

CONSOLIDATED SUSTAINABILITY REPORT

2022

SERI **PLAST**
POLYPROPYLENE COMPOUNDS



PLAST **RESEARCH**
& DEVELOPMENT S.R.L.

FAAM

FEF
ENERGY STORAGE SYSTEM

FAAM
SERVICE



FAAM
RESEARCH CENTER



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Dear Stakeholders,

we are all aware of how extremely challenging 2022 has been.

After the radical change that the global health emergency brought to all our lives just a couple of years ago, we have witnessed geopolitical instability on a global scale with Russia's invasion of Ukraine causing a humanitarian crisis and disruption throughout the world's energy system, disrupting supply and fuelling price speculation.

Subsequent sanctions packages and embargoes imposed in response to the war introduced further complexity to the market and required additional effort to ensure corporate compliance with applicable regulations.

The impact of climate change was evident in multiple extreme weather events that further disrupted supply chains and key commodity markets.

However, our company has proven to be resilient and able to continue on its sustainable growth path while dealing with major global challenges on a daily basis.

In spite of this and because of this, we have nurtured our sustainability business and strategy by achieving good results also in relation to the new initiatives that we are implementing to continue our journey in order to have a business that is increasingly in line with the needs of our stakeholders.

A path whose importance has been recognised by the results achieved with reference to ESG ratings and which are the inspiration for our future efforts.

Responding to climate change

Facing climate change is a key strategic objective for Seri Industrial. In this report, we have, to the best of our ability, described what we are doing by aiming for carbon neutrality, which will be operational by 2050.

Our stakeholders are increasingly interested in knowing the emissions and carbon intensity of the activities we perform. This is becoming an important additional activity, a great stimulus for improvement and also a source of competitive advantage. Seeking to bring greater transparency to supply chain emissions allows us to help customers select low-carbon options and reduce the carbon footprint of their products and processes.

Our business model adopts the concept of the circular economy as a cornerstone, predicting that low-carbon secondary raw materials will outperform comparable, virgin, emission-intensive products in terms of demand and market access in a wide range of end-use markets.

Responsibility in the value-chain

Over the past few years, we have developed a solid approach to assessing and addressing broader human rights, social and environmental concerns throughout the value chain. Responsible sourcing and due diligence in the supply chain are important topics for customers, regulators and financiers, and we are actively aware of this.

Priorities in occupational safety

A safe workplace is of paramount importance for the sustainability of our business. We have made significant progress in reducing the frequency of accidents across the Group by 2022, and we remain committed to eliminating serious accidents from our workplaces altogether.

A high-performing and diverse workforce

We nurture highly qualified, productive, diverse and collaborative teams in line with our corporate culture. These factors are key to our success. We value ethnic and cultural diversity. However, we recognise that, despite the improvements in our gender diversity in the year 2022, we have further progress to make in some areas of the business to better balance the key players.

Sustainability Governance

We have governance structures and management systems that support compliance and our efforts to address the environmental and social risks associated with our operations. In 2022, we launched a revised sustainability governance structure that brought more focused direction at Board level and greater oversight and involvement that allowed for greater sharing of best practices, common risks and challenges.

As always, we are committed to the ten principles of the UN Global Compact with the aim of being ready for the membership application we are aiming for. At the same time, we are fully aware that we cannot implement our ambitious sustainability strategy without the support of our customers and suppliers, managers and employees, and all others with whom we collaborate, or without the technology, innovation and entrepreneurial determination that have characterised the SERI Industrial Group over the years. Our plan is to further promote sustainability and better prepare the SERI Industrial Group for the future.

On behalf of myself and the entire Control, Risk and Sustainability Committee, I would like to thank you for your interest in the SERI Industrial Group and our sustainability activities. We hope you find our Sustainability Report 2022 interesting and informative.

Luciano Orsini

Seri Industrial S.p.A. (hereinafter Seri Industrial), as a public interest entity (pursuant to Article 16, paragraph 1, of Legislative Decree No. 39 of 27 January 2010) having dimensional characteristics of employees, balance sheet and net revenues at a consolidated level above the thresholds provided for in Article 2, paragraph 1, is subject to the application of Legislative Decree No. 254 of 30 December 2016 (hereinafter also Decree 254) "Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain undertakings and large groups".

This "Consolidated Sustainability Report" of the Group as at December 31 2022, hereinafter also referred to as the "Non-Financial Statement", is therefore prepared in accordance with the provisions of Decree 254 and constitutes a separate document from the Report on Operations, but an integral part of the documentation relating to the Annual Financial Report 2022.

This document reports on the issues considered relevant and envisaged by Art. 3 and Art. 4 of Legislative Decree 254/16 with reference to the financial year 2022 (from 1 January to 31 December), to the extent necessary to ensure the understanding of the business activity, its performance, its results and the social and environmental impact it produces. In particular, the definition of the relevant aspects for the Seri Industrial Group (hereinafter also the "Group") and its stakeholders, took place on the basis of a materiality analysis process, a description of which is given in the section "Materiality analysis" of this document.

The reporting scope of the Non-Financial Statement is the same as that of the Seri Industrial Group's Consolidated Financial Statements as of December 31, 2022.

For an in-depth look at the corporate structure, in addition to the information provided in this document, please refer to the annual documents: the Management Report and the Corporate Governance Report, both available on the company's website.

Data from previous years are provided for comparative purposes in order to facilitate the assessment of the Group's business performance and its impact. In order to provide a fair representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible. Where recourse has been made, these are based on the best methodologies available and appropriately reported.

This document has been prepared in accordance with

the "GRI¹ Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), "in accordance with the 'in accordance' option.

An index of GRI contents is given at the end of the document, in order to provide an overview of the reported indicators and the relevant reference pages.

The Global Sustainability Standards Board updated some "Universal Indicators" of the GRI standards, with the aim of achieving a reporting system more relevant to international principles of governance, due diligence and respect for human rights.

In compliance with the provisions of the Corporate Sustainability Reporting Directive (CSRD), the updates concern the concepts of **impact, materiality, due diligence** (the latter useful for identifying and mitigating the **negative impacts - actual and potential, direct and indirect - of the Organization**). In fact, with the implementation of the aforementioned updates, there is an increased focus on the transparency of the activities carried out and the responsibility of the companies.

The updates concern all organizations that choose to perform Sustainability Reporting according to the GRI standard, in particular GRI 1, GRI 2 and GRI 3 are introduced² to replace GRI Standard 101, GRI 102, GRI 103:

- GRI 1 *Foundation*, the starting point for using the GRI standards;
- GRI 2 *General Disclosures*, explains how to report an organization's context information;
- GRI 3 *Material Topics*, a practical guide for identifying and managing material topics.

The Sustainability Report (Non-Financial Statement) 2022 is also subject to a limited assurance engagement according to the criteria set forth in ISAE 3000 Revised, by EY S.p.A. which, at the end of its work, issued a report on the compliance of the information provided with the Decree and the GRI Standards.

The key performance indicators used are those required by the adopted standards and are representative of the various areas, as well as consistent with the business and the impacts it produces.

The choice of key performance indicators was also made considering, where appropriate, the European Commission guidelines.

Contacts:
Investor Relator, Dr. Marco Civitillo
CSR Manager, Dr. Luciano Orsini

1 - Global Reporting Initiative

2 - www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/

The Group, aware of how important the consequences of its production activities are on the pivotal issues of sustainability, has an increasing focus on the subject, linking it more and more to the implementation activities of the integrated risk management system that does not only focus on the provisions of former Legislative Decree 231/01 but also extends to risks excluded and/or partially monitored by the system. With reference to the 5 topics indicated in Decree 254/2016, a brief description of the main objectives that the Group has set for itself during 2022 is provided below.

ENVIRONMENT

Seri Industrial's business, which is strongly focused on the circularity of the production process, requires the Group to comply with specific environmental policies and certifications, also considering the distribution of production plants located in Italy, France, Poland and China. Seri Industrial S.p.A. is committed to the identification of environmental risks and their mitigation. In fact, the monitoring of environmental impacts is a goal that Seri Industrial S.p.A. intends to pursue in the next few years, leading to an even more eco-friendly management of energy resources. It is reported the adoption of the "Environment, Energy, Health and Safety Policy" in 2022.

SOCIAL AND PEOPLE FACTORS

The Group is committed to initiatives aimed at the development of human capital, such as the acquisition and development of talent, managing, in the difficulties dictated by the difficult moment due to the current pandemic, the provision of training courses, not only related to health and safety but also aimed at developing and enhancing skills, aware that diversity and inclusion are key principles on which to base its training and recruiting policies. The strengthening of stakeholder engagement in Seri Industrial's activities will be one of the points on which to focus the Group's efforts in the near future, in order to have a more inclusive integration of stakeholders. Expanding supplier selection criteria from an ESG perspective will also be a challenge that the Group will face in the near future, in order to make a choice that adds a positive correlation with the environment and people to an economic and timing advantage.

RESPECT FOR HUMAN RIGHTS

Seri Industrial orients its operations towards respect

for human rights through the Group Code of Ethics, the update of which was approved by the Board of Directors, at a consolidated level, on 11 November 2020 (see Board of Directors resolution 20/3/2023). Aware of the importance of this issue, the Group aims to implement an increasingly effective monitoring system aimed at ensuring compliance with the Group Code of Ethics by all companies.

It is reported the adoption of the 'Human Rights Policy' in 2022.

COMBATING ACTIVE AND PASSIVE CORRUPTION

The 231/01 Organisational Model, updated by the Board of Directors on 11 November 2020, was adopted by the parent company Seri Industrial and its main subsidiaries. Although the company does not qualify as a "recipient", as far as anti-money laundering is concerned, of the specific obligations provided for by Legislative Decree 231/2007 (art. 3), anti-money laundering and anti-corruption measures are dealt with and implemented by means of the Organisational Model pursuant to Legislative Decree 231/01, which is in turn part of the broader Internal Control and Risk Management System and, with regard to the specific issue of anti-corruption, is mentioned among the Six Ethical Principles of our Code of Ethics (see Board of Directors' resolution 20/3/2023). In accordance with the Code of Ethics of Seri Industrial, conduct in the performance of activities carried out in the interest or to the advantage of the Group must and "shall" be inspired by transparency, good faith, fairness, honesty and impartiality and carried out with the utmost diligence, cooperation, fairness, honesty, moral and professional rigour. All activities performed by or for the Group must be carried out in compliance with the laws and regulations in force in all the countries in which the Group operates. Compliance of conduct with the regulations must be and is maintained by every director, manager, representative, employee, collaborator, supplier, business partner and anyone who has dealings with Seri Industrial. In no case can the pursuit of the interest of Seri Industrial Group justify conduct that is not in compliance with national, foreign or international laws and regulations. In this regard, Seri Industrial does not initiate or continue any relationship with those who do not intend to align themselves with this principle, making it explicit in every commercial agreement or partnership through dedicated ethics clauses. In this regard, the adoption of the "Anti-Corruption Policy" in 2022 is reported.

HIGHLIGHTS SERI INDUSTRIAL

4 Countries where the Company is active	175,452 million € Revenues from contract with customers
22 units in the world on 16 sites	17,732 million € consolidated EBITDA
11 Brand for subsidiaries	40% Women in the Board of Directors
712 Employees	20% female workforce

SDG Sustainability



In line with the recommendations of the supervisory authorities, the Group continued to closely monitor the evolution of events relating to Covid-19 with regard to the main areas of interest and in the countries in which it operates, in continuity with what was done in previous years, in order to assess the significance of the impact on business activities, on the financial position and economic performance of the Group

Seri Industrial will take action to adopt additional mitigation measures should the pandemic crisis reoccur despite the vaccinations underway worldwide.

From the outset, Seri Industrial has closely monitored the developments of the pandemic, setting up dedicated committees and adopting all the necessary measures to prevent, control and contain the virus at its sites, with the aim of protecting the health of employees and collaborators (modification of production layouts, sani-

tisation of premises, personal protective equipment, temperature measurement, serological tests, hygiene rules and social distancing).

The macroeconomic context continues to be characterised by a slowdown in the economy, conditioned mainly by the repercussions of the war in Ukraine and high inflation, as well as the stringent pandemic containment measures imposed in October and November in China, which led to disruptions in production activities and growing social tensions, resulting in a marked deterioration in the economic framework. The Chinese government then decided on a sudden relaxation of these policies at the beginning of December, with a positive effect on domestic demand offset by the negative one of a new strong wave of contagions in an environment characterised by a low level of immunisation of the population.



1

SERI INDUSTRIAL THE GROUP

|GRI 2-1 A|; |GRI 2-6 A|

1.1 OUR HISTORY

ENSTABLISHMENT



The Seri Group started in 1999, when the Civitillo family established the company SE.R.I. and began operating as a general contractor to support the initiatives launched through subsidized funds for the regions of southern Italy. Subsequently, the Group, exploiting its engineering and design know-how, specialized in the construction of plants for the recovery and recycling of end-of-life batteries - with the company Seri Plant

Division S.r.l. - and subsequently in the production of polypropylene plastic granules regenerated from plastic waste coming from spent battery recyclers - Seri Plant customers for whom the plants were made - through the company Seri Plast S.r.l. The plastic granules were sold, mainly, to moulders of battery boxes and lids.

