	2,138
Landfilling	35	1,062	1,097
Energy recovery	72	333	405
<b>Total</b>	<b>182</b>	<b>9,008</b>	<b>9,190</b>

## Water management

**GRI 303-3 Water withdrawal** (2020 data is not present, as the GRI has only required this from 2021)

Water withdrawal (2022) <sup>25</sup>			
MI	Total water withdrawn	Of which from water-stressed areas	
Water withdrawal	<b>Surface water</b>		
	Freshwater (≤1,000 mg/L total dissolved solids)	581	--
	Other water (>1,000 mg/L total dissolved solids)	19	19
	<b>Groundwater</b>		
	Freshwater (≤1,000 mg/L total dissolved solids)	180	39
	Other water (>1,000 mg/L total dissolved solids)	--	--
	<b>Seawater</b>		
	Freshwater (≤1,000 mg/L total dissolved solids)	--	--
	Other water (>1,000 mg/L total dissolved solids)	--	--
	<b>Produced water</b>		
	Freshwater (≤1,000 mg/L total dissolved solids)	--	--
	Other water (>1,000 mg/L total dissolved solids)	--	--
	<b>Third-party water</b>		
Freshwater (≤1,000 mg/L total dissolved solids)	1,029	378	
Other water (>1,000 mg/L total dissolved solids)	3	--	
<b>Total water withdrawn</b>	<b>1,812</b>	<b>436</b>	

<sup>25</sup> Freshwater is defined as water with ≤1,000 mg/L total dissolved solids. Other types of water are defined as water with > 1,000 mg / L dissolved solids.

<b>Water withdrawal (2021) <sup>26 27</sup></b>			
<i>MI</i>		<b>Total water withdrawn</b>	<b><i>Of which from water-stressed areas</i></b>
<b>Water withdrawal</b>	<b>Surface water</b>		
	Freshwater ( $\leq 1,000$ mg/L total dissolved solids)	626	--
	Other water ( $> 1,000$ mg/L total dissolved solids)	--	--
	<b>Groundwater</b>		
	Freshwater ( $\leq 1,000$ mg/L total dissolved solids)	215	73
	Other water ( $> 1,000$ mg/L total dissolved solids)	2	2
	<b>Seawater</b>		
	Freshwater ( $\leq 1,000$ mg/L total dissolved solids)	--	--
	Other water ( $> 1,000$ mg/L total dissolved solids)	--	--
	<b>Produced water</b>		
	Freshwater ( $\leq 1,000$ mg/L total dissolved solids)	--	--
	Other water ( $> 1,000$ mg/L total dissolved solids)	--	--
	<b>Third-party water</b>		
	Freshwater ( $\leq 1,000$ mg/L total dissolved solids)	1,328	417
Other water ( $> 1,000$ mg/L total dissolved solids)	12	3	
<b>Total water withdrawn</b>	Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)	<b>2,183</b>	<b>495</b>

<sup>26</sup> Freshwater is defined as water with  $\leq 1,000$  mg/L total dissolved solids. Other types of water are defined as water with  $> 1,000$  mg / L dissolved solids.

<sup>27</sup> The table does not show the water consumption relating to CIR S.p.A, equal to less than 0.08515% of total consumption.



**Share of capital expenditure (CapEx) deriving from products or services associated with economic activities aligned to the taxonomy – Disclosure relating to the year 2022**

CapEx was calculated considering all expenses for intangible and tangible assets made during the year, considering the amount before amortisation and any adjustments. The denominator also includes increases in property, plant and equipment and intangible assets resulting from business combinations.

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Y/N	Y/N						Y/N
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																							
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																							
N/A																							
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																0	0%			
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																							
Installation, maintenance and repair of renewable energy technologies		7.6	1.03	0.5%																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				0	0%		T
<b>Total (A.1+A.2)</b>			1.03	0.5%																0	0%		T
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																							
CAPEX of Taxonomy-non-eligible activities (B)			211.97	99.5%																			
<b>Total (A + B)</b>			213.0	100%																			

Share of operating expenses (OpEx) deriving from products or services associated with economic activities aligned with the taxonomy – Disclosure relating to the year 2022

OpEx have been calculated considering the sum of non-capitalised direct costs, which refer to: research and development, maintenance, and short-term leasing.

