

The goal of Bonfiglioli Group is to develop a business model that is sustainable over the long term, establishing clear objectives and implementing all necessary measures: for this reason, the Group is committed to managing its business in line with the key principles expressed in the current Sustainability Policy, which are divided in accordance with “E” – Environment, “S” – Social and “G” – Governance criteria. These principles are inspired by the **17 UN Sustainable Development Goals**, and underpin the **Organization and Management Models and the Code of Ethics**, as well as reflecting the company’s **Core Values - Challenge, Respect, Accountability e Winning Together**.

## ENVIRONMENTAL SUSTAINABILITY

The Group’s dedication to sustainability in the social, environmental and energy spheres is focused on the responsible management of the entire supply chain, which encompasses the product life cycle as a whole: from the various design phases and the selection of materials and suppliers, to the management of the phases of use by the customer and the end of life of the product.

This commitment is expressed as follows:

- The design and creation of sustainable **workplaces**, with a view to minimizing the impact of these spaces on the surrounding environment (for example, implementation of Nearly Zero Energy Buildings, sustainable mobility initiatives coordinated with other companies in the area, etc.);
- The reduction of the impact of the Group’s **activities, processes and products** on:

- ✓ **Natural resources** (e.g., water, raw materials, auxiliary materials and chemical substances etc.) and **energy resources**, as well as biodiversity: the goal is to ensure that by 2030, 100% of electrical energy used comes from renewable sources;
- ✓ **Emissions** of atmospheric pollutants and greenhouse gases related to both direct (Scope 1) and indirect (Scope 2 and Scope 3) uses of energy sources, whilst promoting projects to offset emissions (carbon offsetting) as well as taking other parties involved in the production chain into consideration (suppliers etc.);
- ✓ **Waste** produced at the factories/branches (e.g., initiatives related to the reduction of plastic waste etc.), with the goal of achieving “ZERO LANDFILL WASTE” by 2030, pursuing an increasingly “circular” economy.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) has always been a fundamental commitment for the Group: we support projects and initiatives involving internal and external stakeholders, focusing on three key pillars: youth, land development and STEM disciplines (“Science, Technology, Engineering and Mathematics”).

The Group is dedicated to distributing value to its stakeholders and within the areas in which it operates, through projects and schemes that contribute to local economies, and through partnerships with institutions, universities and local authorities, implementing initiatives with a view to promoting cultural heritage, providing health care and supporting other causes that are relevant to these communities, both in Italy and abroad.

Furthermore, within the value chain, the Group acts as the “supply chain leader”, heading up specific projects linked to supply chain sustainability, in support of and in collaboration with all stakeholders, from the suppliers upstream to the customers downstream.

Bonfiglioli Group is committed to ensuring the engagement, consultation and participation of all workers, working to fight discrimination and the failure to **foster diversity** in the workplace and promoting **respect for human rights**, whilst combating any violations of these rights in both direct and

indirect activities and along the entire value chain.

The Group promotes a culture of risk analysis across all processes, including those that are outsourced, in order to identify any processes that could lead to deviations from the expected results in advance, so that the best **prevention** and protection measures can be implemented to safeguard the external environment, energy efficiency and the health and safety of all workers and workplaces, with “ZERO INJURIES” and excellent product quality as key goals. The Group invests in activities designed to provide **information, education and training**, through innovative digital tools (e.g. the “Bonfiglioli Academy” internal portal etc.), to equip workers/employees the necessary skills to carry out their activities independently whilst promoting their personal and professional growth, in compliance with the company’s “Core Values”, and with the awareness that the responsibility for all issues relating to sustainability lies with the organization as a whole, according to each person’s individual duties.

Finally, the Group is committed to combating any breaches of privacy and loss of sensitive data due to inadequate IT safeguarding, through investment in resources to strengthen and improve its **cybersecurity** systems.



## GOVERNANCE TOOLS

**Bonfiglioli Group strongly believes that sustainability issues can only be managed effectively when supported by appropriate governance tools.**

For this reason, the Group has established the following:

- The **Code of Ethics**, which is applicable at Group level;
- The **Supplier Code of Conduct**, which is applicable to all Group suppliers;
- The **Materiality Analysis**, which is reviewed on an annual basis, and which enables the identification of the “material” themes that represent the key impacts that the Group has or could have on the economy, the environment and people, including their human rights;
- The Organization, Management and Control **Model** pursuant to Legislative Decree 231/01 et seq., which is applicable to all Italian plants/sites, and which includes all predicate offenses provided for under the Decree (e.g., corruption, environmental and health and safety risks, etc.);
- The **Group’s Corporate Management Systems**, developed and maintained in accordance with the requirements of a range of major international standards, for example, ISO 9001 (Quality), IATF 16949 (Quality in the Automotive Sector), ISO 13485 (Quality in the Medical Device Sector), ISO 14001 (Environment), ISO 45001 (Health and Safety), ISO 50001 (Energy), ISO 22301 (Business Continuity), etc. With the above in mind, the Group pursues excellence through the continuous improvement of all business processes, with a view to achieving the highest levels of quality, health and

safety, environment and energy, in compliance with all current regulations, standards and customer requirements. As part of this journey, the Group is committed to drawing value from the contribution of each individual, spreading corporate Best Practices and taking full advantage of the potential of an international group like Bonfiglioli;

- the **Sustainability Roadmap**, which is valid at Group level, is an operational tool for managing key sustainability-related themes and the projects linked to these.

In addition to this, the Group prioritizes constant **Research and Development**, in order to improve **products**, processes, technologies and ways of working, and to offer customers increasingly flexible, integrated, innovative, sustainable, reliable and efficient solutions. As part of this, Bonfiglioli fully embraces the challenges of the “digital” industry and of the development of new industrial processes: we view digital transformation as a key opportunity for further improvement with regard to product quality and occupational health and safety, which includes the minimization of the risk of physical harm to end users as a result of product nonconformity.

In order to support these tools and the vision of the Group as a whole, Bonfiglioli has created a Corporate Social Responsibility (CSR) committee, and has included specific annual goals regarding sustainability issues within the Management by Objectives of most of the Group’s senior leadership team. Last but not least, Bonfiglioli is also committed to preparing and publishing its **Sustainability Report** on an annual basis.

Calderara di Reno (Bo), 25 September 2023

The President  
(Sonia Bonfiglioli)



The Chief Executive Officer  
(Fausto Carboni)