M&A FOCUSED ON TURNAROUND OPERATIONS



Over the years, three important customers were acquired who used Seri Plast's regenerated plastic granule, specialising in the moulding of plastic boxes and lids for batteries, and several acquisitions of industrial groups, often in a distressed situation, with subsequent company re-launches, were carried out, leading to significant growth of the Seri Group. In 2010, the company Plastam was acquired and in the same year Industrie Composizioni Stampanti S.r.l. (ICS) also became part of the perimeter. Furthermore, in the same year, the plants in Canonica d'Adda and Avellino were acquired by ICS from the company Exide.

In 2012, IMI Fondi Chiusi SGR, until 31 May 2018 the management company of the closed-end mutual investment fund called "Fondo Atlante Private Equity" (which was taken over by Neuberger Berman AIFM Limited as of 1 June 2018) entered the shareholding structure of

Seri Industrial. Through the Company ICS, the Group started to supply the boxes and lids to major European battery manufacturers. In 2013, with the company FIB, the Group acquired FAAM - an ICS customer and a well-known manufacturer of lead and lithium batteries for industrial, stationary and automotive applications. On a synergy basis, the following year through ICS, there was the acquisition of the facilities for moulding plastic components for batteries owned by Exide, an American multinational and world leader in the manufacture of lead batteries, located in Spain and France. Thanks to this transaction, the Group now supplies more than 75% of Exide's European requirements for plastic battery components.

At the end of 2014, the company achieved complete downstream integration of the electric accumulator production chain, from the production of the plastic granule to the production of the plastic components.

CONSOLIDATION AND NEW PROJECT



In 2015, Seri Industrial, in order to follow the new technological trajectories of the batteries market, concluded the acquisition of Lithops, a company active in the research, development and production of Lithium-ion cells for (i) "power use" - batteries requiring a lot of energy for a short period and (ii) "energy use" - batteries requiring low amounts of energy for long periods. This enabled the Group to focus more on the development of lithium-ion batteries, taking advantage of the know-how of both Lithops and FIB (which has also always been involved in this area of application).

In 2016, the Group completed the acquisition of Ecompiombo by Repiombo S.r.l. With the start-up activities at the end of 2018, the Group completed the vertical integration also upstream of the supply chain. Through the production of secondary lead, in fact, it enables the recovery and regeneration of lead - a fundamental raw material for the electric accumulator - from the recycling of end-of-life batteries.

Between 2017 and 2018, the Group, through FIB, acquired from Whirlpool Corporation - as part of the execution of the re-industrialisation agreement of the Teverola site in Campania - the former Indesit complex in Teverola, where Seri Industrial built an innovative plant for the production of lithium cells for industrial

use, storage and special applications. In the summer of 2017, Seri Industrial completed the extraordinary reverse merger transaction with K.R.Energy, already listed on the MTA market of the Italian Stock Exchange, in which a capital increase (AUCAP) was also envisaged, which was concluded in June 2018, raising over €15 million. During 2019, the Group streamlined its corporate structure, formalising the sale of previously divested assets. The activity of Repiombo S.r.l., at Calitri (AV), which, as a smelter, produces secondary lead and plastic from the recycling of end-of-life batteries, was started; in addition, the business integration of the COES Company branch into ICS S.r.l., focused on the production of plastic products for the naval, infrastructure and hydrothermal-sanitary markets, was completed in the plants of Gubbio (PG) and Pioltello (MI). The business, acquired through the leasing of a branch of the company, allowed the production of plastic components by extrusion or moulding and supply to third-party customers. The existing plant and machinery, the compounds developed and being tested, and the availability, unique in the sector, of all products for the reference markets, make the acquired business unique on the market.

1.1 OUR HISTORY

2020

During 2020, Seri Industrial carried out the commissioning activities of the plant in Teverola, which were severely slowed down due to the Covid-19 health emergency and therefore placed limitations on the travel from abroad of the specialised technicians involved in commissioning.

The investment made in Teverola represents the first and only industrial cell production project in Italy, with an initial capacity of around 300 MWh/year, for industrial, stationary, military and naval applications. During the year, Seri Industrial defined the announced reorganisation and simplification of its corporate structure,

which is now based on two business lines: the "plastics materials" division (or, hereinafter, the "Plast Division") and the "batteries" division (or, hereinafter, the "FAAM Division").

In the Plast Division, the reorganisation and simplification included the merger of Seri Plast s.r.l. into ICS s.r.l., the purchase of the COES Company business and the change of name of ICS to Seri Plast, effective from 01/01/2020. In the FAAM Division, the reorganisation and simplification envisaged the merger of Seri Plant s.r.l. and FL s.r.l. into FIB s.r.l. (now S.p.A.) effective as of 1Q 2020.

2021

During 2021, in continuity with 2020 Seri Industrial is consolidating its business. The companies FIB and Seri Plast changed their legal form from a limited liability company to a joint-stock company.

For the division active in the production of lead and lithium batteries, it should be noted that (i) production was started in the Teverola plant, (ii) an Agreement was signed with Fincantieri S.p.A. a Contract for the design, development and certification of a prototype of cells and modules for lithium-iron-phosphate batteries for the propulsion of submarines (this contract is part of the U212 NFS programme of the Italian Navy); (iii) a new-co called F&F S.r.l. was set up, owned 60% by FIB S.p.A. and 40% by Friem S.p.A., to manufacture integrated electric storage/converter systems (Battery Energy Storage Systems). For the division active in the

production of plastic materials, the subsidiary Seri Plast S.p.A. signed a Joint Venture Agreement with Unilever Europe B.V., in the context of the reconversion of Unilever's Pozzilli plant, for the production of plastic raw materials from the recovery of post-consumer packaging. On 14 May 2021, a joint venture company named P2P S.r.l. (Packaging 2 Polymer) was established with Unilever Ventures Holdings B.V. to start the conversion programme. P2P S.r.l. itself signed a Framework Offtake Agreement (Commercial Agreement) with Unilever B.V. for a duration of 5 years (plus a further 5 years), for the supply of 65,000 tonnes/year of plastic raw materials. The companies FLB S.r.l., Plastic 2 Polymer S.r.l. and F&F S.r.l. will be included in the line-by-line consolidation as of 2021, currently only at the level of economic data.

2022

During 2022, Seri Industrial has consolidated its sustainability initiatives. The approval of the Policies on Anti-Corruption, Code of Ethics for Suppliers, Purchasing, Human Rights, the Environment, Energy, and Occupational Health and Safety demonstrates the focus on Sustainability. The Company has given the existing Control and Risk Committee new responsibilities in the field of sustainability, also approving its

renaming to 'Control, Risk and Sustainability Committee'. This initiative is aimed at strengthening the integration of sustainability issues in the business model and operating decisions, to support the energy and ecological transition. It should also be noted that the 2022 Stock Option Plan was launched, which is partly based on the achievement of ESG objectives..

1.2 THE PERFORMANCE OF THE SERI INDUSTRIAL S.P.A. SHARE IN 2022

As of 31/12/2022, the value of the Seri Industrial S.p.A. share was equal to € 5.14, starting from € 9.69 (share price as of 31/12/2021); moreover, the company's shareholding on the same date had a free float equal to

36.24% (as of 31/12/2021 it was equal to 31.34%; as of 31/12/2020 it was equal to 20.63%; as of 31/12/2019 it was equal to 12.55%) of the total number of shares.

Share Price Trend 01/01/2022-31/12/2022
Isin: IT0005283640



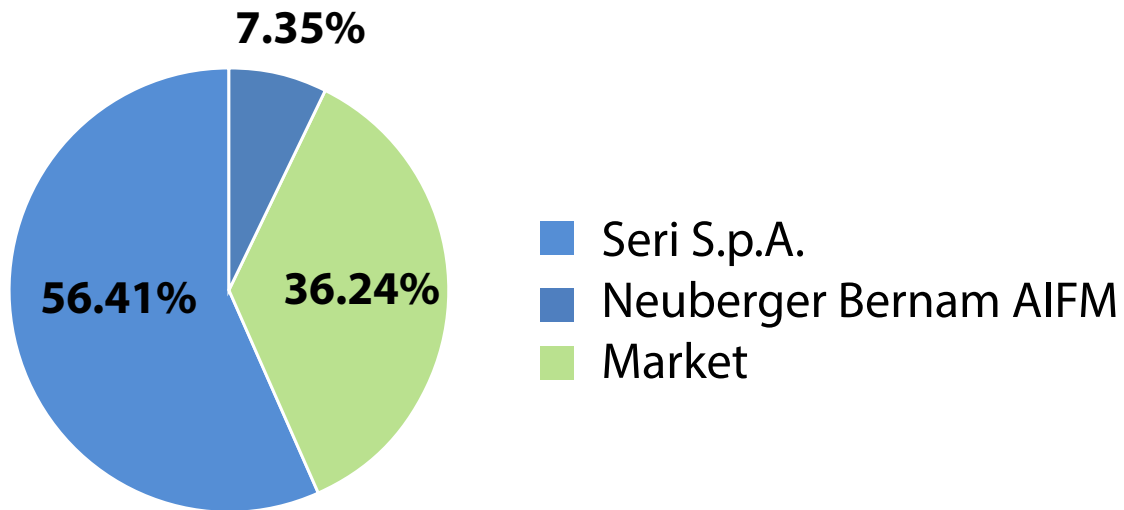
This represents a key credibility aspect for the Company, and for this reason, during the course of the year, more and more attention was paid to the reference stock market, spending time and resources to increase visibility on the market. Seri Industrial has focused on innovation from the outset, pursuing its strategy with

a particular focus on the capital market. The goal has been and will continue to be to ensure shareholder satisfaction, with virtuous management that takes into account the impacts of operations on both the environment and people.

1.2.1 DISTRIBUTION OF SHARE CAPITAL AS OF 31 DECEMBER 2022

[GRI 2-2 A]

As of the date of approval of the Sustainability Report, the share capital (fully subscribed and paid up) of Seri Industrial was 106,456,682.03 euro, divided into 53,979,002 ordinary shares, with no indication of par value, all representing the same fraction of capital.



1.2.2 INVESTOR RELATIONS INITIATIVES

Seri Industrial pays great attention to strategic and financial communication through its investor relations activities, based on values such as clarity and fairness. The Company's commitment to providing effective communication is part of its objectives to increase the trust of investors and the market in the Company itself; as proof of this, see the initiative of the opening of the "Seri Industrial C'E" Forum on the Company's website, to encourage continuous dialogue with investors, especially retail investors, in line with the provisions of principle no. IV of the Code of Corporate Governance, according to which "the Board of Directors promotes, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the company". The Company believes that a relationship with shareholders based on continuous dialogue and the active involvement of investors - whatever category they belong to - denotes its sense of responsibility towards the reference corporate structure and the market as a whole.

It should be noted that during 2022 the Forum reached +100 registered users.

Additional listening and involvement tools are the traditional ones present on the institutional website www.Seri-industrial.it where, in addition to the Sustainability Report, corporate documents are available, including, by way of example, the Group's Annual Financial Report, the Organisational, Management and Control Model pursuant to Legislative Decree 231/2001, the minutes of the Shareholders' Meeting, the Code of Ethics, the recent Policies adopted during 2022, the contacts of financial who follow the stock, presentations to the financial community and press releases.

During 2022, the Investor Relations area participated, both on financial and ESG issues, in financial conferences, road shows, meetings and interviews, both in audio or video conference mode and in presence, also organising the conference call for the presentation of the annual results (FY2021).

1.3 MISSION, PRINCIPLES AND VALUES

Vision: A new way of thinking about the economy, with virtuous, innovative and low-impact products and production processes, supporting the transition of the economy from a linear to a circular model.

Seri Industrial's Vision is consolidated in five pillars that underpin all business activities. The key principles that govern all business processes are:

Ethics: behaving with integrity, honesty and respect, putting common interests before individual ones. The key concepts are **Responsibility and Transparency**.

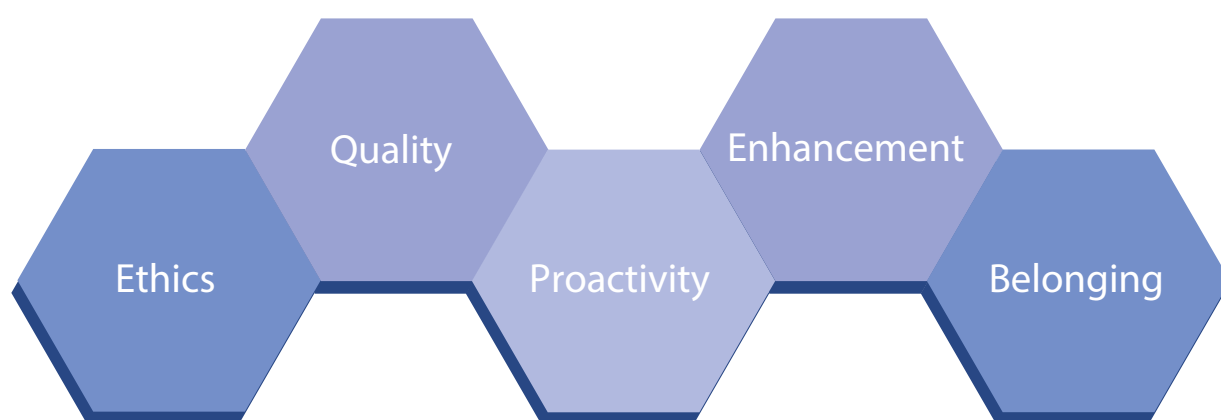
Quality: pursuing excellence through high quality aimed at achieving objectives. The key concepts are

Commitment and Customer Focus.