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Climate change adaptation (13)	Water and marine resources (14)	Circular economy (15)	Pollution (16)	Biodiversity and ecosystems (16)	Percent					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
N/A		0	0%														0	0%				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0	0%				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Installation, maintenance and repair of renewable energy technologies	7.6	1.54	3.0%																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	0	0%				
Total (A.1+A.2)		1.54	3.0%														0	0%				
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																						
OPEX of Taxonomy-non-eligible activities (B)		44.96	97.0%																			
Total (A + B)		51.5	100%																			

## Reconciliation table of material topics, GRI Standards and Decree 254/ 2016

MACRO AREA	Material topic (materiality matrix)	Topic-specific standard GRI	Decree 254/ 2016 topics
Economic responsibility	Economic performance	Economic performance	Social impact
	Innovative and eco-responsible products and technologies	N/A	
Governance and compliance	Business integrity and ethics	Anti-corruption; socio-economic compliance; income taxes	Fight against active and passive corruption
Customer-related responsibility	Customer Satisfaction	N/A	Social impact
	Privacy and protection of client data	Customer privacy	
	Customer health and safety	Customer health and safety	
Personnel-related responsibility	Company remuneration and welfare	Diversity and equal opportunity	Personnel matters
	Diversity and equal opportunity	Non-discrimination; diversity and equal opportunity	
	Enhancement and development of skills	Employment; training and education; labour/ management relations	
	Health and safety of workers	Occupational health and safety	
Social responsibility	Responsible supply practices	Procurement practices	Social impact
	Integration, involvement, and impact on local communities	Local community	Respect for human rights
Environmental responsibility	Water use and management	Water and effluents	Environmental
	Energy and emissions	Energy; Emissions	
	Responsible management of materials and waste	Materials; Discharges and waste	



## Scope of material topics of the CIR Group

MATERIAL TOPICS		SCOPE OF MATERIAL TOPICS	ROLE OF THE CIR GROUP
<b>Economic responsibility</b>			
Economic performance	Potential negative impact on society caused by a lack of economic growth of the company	CIR Group	Direct - Caused by the CIR Group
Innovative and eco-responsible products and technologies	Positive impact on society and patients from innovation towards more sustainable and patient-friendly products	CIR Group, customers, suppliers, business partners	Direct - Caused by the Group and indirect - associated with the activities of the CIR Group
<b>Governance and compliance</b>			
Business integrity and ethics	Potential negative impact from non-compliance with laws	CIR Group	Direct - Caused by the CIR Group
<b>Customer-related responsibility</b>			
Customer health and safety	Potential negative impact resulting from the production of defective products or from incorrect use of resources causing an impact on patient health	CIR Group	Direct - Caused by the Group and indirect - associated with the activities of the CIR Group
Privacy and protection of client data	Potential negative impact from security breaches regarding customer privacy and loss of customer data	CIR Group	Direct - Caused by the CIR Group
Customer satisfaction	Potential negative impact caused to customers as a result of failure to meet quality standards, and incorrect handling of complaints	Sogefi Group, KOS Group	Direct – Caused by the Group and indirect – associated with the activities of the CIR Group
<b>Environmental responsibility</b>			
Water use and management	Negative impact on the availability of water for the local community, due to consumption by the organization	Sogefi Group, KOS Group	Direct - Caused by the Group and indirect - associated with the activities of the CIR Group
Energy and emissions	Negative impact on the environment caused by energy consumption and the related production of emissions	CIR Group	Direct - Caused by subsidiaries and indirect – associated with the activities of the CIR Group
Responsible management of materials and waste	Negative impact on the environment caused by the use of natural resources and the production of waste	Sogefi Group, KOS Group	Direct - Caused by the Group and indirect - associated with the activities of the CIR Group
<b>Personnel-related responsibility</b>			
Company remuneration and welfare	Potential negative impact on employees in the absence of adequate welfare activities and fair remuneration	CIR Group	Direct - Caused by the CIR Group
Diversity and equal opportunity	Positive impact on employees following the dissemination of a culture of inclusiveness and openness to diversity by reducing the risks associated with discrimination and harassment	CIR Group	Direct - Caused by the CIR Group
Enhancement and development of skills	Positive impact for employees following an increase in skills given by training activities	CIR Group	Direct - Caused by the CIR Group
Health and safety of workers	Negative impact caused by the organization on workers who, as a result of the activities carried out, could incur in work-related injuries and ill health	CIR Group	Direct - Caused by the CIR Group
<b>Social responsibility</b>			
Responsible supply practices	Potential negative impact from sourcing from suppliers that do not adopt sustainable practices, with indirect	Sogefi Group, KOS Group, suppliers, commercial partners	Direct - Caused by the Group and indirect – associated with the activities of the Sogefi Group

	negative impacts for workers and related communities		
Integration, involvement, and impact on local communities	Positive impact following the improvement in the employment rate and social conditions of the local communities in which the Group operates	CIR Group, local community, and area	Direct - Caused by the CIR Group