Proactivity: anticipating changes and promoting innovative solutions by exceeding expectations. The key concepts are **Courage and Change**.

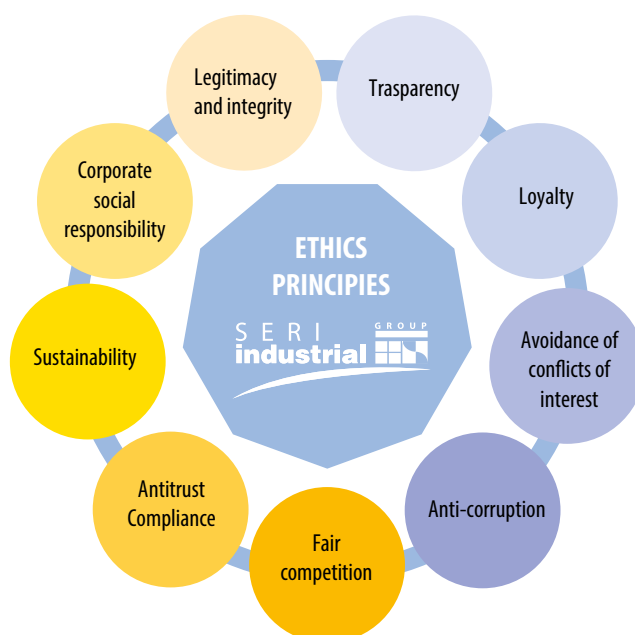
Belonging: feeling part of the Seri Industrial Group and being proud to be recognised as such. The key concepts are **Style and Partnership**.

Enhancement : striving to improve people's contribution to the achievement of objectives (in terms of performance, skills, potential and motivation). The key concepts are **Attention, Trust and Availability**.



These five pillars outline the **ethical principles** adopted by Seri Industrial:

- Legitimacy and integrity
- Transparency
- Loyalty
- Avoidance of conflicts of interest
- Anti-corruption
- Fair competition
- Antitrust compliance
- Sustainability
- Corporate Social Responsibility



1.3 MISSION, PRINCIPLES AND VALUES

Following in the footsteps of the COP 21 conference, COP 26 and the recent COP 27 held in Sharm el-Sheikh from 6 November to 18 November 2022, the Seri Industrial Group envisages sustainable development for its future, strongly rooted in the idea of having to preside over the energy and ecological revolution that is just around the corner and fully aware of the need to be ready for the challenges that the energy sector is about to face.

The Seri Industrial Group is in line with the Principles of the Global Compact, contributing concretely to the achievement of specific Sustainable Development

Goals (SDGs) as contained in the Global Agenda for Sustainable Development approved by the United Nations.

Recent European climate legislation³ also confirmed the European Union's binding obligation in the energy transition, confirming the political agreement of the European Green Deal for climate neutrality.

The Seri Industrial Group pursues strategic objectives to accelerate the energy and ecological transition in line with the Paris Agreement and recent European and Italian initiatives:



Sustainability



Decarbonization



Digitalization

Sustainability: to be achieved by (i) achieving full vertical integration of the supply chain, (ii) developing products for special applications capable of innovating current technologies in niche markets and new technologies for waste recovery and integrating the Group's R&D centres.

Decarbonization: to be supported by innovating production technologies and proposing low-emission products to the market.

Digitization: to be implemented by developing innovative technologies applied to storage systems in order to guarantee the 'energy transition' underway, with the introduction of 'blockchain' technology in energy exchanges and research into hardware and software solutions for products dedicated to Digital Energy.

Cybersecurity. The issue of Cyber security is increasingly at the centre of attention of businesses, also as a result of the complexity and frequency with which cyber-attacks are carried out against companies of strategic importance. The Seri Industrial Group, in order to ensure the security and protection of data in its information system, has adopted a cyber security strategy with a leading supplier, implementing a security system for the companies of the Group, the percentage of implementation of which is approximately 70%.

Seri Industrial Group companies manage the issue through a specific "policy" "*Server Critical*" applied to servers that could be subject to threats. This system makes it possible to minimize the risks of cyber-attacks on the network or data corruption and to pursue the cyber security strategy.

3 - Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No. 401/2009 and Regulation (EU) 2018/1999 ("European Climate Legislation").

1.3.1 SERI INDUSTRIAL AND THE EUROPEAN TAXONOMY APPROACH

The legislative results of the Commission's Sustainable Finance Initiative will play an increasingly important role in investment decisions in the energy sector. The recent EU Taxonomy Regulation (EU Regulation 852/2020 and in force as of 1 January 2022, hereinafter also Regulation) requires investment funds and large EU companies to disclose information about their activities by reference to the European Taxonomy.

The Regulation, in particular, identifies six environmental and climate objectives (**climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy, with reference also to waste reduction and recycling; pollution prevention and control; protection and restoration of biodiversity and eco-systems**) and possible categories of economic activities that in their own performance make a substantial contribution to at least one environmental objective (own performance).

In 2021, the delegated acts on climate change mitigation and adaptation targets were published, containing the criteria to be able to define an asset as eligible (hereafter also eligible) and aligned (aligned) under the European Taxonomy. With reference to the above distinction, the Commission set two deadlines for the disclosure obligations of non-financial companies.

During the year 2022, with reference to the financial year 2021, companies subject to the obligations to publish the Sustainability Report pursuant to Legislative Decree 254/2016 are therefore required to report the share of eligible and aligned assets in terms of:

- share of turnover from products or services associated with eco-sustainable economic activities;
- share of capital expenditure of assets or processes associated with eco-sustainable economic activities (CapEx);
- share of operating expenses of the assets or processes associated with eco-sustainable economic activities (OpEx).

An activity is declared eligible under the Taxonomy if it is consistent with the activity definitions presented in the delegated acts on climate change objectives (mitigation and adaptation). Sustainability Report published as of January 1 2022 must therefore only contain information on the first two of the six environmental objectives identified by the Taxonomy Regulation.

In more detail, the economic activities along the entire value chain have been divided into the following categories:

- Eligible: an activity explicitly included in the taxonomy's regulations and therefore potentially able to contribute substantially to climate change mitigation or adaptation
- Not Eligible: activity not explicitly included in the taxonomy regulation

The selected categories can be traced back to the following activities carried out by the Seri Group:

- With regard to the activity related to point **3.4** of the Regulation (Manufacture of batteries), only products that are included in the activity motive power, storage production plants for recycling of btr and covered by the proposed taxonomy presented by the TEG (Technical expert group on sustainable finance) and contained in the Commission's draft delegated act were taken into account
- With regard to the activity related to point **3.17** of the Regulation (Manufacture of plastics in primary forms), only the compound produced by the plastic waste recycling activity and the products dedicated to the applications considered eligible under the proposed taxonomy presented by the TEG (Technical expert group on sustainable finance) and contained in the Commission's draft delegated act were taken into consideration.

Process for defining activities aligned to taxonomic requirements

The process followed by SERI Industrial to verify the eligibility and subsequent alignment of its activities followed the following steps for the three underlying KPIs investigated:

- 1) Mapping of the individual eligible activities carried out with the help of the internal divisions 'management control', 'budget' and 'quality control'. This step took the form of a series of interviews with the various contact persons of the individual divisions with which the various activities were skimmed according to the operations carried out by the individual division engaged.

1.3.1 SERI INDUSTRIAL AND THE EUROPEAN TAXONOMY APPROACH

2) For each eligible activity identified, collection sheets were prepared, based on the relevant taxonomic requirements, mapping both the specific technical screening criteria and the DNSH ('Do no significant harm') requirements.

3) Once the activities aligned with the taxonomy had been identified, they were then extrapolated

from the accounts in order to associate each individual activity with the relevant economic values generated in 2022 in terms of revenues generated; for CapEx the increments occurring in 2022 for eligible activities only and for OpEx the book value of only the operating costs attributable to turnover.

KPI Turnover

$$\text{Turnover KPI (\%)} = (\text{Turnover aligned to EU taxonomy}) / \text{Total turnover}$$

The turnover KPI was calculated by placing the consolidated amount found within the profit and loss account under the heading "Revenues from contract with customers" as the denominator, while the numerator was

considered the sum of the Revenues from contract with customers of the various activities aligned to the taxonomic requirements as per the process defined above.

KPI Capex

$$\text{KPI Capex (\%)} = (\text{Capex aligned to EU Taxonomy}) / \text{Total Capex}$$

The Capex KPI refers to the percentage of investments aligned to the taxonomic requirements that meet the relevant technical screening criteria and DNSH requirements ("Do no significant harm"). The total denominator was calculated considering the value of the increase in tangible assets, intangible assets and Seri Industrial's rights of use (IFRS 16). Note that the value of the increase in fixed assets includes acquisitions (IFRS 3

revised), while investments in financial assets were excluded.

For the numerator, on the other hand, the calculation was carried out following the steps given in the relevant methodological note and associating the selection criteria used for the denominator with the individual activities identified as aligned.

KPI Opex

$$\text{KPI Opex (\%)} = (\text{Opex aligned to EU taxonomy}) / \text{Total Opex}$$

The KPI for Opex refers to the percentage of operating expenses that meet regulatory requirements. Therefore, expenses related to the generation of eligible Turnover are taken into account.

Minimum safeguards

Article 3(c) of Regulation 2020/852 requires the Group to conduct its business activities in compliance with the minimum safeguards specified in Article 18 of the Regulation, i.e. in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour

Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The Group analysed compliance with the minimum safeguards on human and labour rights, corruption, taxation and fair competition. In the absence of further clarification from the European Commission on compliance with minimum safeguards, the Group considered the guidelines presented in the "Final Report on Minimum Safeguards" published by the Platform on Sustainable Finance in October 2022. The Group conducted the assessment by considering the design of its processes and their adequacy in identifying and preventing possible negative impacts.



2022 Turnover
Taxonomy activity eligible

73%



2022 CapEx
Taxonomy activity eligible

74%



2022 OpEx
Taxonomy activity eligible

48%

1.3.1 SERI INDUSTRIAL AND THE EUROPEAN TAXONOMY APPROACH

2022	TURNOVER			Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")										
Economic Activities (1)	Codes	Absolute Turnover	Proportion of turnover	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaption	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Category (enabling activity)	Category (transitional activity)		
A. TAXONOMY-ELIGIBLE ACTIVITIES	%																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Manufacture of batteries	3.4	54.308	31%	100%	-	-	-	-	-		Y	Y	Y	Y	Y	Y	31,0%				
Manufacture of plastics in primary form	3.17	73.127	42%	-	100%	-	-	-	-	Y		Y		Y	Y	Y	41,7%				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		127.435	73%	100%	100%	-	-	-	-								73%				
A.2 Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities)			%																		
			%																		
			%																		
Turnover of Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-																			
Total (A.1 + A.2)		127.435																			
B. Taxonomy-Non-Eligible Activities		48.017	27%																		
Total (A+B)		175.452	100%																		

2022	CAPEX			Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")											
Economic Activities (1)	Codes	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year 2022	Category (enabling activity)	Category (transitional activity)			
A. TAXONOMY-ELIGIBLE ACTIVITIES	%																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																						
Manufacture of batteries		9.012	51%	100%	%	%	%	%	%		Y	Y	Y	Y	Y	Y	50,5%					
Manufacture of plastics in primary form		4.209	24%	0%	100%	%	%	%	%	Y		Y		Y	Y	Y	23,6%					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		13.221	74%			%	%	%	%													
A.2 Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities)			%																			
			%																			
			%																			
Turnover of Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																						
Total (A.1 + A.2)		13.221																		%	%	
B. Taxonomy-Non-Eligible Activities		4.618	26%																			
Total (A+B)		17.839	100%																			

2022	OPEX			Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")											
Economic Activities (1)	Codes	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity)	Category (transitional activity)		
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1 Environmentally sustainable activities (Taxonomy-aligned)																						
Manufacture of batteries		535	28%	%	%	%	%	%	%		Y	Y	Y	Y	Y	Y	27,8%	12,8%				
Manufacture of plastics in primary form		383	20%	%	%	%	%	%	%	Y		Y		Y	Y	Y	19,9%	9,3%				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		918	48%	%	%	%	%	%	%													
A.2 Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities)																						
			%																			
			%																			
Turnover of Taxonomy-Eligible but non environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																						
Total (A.1 + A.2)																	%		%			
B. Taxonomy-Non-Eligible Activities																						
Total (A+B)																						

1.3.2 A CALL TO ACTION TO SUPPORT OUR PLANET

In late 2015, the heads of state and government and senior representatives of the European Union set new global Sustainable Development Goals ('SDGs') at the United Nations headquarters in New York, replacing the previous Millennium Development Goals (MDGs). These are 17 universal goals and targets that apply to all countries without distinction. They are accepted by all countries and are applicable to all, taking into account the different national realities and capacities, respecting national policies and priorities. The basic objective is to solve a series of problems concerning economic and social aspects, such as pover-

ty, inequalities between countries, education, climate emergency, water, sanitation, urbanization, environment and energy, ensuring the lasting protection of the planet and its natural resources.

Seri Industrial has committed itself and is committed to achieving a high level of sustainability in a balanced and integrated manner across every 'pillar' in the economic, social and environmental spheres. This is an agenda of unprecedented scope and significance and Seri Industrial wants to make its contribution.



1.3.3 SERI INDUSTRIAL AND ITS CONTRIBUTION TO SUSTAINABILITY

Listed below are the issues Seri Industrial is committed to in its activities.

Good Health and well-being



Seri Industrial valuta costantemente i rischi per la salute e la sicurezza sul lavoro e favorisce il Seri Industrial constantly assesses occupational health and safety risks and promotes the progressive improvement of working environments through the continuous search for products and solutions according to criteria that raise occupational health and safety standards. Furthermore, the Group positively evaluates suppliers who promote initiatives to guarantee safe working environments. In this regard, it gives preference to those who have established a worker health and safety management system that complies with relevant international standards and adopt appropriate safety procedures.

Gender Equality



The Group promotes a working condition in which all employees receive fair and equitable compensation and benefits according to the type of work performed, the contractual classification and the country in which they are employed. Inclusion, Equal Opportunity and Non-Discrimination permeate the values of the SERI Industrial Group. The SERI Industrial Group considers it essential that its suppliers do not discriminate in the recruitment process and employment practices on the grounds of gender.

Clean water and sanitation



Water is one of the most precious natural resources from which people can benefit, so a conscious use of this commodity is essential.

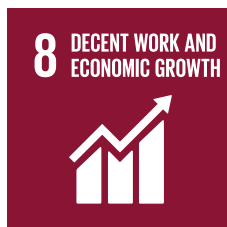
Seri Industrial aims to reduce the volumes and therefore the consumption of water in all production and non-production facilities, reducing pollution and minimising the release of chemicals and hazardous materials, so that it can be reused in other production processes.

Affordable and clean energy



Access to electricity is a prerogative for industrial production processes, especially for the production of batteries. Seri Industrial aims to increase the share of renewable energy in order to achieve an improvement in energy efficiency and at the same time reduce energy consumption in every production process. Over the years, it has been committed to promoting investments in energy infrastructure and technologies used in the realisation of clean energy..

Decent work and economic growth



Per ogni stabilimento si adottano misure volte a promuovere ambienti di lavoro sicuri e protetti. For each plant, measures are taken to promote safe and secure working environments for all workers. With the start-up of operations at the Teverola production site, the aim was, on the one hand, to add value to the labour market, and on the other, to achieve a high level of economic productivity, with the intention of replicating an already consolidated strategy of vertical integration, already seen in the lead batteries field.

Seri Industrial S.p.A. is committed to promoting policies aimed at supporting production activities, adopting new technologies to be used in production processes (Industry 4.0).

The aim is to improve resource efficiency in consumption and production over the years.

L'obiettivo è quello di migliorare negli anni l'efficienza delle risorse nei consumi e nella produzione.

Industry, innovation and infrastructure



Thanks to the know-how we have acquired over time, our plants are built to high quality standards to give them reliability and sustainability over time, for example the innovative production facility in Teverola.

Over the years, the various plants have been upgraded and at the same time have placed greater emphasis on the use of technology and resources used in production processes, while respecting the environment.

Reduced inequalities



Seri Industrial aims to ensure equal opportunities by adopting wage and social protection policies with the goal of achieving greater equality.

From an employment point of view, full employment is to be achieved by providing decent work for all women and men, including people with disabilities, in combination with equal pay for work of equal value for women and men.

Sustainable Cities and Communities



The production plants are located in territories with a strong connection to the surrounding environment; some aspects related to urbanisation have been improved, providing opportunities for economic and social improvement even for the small local realities where the various plants are located. The continuous modernisation and/or maintenance of the sites is carried out paying attention to atmospheric emissions, air quality and special waste management.

Responsible consumption and production



Seri Industrial has always paid attention to its products and production processes, making them more and more sustainable over the years (see the upstream and downstream integration in the lead batteries supply chain), and with the start-up of the smelting activity in the industrial plant owned by Repiombo, this process will be even more sustainable. The future objective is to reduce, in all plants, the production of waste that is not recycled, always to a limited extent, and that is disposed of through specialised companies, in order to achieve the most sustainable management of resources. The main objective is to implement a 'green footprint'

of the production processes, eliminating toxic solvents and reducing the atmospheric emission of CO₂ during the production of batteries and plastics.

Climate action



The production of both lithium and lead batteries, as well as plastics, can have a significant impact on CO₂ emissions into the environment.

Greenhouse gas emissions play a fundamental role here, and Seri Industrial aims to reduce this impact in the most absolute way, with continuous investments to try to be climate neutral as required by the European Union. To do this, Seri Industrial adopts the best environmentally friendly and low-emission technologies in all production processes, committing to produce cells by reducing the use of chemical solvents. Seri Industrial also adopts renewable energy

technologies, such as the application of photovoltaic panels on the roofs of some production plants.

Life on land



With its initiatives to reindustrialise production sites, Seri Industrial intends to promote all actions aimed at protecting and ensuring the conservation of terrestrial ecosystems

Partnership for the goals



The last but not least objective of the European Union is to strengthen the UN's relations with all governments, private sectors and civil societies that can help in the actual implementation of the Goals.

As proof of this, Seri Industrial is a partner of the European Battery Alliance (EBA) and prefers to enter into partnerships or simple business relations with like-minded partners.

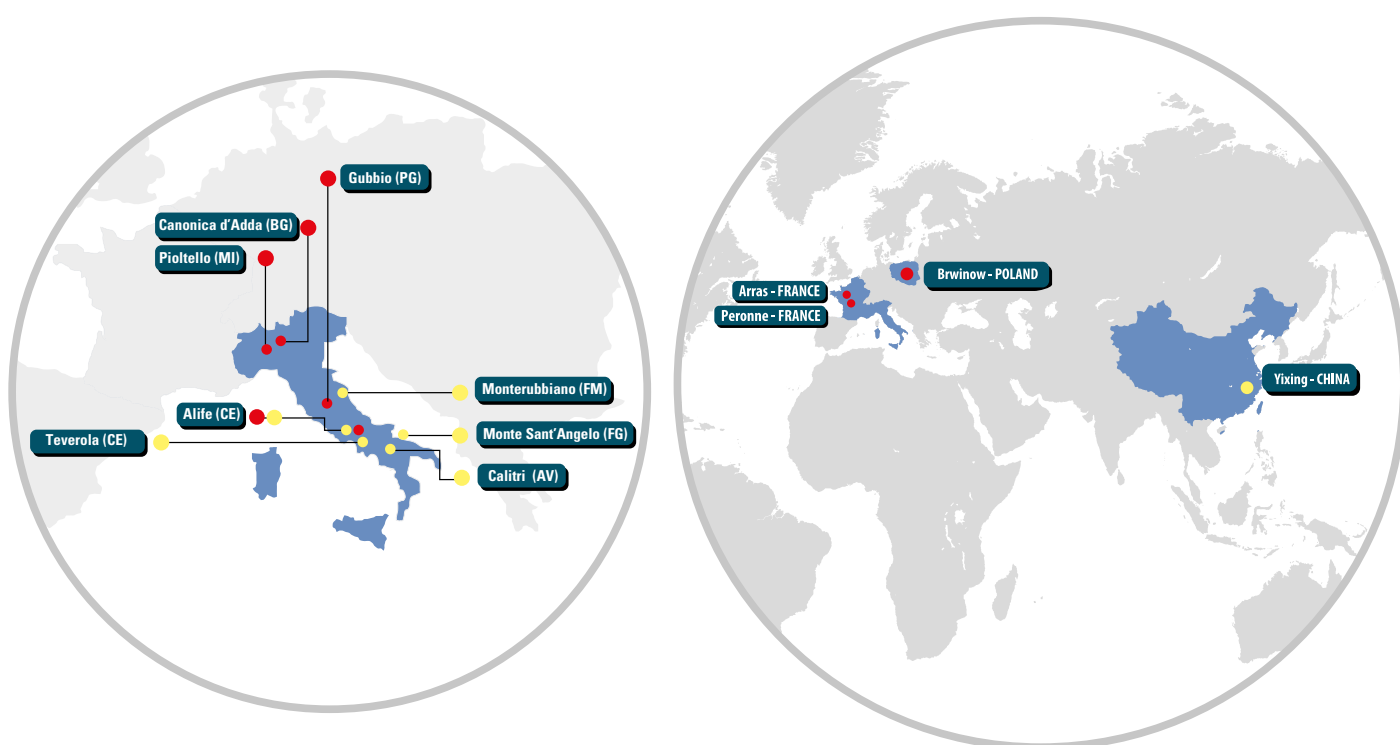
1.4 THE CONTEXT OF ACTIVITIES

|GRI 2-1 c| |GRI 2-1 d|; |GRI 2-2 A|; |GRI 2-6 A| |GRI 2-6 B| |GRI 2-6 c|; |GRI 2-7 A|

Seri Industrial S.p.A. is a holding company listed on the Euronext Milan EXM market of the Italian Stock Exchange. It has a strong vertical integration, ranging from the design and sale to third parties of turnkey plants for the treatment of end-of-life batteries, the production of secondary lead and plastic recovered from end-of-life batteries, the production of plastic components through the valorization of the compound produced internally, the sale of plastic granules in the

automotive market, and the production of lead and lithium batteries for industrial, storage and specialties applications (under the FAAM brand).

Seri Industrial operates 22 production/distribution units worldwide, at 16 sites, with 712 employees. The parent company, which carries out management and coordination activities of the subsidiaries, is based in San Potito Sannitico (CE) (data 31/12/2022).



The graph does not take into account the production plants belonging to P2P S.r.l. and F&F S.r.l.

Sites Plastic Materials Division

- Canonica d'Adda (BG)
- Pioltello (MI)
- Gubbio (PG)
- Alife (CE)
- Arras - FRANCE
- Peronne - FRANCE
- Brwinow - POLAND

Sites Batteries Division

- Monte Sant'Angelo (FG)
- Monterubbiano (FM)
- Teverola (CE)
- Yixing - CHINA
- Calitri (AV)
- Alife (CE)

FS Service

- Mesero
- Bologna
- Roma
- Monterubbiano
- Montesantangelo
- Dragoni

R&D

- Pioltello
- Monterubbiano
- Teverola

4 - The table (like the map above) does not take into account the sites/production units of P2P S.r.l., F&F S.r.l. and FLB S.r.l.

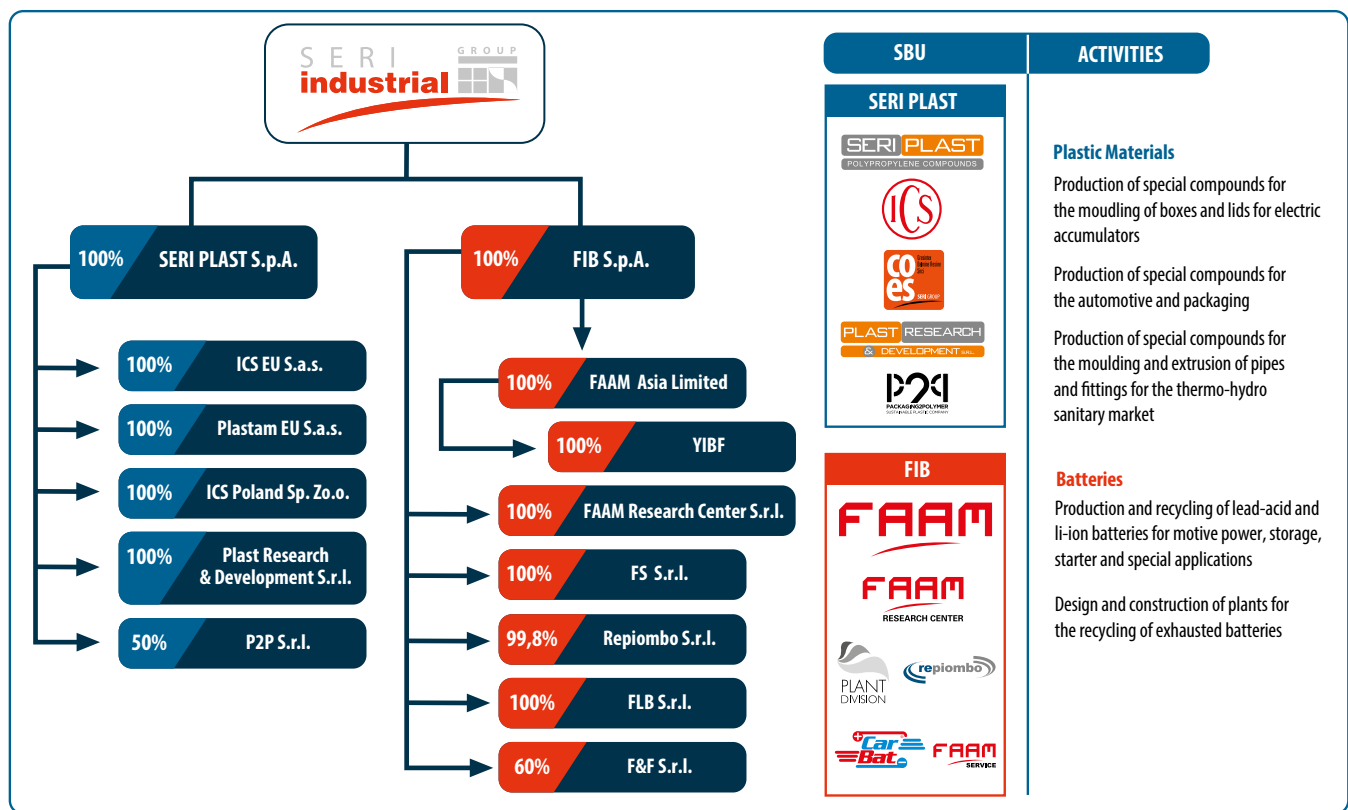
1.4.1 BUSINESS MODEL

[GRI 2-2 A]; [GRI 2-6 B]

Seri Industrial S.p.A. ("Seri Industrial" or the "Company" and, together with its subsidiaries, the "Group") is a company whose shares are admitted to trading on the EXM regulated market managed by Borsa Italiana S.p.A..