## GRI Content Index

CIR S.p.A drafted this document, which covers the period from 01/01/2022 to 12/31/2022, according to the GRI Standards. Throughout 2022, a new version of these standards was published, which modified the previous set by integrating additional information into them, including the reporting of previously non-mandatory information, and unifying the topics covered by several standards into a single topic; some principles were also eliminated (e.g., 102-12: “External initiatives”; 102-44 : “Key topics and concerns raised”; 102-51 : “Date of most recent report”), as their contents were deemed superfluous or repetitive compared to other information requested.

<b>Declaration of use</b>		<b>The CIR Group has prepared the document in compliance with the GRI Standards for the period from January 1<sup>st</sup>, 2022, to December 31<sup>st</sup>, 2022</b>		
<b>GRI Sector Standard</b>		N/A		
<b>GRI 1</b>		Used		
<b>GRI 2 – General disclosures 2021</b>				
<b>GRI 2021</b>		<b>Title</b>	<b>Comments</b>	<b>Pages</b>
2-1		Organizational details		6,7
2-2		Entities included in the organization’s sustainability reporting		7
2-3		Reporting period, frequency, and contact point		32
2-4		Restatements of information		Methodological Note
2-5		External assurance		58
2-6		Activities, value chain and other business relationships		6-8
2-7		Employees		39-44
2-8		Workers who are not employees		39-44
2-9		Governance structure and composition		12-15; Report on corporate governance and ownership structure
2-10		Nomination and selection of the highest governance body		Report on corporate governance and ownership structure
2-11		Chair of the highest governance body		Report on corporate governance and ownership structure
2-12		Role of the highest governance body in overseeing the management of impacts		Report on corporate governance and ownership structure
2-13		Delegation of responsibility for managing impacts		Report on corporate governance and ownership structure
2-14		Role of the highest governance body in sustainability reporting		12-15; Report on corporate governance and ownership structure

2-15		Conflicts of interest		Report on corporate governance and ownership structure
2-16		Communication of critical concerns		Report on corporate governance and ownership structure
2-17		Collective knowledge of the highest governance body		Report on corporate governance and ownership structure
2-18		Evaluation of the performance of the highest governance body		Report on the remuneration policy and on the fees paid
2-19		Remuneration policies		Report on the remuneration policy and on the fees paid
2-20		Process to determine remuneration		Report on the remuneration policy and on the fees paid
2-21		Annual total compensation ratio		48
2-22		Statement on sustainable development strategy		9-10
2-23		Policy commitments		9-10
2-24		Embedding policy commitments		9-10; Report on corporate structures and Corporate Governance report
2-25		Processes to remediate negative impacts		14-17; Corporate Governance Code and Report on Corporate Structures
2-26		Mechanisms for seeking advice and raising concerns		Report on corporate governance and ownership structures
2-27		Compliance with laws and regulations		No fines > 10,000 €
2-28		Membership associations		17
2-29		Approach to stakeholder engagement		33-34
2-30		Collective bargaining agreements		39-44

GRI 3 – Material topics 2021				
GRI 2021		Title	Omissions	Pages
3-1		Process to determine material topics		33-34
3-2		List of material topics		33-34
<b>Economic Performance</b>				
3-3		Management of material topics		7-8
201-1		Direct economic value generated and distributed		7-8
<b>Procurement practices</b>				
3-3		Management of material topics		21,28
<b>Anti-corruption</b>				
3-3		Management of material topics		10-12
205-3		Confirmed incidents of corruption and actions taken		No cases. Report on Corporate Governance and Ownership Structures, Financial Statements and Consolidated Financial Statements, Company website
<b>Tax</b>				
3-3		Management of material topics		33-38
207-1		Approach to tax		33-38
207-2		Tax governance, control, and risk management		33-38
207-3		Stakeholder engagement and management of concerns related to tax		33-38
207-4		Country-by-country reporting		33-38
<b>Materials</b>				
3-3		Management of material topics		21,28
301-3		Reclaimed products and their packaging materials		49-51
<b>Energy</b>				
3-3		Management of material topics		21-28
302-1		Energy consumption within the organization		49-51; Sogefi Sustainability Report
302-3		Energy intensity		
<b>Water and effluents</b>				
3-3		Management of material topics		KOS Sustainability Report, Sogefi NFS
303-1		Interactions with water as a shared resource		KOS Sustainability Report, Sogefi NFS
303-2		Management of water discharge-related impacts		KOS Sustainability Report, Sogefi NFS
303-3		Water withdrawal		52
<b>Emissions</b>				
3-3		Management of material topics		21,28