The Company operates as a controlling holding company, in the current configuration of the Group, of two industrial companies, operating in two lines of business (or "sectors"):

- (i) **Seri Plast S.p.A. ("Seri Plast")**, active in the recycling and production of plastics for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive market (production of special compounds), (iii) hydro-thermo-sanitary, civil and shipbuilding markets (production of special compounds, extrusion and moulding of pipes, fittings and special parts);
- (ii) **FIB S.p.A. ("FIB" or "FAAM")**, active in the production and recycling of lead-acid and lithium batteries for various applications such as industrial traction, storage and automotive, and in the construction of plants for the recovery of end-of-life batteries.



N.B. The company organization chart does not include the subsidiary Tolo Energia Srl in liquidation.

1.4.1.1 CIRCULAR ECONOMY

[GRI 2-6 B]

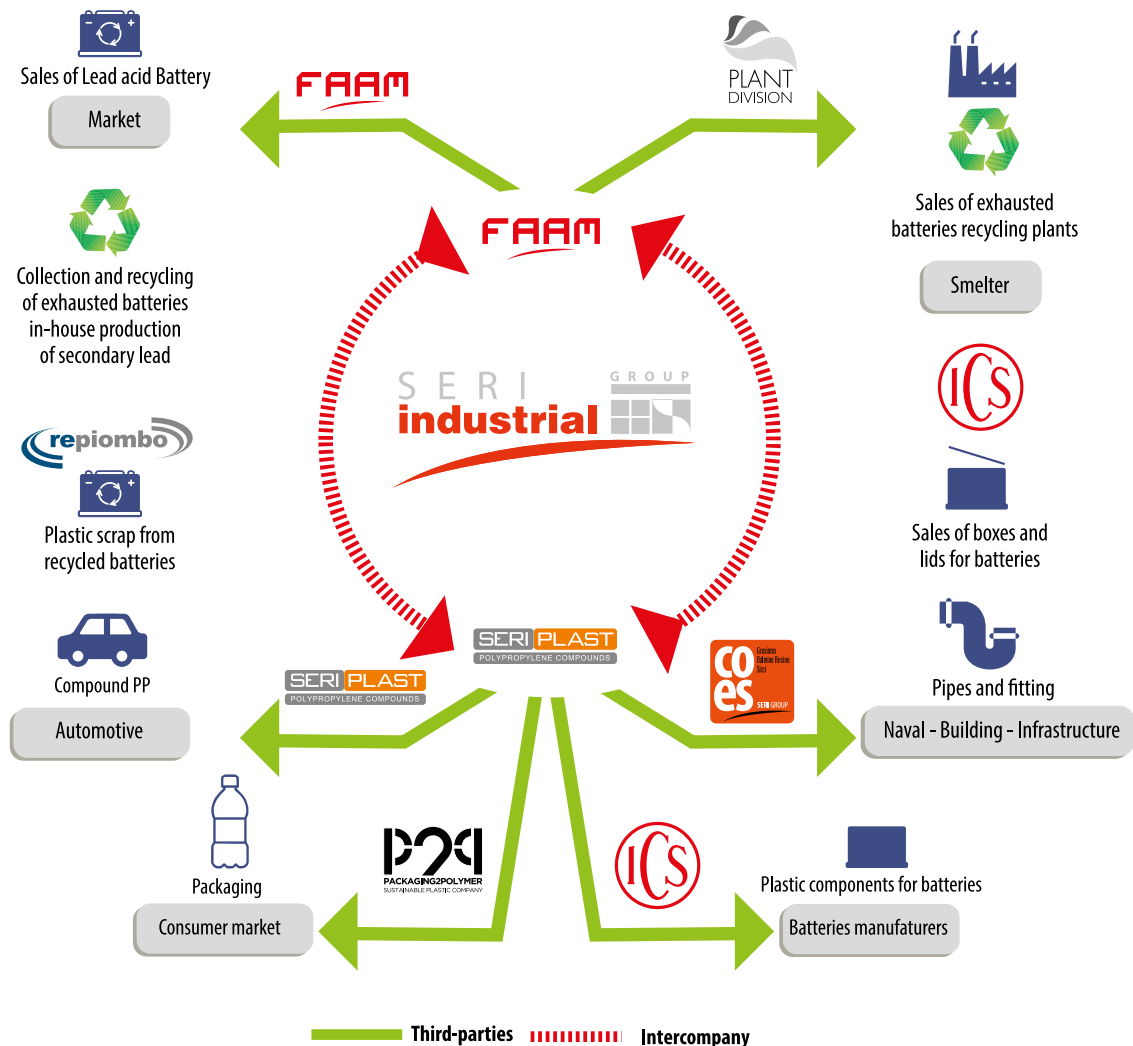
Seri Industrial manages the entire supply chain, both Plast Division and FIB Division, in an integrated manner.

Batteries Division: upstream through the recycling of end-of-life batteries (with the company Repiombo) and downstream with the production of the finished product - the lead batteries - through the company FIB.

The latter sells the finished product on the market, and through its after-sales service activities and capillarity throughout the country, recovers the spent (discharged) batteries and reintroduces them into the production process as raw material. The innovative Repiombo plant was designed by the subsidiary Seri Plant Division (now in FIB), which designs and builds turnkey plants for its third-party customers for the production of secondary lead recovered from end-of-life batteries, and also provides training services to customers' per-

sonnel, as well as scheduled and extraordinary maintenance.

Plastic Materials Division: Seri Plast, now even more active in this dynamic with the creation of P2P, which will be discussed at length in the chapter dedicated to current projects, produces PP compounds (regenerated heterophasic copolymer polypropylene) from industrial waste materials, end-of-life batteries, and first choice (special compounds) for the automotive sector - selling mainly to Tier-1 in the moulding of plastic components. Under the ICS brand, Seri Plast manufactures plastic components - mainly boxes, lids and related battery accessories - for multinational battery manufacturers, as well as for its sister company FIB, under the COES brand, and, with the brands absorbed through the acquisition, supplies the market with PVC and PE pipes and fittings and systems for plumbing systems.

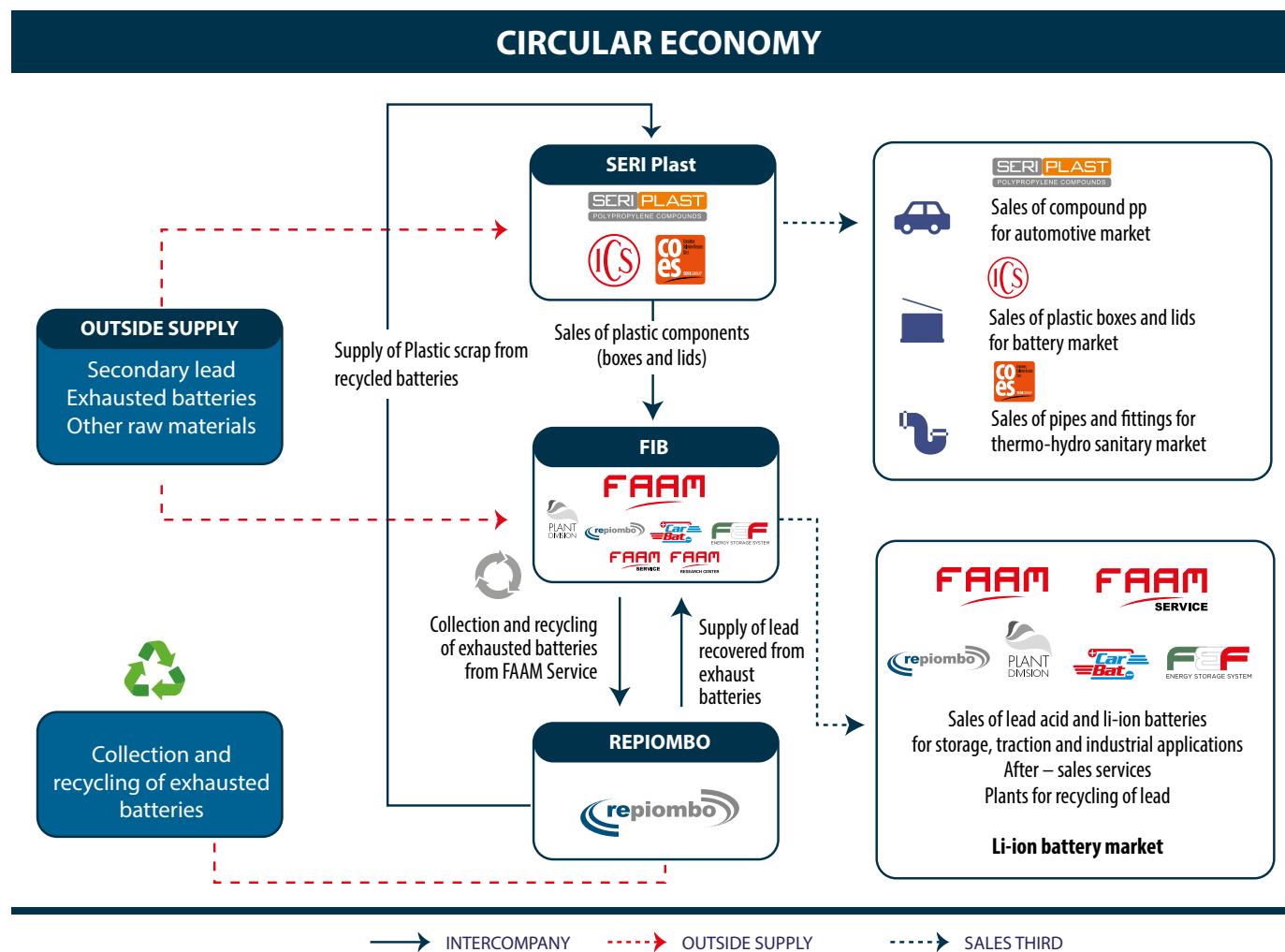


1.4.1.1 OUR PRODUCTS WITH A VIEW TO CIRCULAR ECONOMY, PRODUCT AND SERVICE SPECIALITY AND CUSTOMISATION

[GRI 2-6 B]

Seri Industrial is constantly focused on product innovation to ensure a constant improvement in the quality and perception of the Company in the market. This innovation is experienced as an important opportunity to reduce impacts on the environment, in terms of

both production processes and use of materials. The strong focus on the circular economy and the ability to give second life to recovered materials, demonstrates the importance of the topic.



1.4.1 BUSINESS MODEL

Sustainable Products

[GRI 2-6 B]

As follows Seri Industrial's product range, broken down into individual production units:

PLASTIC MATERIALS DIVISION	BATTERIES DIVISION
  <p>PVC and PE Pipes and Fittings</p>	  <p>Lithium Batteries</p>
  <p>Boxes and lids for batteries</p>	  <p>Lead acid batteries</p>
  <p>Compound production</p>	  <p>System integration</p>
  <p>Compound and granule production from post-consumer plastic</p>	  <p>Plant design and construction</p>
	  <p>Smelter</p>

Of great importance in this respect is the recent agreement with Unilever regarding the recovery of the mixed fraction of post-consumer packaging (plasmix), which is currently sent to landfill at waste-to-energy and cement plants. This topic is dealt with in the chapter 'Ongoing Projects'.

Seri Industrial's business model is based on the principles of the circular economy, a peculiarity that allows the Group to have come to control the entire battery

production chain, making itself increasingly independent with respect to third-party suppliers, capable of optimizing resources and costs and, from a commercial point of view, customizing products to specific customer requests. Seri Industrial has always had two main industrial objectives:

1. the definition of a circular economy model;
2. commercial development in the specialties market.

Seri Plast - Plastic Materials Division

|GRI 2-2 A| |GRI 2-6 B| |GRI 2-6 C|



Seri Plast deals with the recovery and recycling of waste plastics from the processing of end-of-life batteries (plant in Alife, CE). The company has developed the know-how to process plastics from the 'stripping' of end-of-life batteries (the battery container consists of a plastic boxes and lid), to remove all contaminants (acid and lead) and to produce, by extrusion, polypropylene granules to be reused to produce battery boxess and lids, and compounds that are used to produce plastic components in the automotive sector. The company boasts dozens of approvals from car manufacturers for the use of compound from recycling for the production of plastic components.



Through the ICS brand, Seri Plast is engaged in the production of boxes and lids for starter, traction and stationary batteries with plants in Italy - Canonica D'Adda (BG) - France, with subsidiaries in Peronne and Arras and from November 2019 in Poland with the plant located in Warsaw.

The company manufactures from both recycled and virgin material and has a heritage in moulds for the production of hundreds of battery versions on the market, and it also supplies FAAM and third-party battery manufacturer customers



Seri Plast is also active in the production of PVC and PE pipes and fittings under the COES brand, which it produces for the Building market with its Pioltello plant in the province of Milan and its Gubbio plant for production in the Infrastructure segment. With the COES brand and with brands absorbed through acquisitions, it supplies the market with PVC and PE pipes and fittings and systems for plumbing systems. COES has been part of Seri S.p.A. since 2011 and becomes part of ICS (now "Seri Plast") in 2019.



Over the years, R&D activity in the world of plastic compound production has intensified, enabling the company to be active in sectors such as automotive and naval/hydrothermal engineering, making it one of the few Italian players engaged in the design and production of specialty plastics.



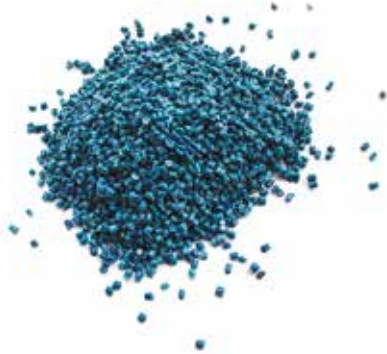
P2P S.r.l. aims to recover plastic waste and recycle mixed plastics contained in post-consumer packaging, avoiding their incineration and/or landfill. In particular, it intends to valorize the fractions of Polypropylene PP, HDPE, LDPE, LLDPE and PET into high quality recycled plastic raw materials ready to be used in new products.

Seri Plast - Products

[GRI 2-6 B]

Seri Plast's product portfolio today is divided into several segments:

a) Polypropylene Compound Sector:



- **SERILENE**: compound developed specifically for the production of plastic battery components, which has been approved by leading European Tier 1 and car manufacturers. The Serilene grade is a recycled-based compound with consistent quality.

- **SERIFILL**: compound developed in synergy with major first-tier suppliers and Italian automotive manufacturers. Within this family, several highly flexible product ranges are produced that tailor the compound produced to the end customer's requirements.

b) Plastic boxes, lids and accessories for batteries sector (ICS brand)

The production nature of Seri Plast, the moulding division and ICS brand, is historically focused on the production of containers, lids and accessories for the battery market, and means that customization is pos-

sible mainly in the production processes and raw materials used rather than in the functionality and basic characteristics of the product itself, a production nature that has now expanded with the acquisition of the COES Company branch, which operates in the PVC and PE pipes and fittings market for the Building and Infrastructure market.

Battery box



Arrestor device for the box



Battery pole handle



Battery lids



1.4.1 BUSINESS MODEL

c) PVC and PE pipes and fittings sector (COES)

On 20 December 2019 Industrie Composizioni Stampati S.r.l. (hereinafter "ICS") acquired the COES Company's business unit previously conducted under lease from 1 January 2019. Today, ICS has changed its name to Seri Plast, operating not only in the Plastic Compounds and Battery Accessories sector, but also in the Building market with its plant in Pioltello in the province of Milan (operational headquarters and plastics processing) and its plant in Gubbio for production in the Infrastructure segment. With the branch acquired, ICS today Seri Plast

S.p.A. proposes to the market, again with the COES brand or with the brands absorbed through the acquisition transaction, a wide and innovative range of products and systems for plumbing systems, offering value to those who design, distribute and install. COES has been part of the Seri S.P.A. Group since 2011. In 2015 COES took over an important company in the industrial panorama, taking over its production and brands: GDS - Gresintex - Dalmine - Sirici. The new brands allow COES to offer a wide and complete product portfolio.

BUILDING

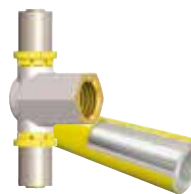
Pioltello (MI)



Gravity or pressurised waste discharge systems



Adduction and heating systems



Domestic gas systems

INFRASTRUCTURE

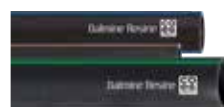
Gubbio (PG)



PVC pipes for civil and industrial sewage pipelines



PVC pressure pipes for drinking water, irrigation and industrial use



Polyethylene pipes for pressurised pipelines for drinking water, irrigation, fire-fighting systems, industrial uses and fuel gas



Completion systems

1.4.1 BUSINESS MODEL

FIB - Batteries Division

[GRI 2-6 B]

FAAM Through the **FAAM brand**, FIB produces lithium and lead batteries for storage, industrial, residential, traction, and defence use; it is also active in the production of integrated systems, and lithium technology is produced in the Teverola plant, the only one in Italy and at the forefront in Europe for the production of lithium cells and batteries.

In addition, FIB, as mentioned, is also historically active in the production of lead starter batteries for cars and trucks (with specific patented products), lead batteries for traction and stationary use (forklifts and electric vehicles) and for stationary use (batteries for energy storage) at its plants in Monterubbiano (FM), Monte Sant'Angelo (FG) and Yixing (China)

FAAM SERVICE
Car Bat Serving the sales network is a network of FAAM Services with branches throughout the country that provides after-sales service, and there is also a B2C network operating in the supply of automotive batteries to end customers that also provides an 'on time' battery replacement service

FAAM FAAM Research Center S.r.l. with R&D activities.

PLANT DIVISION Through the Seri Plant division, FIB is involved in the construction of plants for the recovery and recycling of end-of-life batteries (plant in Alife, CE). The company has been building plants for the production of refined lead from end-of-life batteries around the world since 1999. It is among the world's leading players and has several innovative projects underway to reduce production costs while significantly improving environmental performance.



Through smelter activities, the circular economy process is completed. Repiombo S.r.l. has started its activities at the Calitri (AV) plant: the plant in which it operates consists of a shredding and recovery section for end-of-life batteries, a smelting section for the metal part, and a raw lead refining section. These materials will then be processed by customers into refined lead that will be purchased by the sister company FIB. The new plant will then also start up the smelting and refining section once all necessary authorisations have been granted.








With Repiombo, control of the raw material will be guaranteed: in fact, it will use an innovative production process that will allow the lead paste to be produced through a cold process to which the paste (i.e. the lead in the acid solution of the batteries) will be subjected, as opposed to using a thermal process. This paste will be used for the production of new batteries by the subsidiary FIB. Repiombo will be active exclusively with Seri Industrial's subsidiaries, selling the plastic waste to Seri Plast and the recovered lead to FIB for the production of new batteries.



On 9 September 2021, FIB S.p.A. set up a newco called F&F S.r.l. (F&F), 60% owned by FIB and 40% by Friem S.p.A., a company operating in the global market of power converters for high-power plants. F&F will manufacture integrated electric storage systems with converters (Battery Energy Storage Systems) that will be offered on the global market (i) to serve power generation plants from renewable sources, (ii) to stabilise electricity grids, and (iii) to serve Mini Grid (non-domestic) and Off Grid networks.

1.4.1 BUSINESS MODEL

FIB – Products
[GRI 2-6 B]

PRODUCTS, SERVICE AND R&D				
	STARTER POWER	MOTIVE POWER	STANDBY POWER	SPECIAL APPLICATION
				
PRODUCT	Lead acid	Lead acid Lithium	Lead acid Lithium	Lithium
SERVICE				FROM PROJECTING TO KEY HAND
R&D	NEW ACTIVE MATERIAL	INNOVATIVE BMS AND CUSTOMIZED SOLUTION	NEW BATTERY PACK TECHNOLOGY	HIGH TECH & ENGINEERING PROJECT

LITHIUM EXPERIENCE		
<p>CUSTOMIZED SOLUTIONS IN ALL INDUSTRIAL APPLICATION</p> <ul style="list-style-type: none"> ✓ Stand-by applications ✓ Traction light Industrial application (forklift, boat, train, AGV, tools) ✓ Marine ✓ Aerospace ✓ Defense 	<p>CHOICE OF THE BEST CHEMISTRIES AND BATTERY SOLUTIONS DEDICATED TO EACH SPECIFIC APPLICATION</p> <ul style="list-style-type: none"> ✓ LFP ✓ LMFP ✓ Special chemistries available on request 	<p>DESIGNED AND MANAGEMENT SYSTEM FOR EACH SPECIFIC APPLICATION</p> <ul style="list-style-type: none"> ✓ BMS ✓ Thermal Condition ✓ Auxiliary & Communication System

1.4.1 BUSINESS MODEL



+ Cell LC01

Chemistry	LiFePO ₄
Nominal Capacity	50 Ah
Nominal Energy	160 Wh
Nominal Voltage	3.2 V DC
Dimension (T x W x L)	12 x 194 x 218 mm
Weight	0.95 kg



+ Kombi Module for LiSTORAGE

Cells Type	LC01
Nominal Capacity	100 and 200 Ah *
Nominal Energy	5.2 kWh *
Nominal Voltage	51.2 and 25.6 V DC *
Dimension (L x W x H)	478.75 x 198 x 274 mm*
Weight	~ 35 kg*



+ LiSTORAGE 10.2

Module Type	2x Kombi Module
Nominal Capacity	100 and 200 Ah *
Nominal Energy	up to 10.2 kWh *
Nominal Voltage	102.4 and 51.2 V DC *
Dimension (L x W x H)	540 x 707 x 202 mm*
Weight	~ 90 kg*



+ LiRACK LiR10

Rack Type	LiR10
Nominal Capacity	from 100 up to 2000 Ah *
Nominal Energy	up to 102.4 kWh *
Nominal Voltage	102.4 and 51.2 V DC
Dimension (L x W x H)	600 x 800 x 2400 mm
Weight	~ 1000 kg*



+ LiBESS LiB20 / LiB40

DC Technical Characteristics

Cabinet Type	LiRack LiC40
Nominal Energy	up to 3 MWh *
Nominal Voltage	51.2 and 102.4 V DC
Dimension	20 up to 40 ft *

* Other configuration are available upon request

1.4.1 BUSINESS MODEL

FAAM Service – Customer-based service sector

|GRI 2-2 A|; |GRI 2-6 B|



F A A M C U S T O M E R S E R V I C E



FAAM has always been committed to guaranteeing its partners and customers rapid and constant after-sales service through a solid and capillary network of professionals. Providing regular and professional maintenance for its products is of paramount importance, as it avoids compromising the efficiency of the batteries themselves.

For this reason, FAAM Service represents a point of reference for assistance on all energy storage systems with lead and lithium technology for industrial (traction and stationary) and automotive applications. FAAM Service is characterized by a customized call center and help desk, as well as software and hardware systems dedicated to service.

In addition, it carries out its activities throughout Italy, thus being able to provide its services to all energy storage systems, as shown in the image to the side.

In the new organizational set-up, the activity of "Car-bat" is carried out by FAAM Service, aimed at increasing the efficiency of the service offered by the company for its customers and partners.

At 31/12/2022

* during 2022 the company's Bolzano Vicentino and Turin offices were merged at Villanova di Castenaso and Mesero respectively.

1.5 STRUCTURE AND GOVERNANCE

[GRI 2-9 A]

The Company is convinced that the alignment of the internal governance structures to those suggested by the principles and recommendations outlined in the Code and identified as best practice, within the limits and/or with the adaptations allowed by the size, structure and typical activities of the Company, represents a valid and indispensable opportunity to increase its reliability towards the market. This is because the Company has as its primary objective the maximization of shareholder value, to be implemented by means of an efficient structure, designed to continuously monitor the conduct of business activities and control the related risks, and attentive to the needs and expectations of the market, reconciling them with the pursuit of long-term sustainable success, taking into account not only the interests of shareholders, but also the interests of other relevant stakeholders.

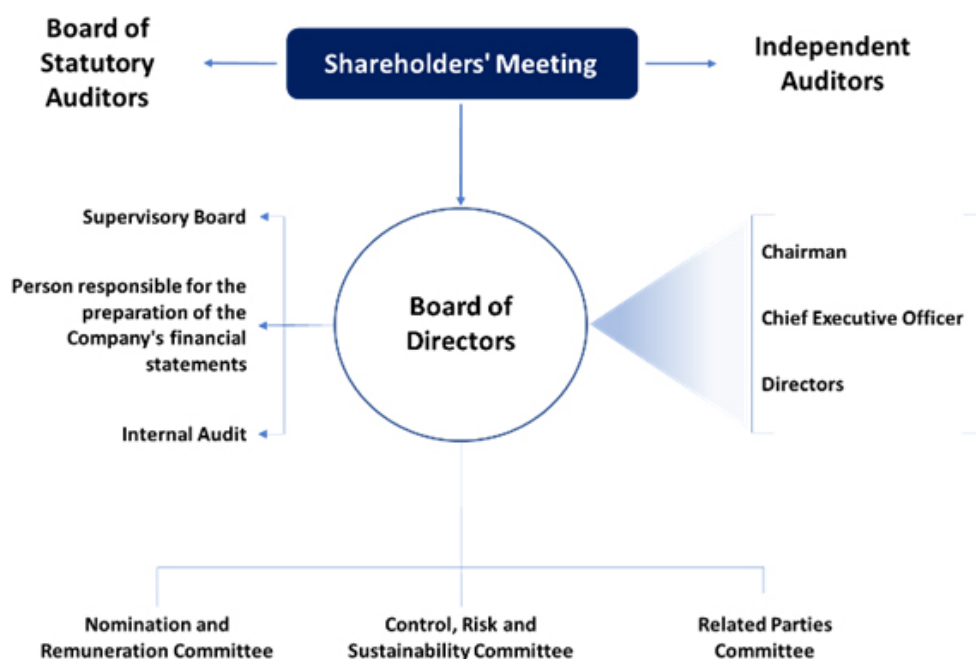
The Company's pursuit of these objectives was consolidated in an increasingly pronounced and conscious manner during the financial year, in which the Board of Directors continued to drive a series of initiatives aimed at progressively adapting its governance system to best practices, as will be better described below. The Group has formally adhered to the Corporate Gover-

nance Code, applicable from 2020, which can be found on the Corporate Governance Committee's website at: <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.htm>.