305-1		Direct (Scope 1) GHG emissions		49-51
305-2		Energy indirect (Scope 2) GHG emissions		49-51
305-3		Other indirect (Scope 3) GHG emissions		Sogefi NFS
<b>Waste</b>				
3-3		Management of material topics		21,28
306-1		Waste generation and significant waste-related impacts		49-50
306-2		Management of significant waste-related impacts		49-50
306-4		Waste diverted from disposal		49-50
306-5		Waste directed to disposal		49-50
<b>Employment</b>				
3-3		Management of material topics		23,29
401-1		New employee hires and employee turnover		39-44
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees		39-44; KOS Sustainability Report, Sogefi NFS
<b>Labour/management relations</b>				
3-3		Management of material topics		23-24
402-1		Minimum notice periods regarding operational changes	The data is not available due to differences between countries	
<b>Occupational health and safety</b>				
3-3		Management of material topics		23,29
403-1		Occupational health and safety management system		39-44; KOS Sustainability Report, Sogefi NFS
403-2		Hazard identification, risk assessment, and incident investigation		39-44; KOS Sustainability Report, Sogefi NFS
403-3		Occupational health services		39-44; KOS Sustainability Report, Sogefi NFS
403-4		Worker participation, consultation, and communication on occupational health and safety		39-44; KOS Sustainability Report, Sogefi NFS
403-5		Worker training on occupational health and safety		39-44; KOS Sustainability Report, Sogefi NFS
403-6		Promotion of worker health		39-44; KOS Sustainability Report, Sogefi NFS
403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		39-44; KOS Sustainability Report, Sogefi NFS
403-9		Work-related injuries	With reference to KOS, data on injuries, hours worked, and work-	39-44

			related ill health of collaborators are not available	
403-10		Work-related ill health		39-44
<b>Training and education</b>				
3-3		Management of material topics		23,29
404-1		Average hours of training per year per employee		23,29, 46
<b>Diversity and equal opportunity</b>				
3-3		Management of material topics		23,29
405-1		Diversity of governance bodies and employees		39-46
405-2		Ratio of basic salary and remuneration of women to men		39-46
<b>Non-discrimination</b>				
3-3		Management of material topics		23,29
406-1		Incidents of discrimination and corrective actions taken		No cases
<b>Local communities</b>				
3-3		Management of material topics		23,29
413-1		Operations with local community engagement, impact assessments, and development programs		23,29
<b>Customer health and safety</b>				
3-3		Management of material topics		20,27
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services		No cases
<b>Customer privacy</b>				
3-3		Management of material topics		20,27
<b>Innovative and eco-responsible products and technologies</b>				
3-3		Management of material topics		22,26
<b>Customer satisfaction</b>				
3-3		Management of material topics		20,27

## Auditors' Report





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

# **CIR Group - Compagnie Industriali Riunite**

**2022 consolidated non-financial statement**

(with independent auditors' report thereon)

KPMG S.p.A.

6 April 2023



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## **Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018**

*To the board of directors of  
CIR S.p.A. – Compagnie Industriali Riunite*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the “decree”) and article 5.1.g) of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2022 consolidated non-financial statement of the CIR – Compagnie Industriali Riunite Group (the “group”) prepared in accordance with article 4 of the decree and approved by the board of directors on 13 March 2023 (the “NFS”).

Our procedures did not cover the information set out in section “7.1 EU taxonomy” of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

### ***Responsibilities of the directors and board of statutory auditors (“Collegio Sindacale”) of CIR – Compagnie Industriali Riunite S.p.A. (the “parent”) for the NFS***

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (the “GRI Standards”), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

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



**CIR Group – Compagnie Industriali Riunite**

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### ***Auditors' independence and quality control***

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Auditors' responsibility***

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

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

Specifically, we performed the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
  - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
  - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
  - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).



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5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level:
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited the Sofefi and KOS subgroups, including as part of the engagements assigned by the subsidiaries, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

### **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 consolidated non-financial statement of the CIR – Compagnie Industriali Riunite Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Our conclusion does not extend to the information set out in the “7.1 EU taxonomy” section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 6 April 2023

KPMG S.p.A.

(signed on the original)

Alessandra Ponzio  
Director of Audit