The Company's Board of Directors has consequently adapted its Governance system to the relevant provisions, except for the non-adherence to certain principles and/or recommendations, or subject to certain adaptations adopted in applying them.

Non-adherence to some of the recommendations of the principles set forth in the Code is specifically indicated, together with the underlying reasons, in compliance with the "comply or explain" criterion, in the various sections of the Report. Similarly, with respect to the aforesaid recommendations, where necessary or useful for a better understanding of the Group's Governance, clarifications are provided as to how adherence was concretely applied.

The Company or its strategically important subsidiaries are not subject to non-Italian legal provisions that could influence their governance structure



1.5.1 SHAREHOLDERS' MEETING

[GRI 2-9 A]

It is the Body in which the Company's will is formed and expressed, then implemented by the Board of Directors. It is made up of the Shareholders of Seri Industrial who periodically meet to pass resolutions in the manner and on matters defined by the provisions of

the Law and the Company's Articles of Association; the most important tasks of the Shareholders' Meeting include choosing the members of the Board of Directors and the Board of Statutory Auditors, as well as approving the Financial Statements.

Significant shareholdings in the capital according to the disclosures made pursuant to Art. 120 of the TUF (ex art. 123-bis, paragraph 1, letter c) TUF)

Declarator	Direct Shareholder	Number of shares	% on ordinary share capital	% on voting capital
Vittorio Civitillo	Industrial S.p.A.	30,426,770	56.37%	56.37%
	Vittorio Civitillo	22,000	0.04%	0.04%
Neuberger Berman AIFM Sarl (*)	Neuberger Berman AIFM Sarl	3,967,648	7.35%	7.35%

(*) Neuberger Berman AIFM Sarl in its capacity as management company and on behalf of the closed-end mutual fund reserved for qualified investors called 'Fondo Atlante Private Equity

Share capital structure (ex . Article 123-bis, paragraph (1), letter (a) TUF)

As of the date of approval of the Sustainability Report, Seri Industrial's share capital amounted to Euro 106,456,682.03, divided into 53,979,002 ordinary shares, with no indication of par value, all representing the same fraction of capital.

It should be noted that, as per the communication of 10 January 2023, the composition of the share capital (fully subscribed and paid up) was changed following the conclusion of the last exercise period of the Uno SERI 2017 - 2022 Warrants (ISIN code IT0005273336)

and the subscription of the compendium shares.

Following the subscription, 4,571,748 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of euro 5.03 per share, of which euro 3.03 as share premium.

The Company's fully subscribed and paid-up share capital therefore consists of 53,979,002 registered no-par value ordinary shares and is equal to Euro 106,456,682.03. Previously, at the end of the Financial Year, it amounted to €97,313,186.03 made up of 49,407,254 ordinary shares.

1.5.2 BOARD OF DIRECTORS

[GRI 2-9 A] | [GRI 2-9 B] | [GRI 2-9 C]; [GRI 2-11 A] | [GRI 2-11 B]; [GRI 2-12 A] | [GRI 2-12 B]

Role of the Board of Directors

According to the Code, the Board of Directors plays a central role in corporate governance.

As far as the functions of the Board of Directors are concerned, pursuant to Article 23 of the Articles of Association and in compliance with Principle 1 of the Code, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company and, more specifically, has the power to perform all acts deemed necessary to achieve the corporate purpose, excluding those that the law and the Articles of Association reserve strictly to the Shareholders' Meeting.

Decisions concerning the definition of the strategic development and direction of corporate management, also on a multi-year basis, as well as the annual industrial and economic-financial plan (budget) and the multi-year forecast plans with the related investment plans, are the exclusive prerogative of the Board of Directors, and cannot be delegated in any way.

The Board of Directors is also vested with the power to establish internal rules and procedures of conduct, as well as the power to set up committees and commissions, also for the purpose of bringing the corporate governance system into line with the model set out in the Code and/or regulations in force over time.

In addition, again pursuant to Article 23 of the Company's Bylaws, the Company approves related party transactions as set forth in the RPT Procedure, in accordance with the laws and regulations in force at the time, as well as with its own bylaws and the procedures adopted on the matter. In this context, the RPT Procedure adopted by the Company in relation to transactions with related parties provides for the exclusion from their scope of application of urgent transactions, including those falling within the purview of the Shareholders' Meeting, in compliance with the conditions and within the limits allowed by the applicable legal and regulatory provisions.

With regard to investee companies, subsidiaries are considered companies of strategic importance:

- FIB S.p.A., a sub-holding at the head of the entities operating in the sector of production of batteries and to which all related activities have been delegated.
- Seri Plast S.p.A., sub-holding at the head of the entities operating in the plastics sector and to which all related activities have been delegated;

In particular, the above mentioned companies are required to apply the Group's procedures concerning the management of information and transactions with related parties and have adopted an Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001, which is uniform to that of the parent company. The directors of these companies are also required to comply with the Internal Dealing procedure.

With regard to the scheme of powers that the two subsidiaries with strategic importance - FIB S.p.A. and Seri Plast S.p.A. - In particular, it was verified that the structure adopted by the two subsidiaries with strategic importance, based on the Management and Coordination Regulation, allows Seri Industrial to examine and approve in advance the most significant transactions from a strategic-equity and financial point of view of the subsidiaries.

Furthermore, during the Year, the Board of Directors adopted a 'Policy for Managing Dialogue with Investors and Market Participants' on 9 June 2022.

In particular, the Board of Directors, after having developed a dialogue with shareholders, including retail, and other stakeholders relevant to Seri Industrial, through the introduction of a specific forum, accessible from the company's internet page, in the Forum section, during the Year, adopted a specific "Policy for the management of dialogue with the generality of investors and market operators", developed taking into consideration the engagement policies adopted by institutional investors and asset managers, whether they are already shareholders or potentially so.

Composition of the Board of Directors

The Board of Directors is composed of executive and non-executive directors, all of whom have the professionalism and skills appropriate to the tasks entrusted to them.

The number and skills of the non-executive directors are such as to ensure that they carry significant weight in the adoption of board resolutions and guarantee effective monitoring of management; it should be noted

1.5.2 BOARD OF DIRECTORS

that, with respect to the Code's Principle that requires most non-executive directors to also be independent, of the six (6) non-executive directors on the Board of Directors, four (4) are independent pursuant to the TUF, of these two (2) are independent pursuant to the Code. The Shareholders' Meeting of 6 May 2022 resolved to set at 10 (ten) the number of members of the Board of Directors, which remains in office for three financial years until the Shareholders' Meeting called to approve

the financial statements as at 31 December 2024.

In view of the current corporate structure, which falls under the category of 'Concentrated Ownership Company', there is no statutory provision for a differentiated term for the various members of the Board of Directors. As follows a table that shows the composition of the Board of Directors by gender and age bracket as of December 31, 2022:

Age groups	Men	%	Women	%	Total	%
<30 years	1	17%	0	0	1	10%
30-50 years	2	33%	3	75%	5	50%
>50 years	3	50%	1	25%	4	40%
Total	6	100%	4	100%	10	100%

The Board of Directors met 16 times during the financial year, with an aggregate attendance rate of 94%; the average duration of the meetings was 1 hour and 27

minutes. The attendance of the Statutory Auditors was 100%.

Structure of the Board of Directors at the end of the Financial Year

Board of Directors													
Role	Component	Date of birth	Date of first appointment (*)	In office since	In office until (approval of the financial statement as of)	List (presenters) (**)	List (***)	Executive	Non Executive	Indip. Code	Indip. TUF	N. other appointments (****)	(*****)
Chairman	Roberto Maviglia	1960	13/09/2019	6/05/2022		Shareholders	M		X	X	X	1	16/16
Vice Chairman	Luciano Orsini	1959	3/08/2016	6/05/2022	31/12/2024	Shareholders	M	X				0	16/16
CEO	Vittorio Civitillo	1972	13/11/2017	6/05/2022	31/12/2024	Shareholders	M	X				1	15/16
Director	Fabio Borsoi	1956	13/09/2019	6/05/2022	31/12/2024	Shareholders	M		X		X	0	16/16
Director	Andrea Civitillo	1975	7/11/2018	6/05/2022	31/12/2024	Shareholders	M	X				0	12/16
Director	Marco Civitillo	1993	6/05/2022	6/05/2022	31/12/2024	Shareholders	M	X				0	11/11
Director	Annalisa Cuccaro	1974	13/09/2019	6/05/2022	31/12/2024	Shareholders	M		X	X	X	1	16/16
Director	Rosaria Martucci	1982	6/05/2022	6/05/2022	31/12/2024	Shareholders	M		X			0	9/11
Director	Manuela Morgante	1961	23/11/2017	6/05/2022	31/12/2024	Shareholders	M		X			1	15/16
Director	Alessandra Ottaviani	1986	6/05/2022	6/05/2022	31/12/2024	Shareholders	M		X			0	10/11

The powers vested in Managing Director Luciano Orsini were last adjusted by the Board of Directors on 30 January 2023.

The quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter TUF) is 2.5% (two point five per cent) of the Company's share capital.

NOTE - The following symbols must be entered in the 'Load' column:

• This symbol indicates the director in charge of the internal control and risk management system.

◦ This symbol indicates the Lead Independent Director (LID).

(*) The date of first appointment of each director means the date on which the director was first appointed (ever) to the Board of Directors of Seri Industrial.

(**) This column indicates whether the list from which each director was drawn was submitted by shareholders (indicating 'Shareholders') or by the Board of Directors (indicating 'Board of Directors')

(***) This column indicates whether the list from which each director was drawn is 'majority' (indicating 'M') or 'minority' (indicating 'm').

(****) This column shows the number of directorships or auditorships held by the person concerned in other listed or large companies. In the Corporate Governance Report, the offices are indicated in full.

(*****) This column shows the directors' attendance at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

Diversity criteria and policies in the composition of the Board of Directors and corporate organization

[GRI 2-10 b]

With regard to diversity policies in the composition of the administration and management bodies in relation to aspects such as age, gender and educational and professional background (Article 123-bis, paragraph 2, letter d-bis, of the Consolidated Law on Finance), the Company has applied gender diversity criteria in the composition of the Board of Directors, in compliance with the priority objective of ensuring adequate competence and professionalism of its members.

With regard to the diversity criteria defined by the Group for the composition of the Board of Directors, as well as the instruments identified for their implementation, Article 21 of the Bylaws provides that, where, with reference to the mandate in question, mandatory criteria of gender distribution (male and female) are applicable, each list that contains at least three (3) candidates shall contain a number of candidates of the lesser represented gender at least equal to the minimum quota applicable from time to time.

Furthermore, if the minimum quota of the least represented gender, if any, applicable from time to time is not met, the next candidate of the least represented gender from the list that has obtained a relative majority of the votes cast by the shareholders shall be appointed instead of the last candidate of the most represented gender from the list that has obtained a relative majority of the votes cast by the shareholders.

The Bylaws also provide that, should a director leave office, he/she shall be replaced in compliance with the minimum gender proportions provided for by law and regulations in force from time to time.

In relation to diversity policies concerning aspects such as age, educational and professional background, the Board of Directors has not yet formalized a policy on diversity in relation to the composition of the governing bodies, as it does not deem it necessary. In any case, it is believed that the issue is covered since the composition of the Board of Directors is adequately diversified in terms of age, seniority in office and educational and professional background, as can be seen from the personal curricula of the directors.

It should be noted that the Group deemed it appropriate to include, in the periodic process of self-assessment of the Board of Directors and its committees, also

an assessment of the professional skills to be considered optimal in the qualitative and quantitative composition of the Board of Directors in relation to other companies listed on regulated markets (including foreign markets). This assessment also concerned the size, composition and functioning of the Board of Directors and its committees.

In any case, as the Group falls into the category of 'Concentrated Ownership Companies', it is not deemed necessary to express guidance to shareholders on the optimal professional figures and quantitative and qualitative composition of the Board of Directors, when the Board is being renewed.

As far as gender diversity is concerned, it should be noted that the Shareholders' Meeting of 6 May 2022, when renewing the current Board of Directors, elected four (4) members of the female gender and six (6) of the male gender, in compliance with the combined provisions of Article 147-ter, paragraph 1-ter, of the Consolidated Law on Finance and Article 147-undecies.1, paragraph 31, of the Issuers' Regulation. Furthermore, the provision indicated in Recommendation 8, which provides that at least one-third of the members of the Board of Directors must be made up of the least represented gender, rounded off to the nearest whole number, has been complied with.

Articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis, of the Consolidated Law on Finance, on the subject of gender balance within the corporate bodies of listed companies, in fact provide that the quota to be reserved for the less represented gender is equal to two fifths, rounded upwards to the next higher unit, if the administrative body is composed of more than three members. Considering that the current legal provisions provide for a quota equal to or higher than that stipulated by the Code for the next six terms of office, compliance with Recommendation 8 is ensured.

Moreover, the Group did not deem it necessary to introduce further policies to promote equal treatment and opportunities between genders within the corporate organization, as it considers that the issue is already adequately covered.

Lastly, it should be noted that, taking into account the provisions of Article 19 of the Articles of Association, the directors are not required to comply with the non-competition clause set forth in Article 2390 of the Italian Civil Code, unless otherwise resolved by the Ordinary Shareholders' Meeting. Since the Shareholders'

Meeting authorized a general and preventive waiver of the non-competition clause set forth in Article 2390 of the Italian Civil Code, the Board of Directors is called upon to carry out assessments on each case deemed problematic or critical, reporting it to the first useful Shareholders' Meeting. To this end, each director shall inform the Board of Directors, upon acceptance of the appointment, of any activities performed in competition with the Company and, subsequently, of any relevant changes.

Functioning of the Board of Directors

The Group's Board of Directors has adopted regulations to define the rules of operation of the Board itself (the 'Board Regulations'). Specific regulations have also been adopted to establish the rules of operation of the committees formed within the Board of Directors.

First of all, the provisions of Art. 22 of the Articles of Association, which establishes that the Board of Directors shall meet, either at the registered office or elsewhere, in Italy or in another European Union state or in Switzerland, whenever the Chairman or, in his absence or impediment, the Vice-Chairman, if appointed, or in his absence or impediment, a Managing Director, if appointed, deems it necessary, or when a written request is made by at least two of its members, by the Board of Statutory Auditors or by a member of the Board of Statutory Auditors.

The Board is convened by the above mentioned persons, with notice to be sent at least 5 (five) days before the meeting to each member of the Board of Directors, as well as to the statutory auditors and, in cases of urgency, at least 1 (one) day before.

The Board is chaired by the Chairman of the administrative body or, in the event of his absence, absence or impediment attributable to any situation, including the impossibility of setting up the secretarial office of the Board meeting in the place where the Chairman is present, by the Vice-Chairman, if appointed, or by one of the managing directors. Failing this, they are chaired by another director designated by the Board of Directors.

For further details on the **functioning of the Board of Directors**, please refer to the "*Annual Report on the Corporate Governance System and Ownership Structure for the Year 2022*".

Chairman of the Board of Directors

[GRI 2-11 a]; [GRI 2-13 a]; [GRI 2-15 a]

The Chairman of the Board of Directors plays a liaison role between the executive and non-executive directors and ensures the effective functioning of the Board's work.

On 6 May 2022, the Board of Directors appointed Roberto Maviglia as Chairman of the Board of Directors, who was assigned the functions provided for by law, the Bylaws and the Code.

No proxies were conferred on the Chairman.

He does not qualify as the main person responsible for the management of the company and represents a 'super partes' figure, chosen to optimize the balance between the management functions covered by the directors with delegated powers and the independent supervisory functions over company management, both within the Board of Directors and within the various committees.

The Chairman, Lawyer Roberto Maviglia, is not a shareholder of the Group.

It should be noted that **the Chairman** of the Board of Directors **is independent, non-executive and does not hold a senior management position**.

Please refer to the "*Annual Report on the Corporate Governance System and Ownership Structure for the year 2022*" for the main professional skills and characteristics of the Secretary, Executive Directors and Independent Directors.

The opinion of the independent directors, by virtue of the authority and competence that characterizes it, assumes significant weight in the assumption of all board resolutions. The presence of the independent non-executive directors on the Group's administrative body is aimed at the broadest protection of corporate "good governance" to be implemented through discussion and dialectic among all the directors.

The contribution of the independent directors allows, inter alia, the Board of Directors to deal with sensitive issues and potential sources of conflicts of interest with sufficient independence.

Vice-Chairman

On 6 May 2022, the Board of Directors appointed Mr. Luciano Orsini to the position of Vice-Chairman of the

Board of Directors, with the possibility of replacing the Chairman in case of absence and/or impediment for the functions attributed by the Bylaws to the Chairman himself.

Appointment of Directors

|GRI 2-10 a| |GRI 2-10 b|

In accordance with Article 21 of the Articles of Association, directors are appointed on the basis of lists submitted by shareholders.

Lists may be submitted by shareholders who, at the time the list is filed, prove that they own at least 2.5% of the shares with voting rights at the Ordinary Shareholders' Meeting, unless the law or regulatory provisions establish a different percentage.

The lists must contain a number of candidates not exceeding the number of members to be elected, listed by means of a sequential number. Each candidate may only be presented on one list under penalty of ineligibility. Each list must contain, under penalty of ineligibility, a number of candidates who, in compliance with Consob regulations, meet the independence requirements prescribed by the laws and regulations in force and by the Corporate Governance Code in its latest version, indicating them separately and including one of them as the first candidate in the list. If, with reference to the mandate in question from time to time, mandatory criteria of gender distribution (male and female) are applicable, each list containing at least three (3) candidates shall contain a number of candidates of the

least represented gender at least equal to the minimum quota applicable from time to time.

Each shareholder may, directly or indirectly through a trust company or a third party, submit only one list.

The lists, signed by the shareholders submitting them, must be deposited at the Company's registered office at least twenty-five days prior to the date set for the Shareholders' Meeting on first or single call. In order to prove ownership of the number of shares necessary to present the lists, the shareholders, at least twenty-one days before the date set for the Shareholders' Meeting on first call, or on single call, must send a specific communication issued pursuant to current regulations through an authorized financial intermediary. The filing of lists, carried out in accordance with the above, is also valid for calls subsequent to the first call, where provided for.

Each person entitled to vote may vote for only one list.

In the absence of more than one list being presented, all directors shall be drawn, in progressive order, from the only list presented.

If no lists are presented, the directors will be appointed on the basis of proposals made by individual shareholders, in compliance with any minimum gender distribution proportions set forth by the law and regulations in force at the time, without prejudice to the necessary election of the minimum number of independent directors set forth by the Bylaws, laws or regulations in force.

1.5.3 REMUNERATION POLICY

|GRI 2-19 A| |GRI 2-19 B| |GRI 2-20 A| |GRI 2-21 B|

The basic remuneration of directors, the remuneration of directors to whom special offices are to be conferred and for directors appointed to committees within the Board was established by the Shareholders' Meeting, which set an overall maximum amount.

Considering the maximum limit set by the Shareholders' Meeting, the basic remuneration was then set by the Board of Directors, upon the proposal of the Nomination and Remuneration Committee, after consulting the Board of Statutory Auditors.

A similar procedure is applied for the determination by the Board of Directors of the remuneration of directors who have been granted special offices, and for defining the remuneration to be attributed to directors appointed to Board committees.

The latter procedure is also applied by the boards of directors of the subsidiaries to determine the remuneration to be paid to those directors who are granted special offices in the subsidiaries and who are also present in the Board of Directors of SERI Industrial. Vice versa, for the other directors vested with special offices, other than the directors who are also present in SERI Industrial, the remuneration for the special offices is determined by the Board of Directors of the subsidiaries, after consulting the Board of Statutory Auditors, without involving the RPT Committee.

The appointment of directors in SERI Industrial and in the companies having strategic importance is left to the Board of Directors of each company.

The policy for the remuneration of directors, statutory auditors and top management defined by the Board of Directors is functional to the pursuit of the Group's sustainable success and takes into account the need to dispose of, retain and motivate people with the competence and professionalism required by the role held in the Group. In this regard, in compliance with the Code's recommendations, the Shareholders' Meeting held on 6 May 2022, voted in favor of the Board of Directors' proposal to introduce a remuneration plan based on the assignment of financial instruments.

In order to have people with adequate skills and professionalism, the remuneration of directors, both executive and non-executive, and that of statutory auditors is defined by taking into account the remuneration practices widespread in the reference sectors and for

companies of similar size, also considering comparable foreign experiences. In assessing the introduction of a stock option plan, the Company preliminarily verified the practice applied by other Italian listed issuers that have adopted incentive plans based on financial instruments, also about to the performance targets used.

The Company did not use external consultants to obtain information on market practices on remuneration policies, and consequently it was not necessary to verify in advance any situations that could compromise its independence of judgement.

Please refer to the specific "Report on Remuneration Policy and Compensation Paid 2022", approved annually by the Board of Directors, in compliance with legal and regulatory provisions" for further information.

Share-based remuneration plans

|GRI 2-19 a| |GRI 2-19 b|

The Ordinary Shareholders' Meeting of 6 May 2022 approved the adoption of a share-based incentive plan pursuant to Article 114-bis of the Consolidated Law on Finance, prepared starting from a proposal formulated by the Nominations and Remuneration Committee (the '**2022 Stock Option Plan**').

The Board of Directors deemed it appropriate to submit to the Shareholders' Meeting a proposal for the introduction of remuneration mechanisms based on financial instruments in favor of members of the Board of Directors, top management, employees or collaborators not linked to the Company by employment relationships, or members of the board of directors, employees or collaborators of subsidiaries.

The 2022 Stock Option Plan is reserved to the executive directors, managers, employees, and/or collaborators and/or consultants of Seri Industrial and its Subsidiaries holding strategically relevant roles, identified by the bodies in charge of the implementation of the 2022 Stock Option Plan, after hearing the opinion of the Appointments and Remuneration Committee.

The 2022 Stock Option Plan provides for the free assignment to each of the beneficiaries of options granting the right to subscribe ordinary shares in the ratio of no. 1 (one) ordinary share for every no. 1 (one) option

exercised.

The **exercise price** of the shares is determined as equal to the **arithmetic average of the official prices** of the Company's shares on Euronext Milan during the thirty days prior to the Date of Attribution of the options to the beneficiaries.

The number of options to be granted to each beneficiary is expected to be defined by assessing the strategic importance of each beneficiary in terms of the creation of new value, considering the following elements:

- (i) the organizational weight of the role;
- (ii) the criticality of retention and
- (iii) the talent and potential

Goals to be achieved through the allocation of plans

The Company, in line with the best market practices adopted by listed companies at national and international level, believes that the Plan is an effective incentive and loyalty-building tool for individuals in key roles, also allowing their interests to be aligned with those of shareholders over the long term, in accordance with Article 6 of the Corporate Governance Code.

In fact, incentivizing and retention of Beneficiaries is an indispensable tool for the Company to pursue its path in line with the growth and development objectives it has set itself.

In particular, with the 2022 Stock Option Plan Seri Industrial intends to promote and pursue the following objectives:

- linking overall remuneration, and in particular the incentive system of managerial figures and key persons of the Group, to the actual performance of the Company and the creation of new value for the Seri Industrial Group, as also called for in the Corporate Governance Code of listed companies;
- orient key corporate resources towards strategies aimed at pursuing medium-long term results;
- align the interests of management and key people of the Group with those of shareholders and

investors;

- further developing retention policies aimed at retaining key corporate resources and encouraging their permanence in the Company or in the Seri Industrial Group;
- further developing attraction policies towards talented managerial and professional figures, in order to continuously develop and strengthen the key and distinctive skills of Seri Industrial.

More detailed information

The reasons and criteria on the basis of which the Company will establish the relationship between the allocation of the Options and other components of the overall remuneration of the Beneficiaries are referred, on the one hand, to the need to reconcile the purposes of providing incentives and loyalty for persons holding key roles, in order to maintain high and improve performance and thus contribute to the growth and sustainable success of the Company, on the other hand, to recognize to the persons concerned an overall benefit in line with the best market practices adopted by listed companies, as also highlighted by the Corporate Governance Code itself and that, in any case, by reason of the creation of value and the increase in the prices of the financial instruments underlying the Options, is significant compared to the other components of remuneration.

For the purposes of retention, the right to be granted and to exercise the Options is subject to the Board of Directors verifying, inter alia, that the Beneficiary's relationship with the Company and/or Subsidiary is still in force on the Allocation Date and on the Exercise Date of the Options, and that his or her status as a Beneficiary within the Company, the Subsidiary or the Group has not ceased, with reference to the position held.

The 2022 Stock Option Plan is developed over a time horizon indicated in the Allocation Cycle, which is deemed suitable for the achievement of the long-term incentive and loyalty objectives pursued by the same.

Key variables, also in the form of performance indicators considered for the allocation of share-based plans

1.5.3 REMUNERATION POLICY

Each Beneficiary may exercise the Options Granted on condition that the Performance Targets set out below are achieved.

Different criteria have been defined for each Attribution Cycle to determine the Performance Objectives to be assigned to the Beneficiaries.

For the First Allocation Cycle, the Beneficiaries may exercise the Options Granted subject to the achievement of medium-long term performance targets determined for the

- 80% based on the achievement of the 5-year TSR Performance Objective, as defined below;
- 20%, taking into account the Company's social responsibility, based on the achievement of the five-year ESG Performance Objective, as determined by the Board of Directors prior to the Allocation Date.

For the Second Allocation Cycle, the Beneficiaries may exercise the Options Granted subject to the achievement of Performance Targets determined for the:

- 60% based on the achievement of the 5-year TSR Performance Target, as defined below
- 20% based on the achievement of the annual TSR Performance Target, as defined below;
- 20%, taking into account the Company's social responsibility, based on the achievement of the annual ESG Performance Goal, as determined by the Board of Directors prior to the Allocation Date.

How individual Performance Targets are determined is illustrated below. TSR Performance Target.

The five-year TSR Performance Target is the simple average of the annual average Relative Total Shareholder Return (TSR), defined as the 65%/35% weighted average of the following ratios:

- 1) $\text{TSR at Time (t) of Seri Industrial} / \text{TSR at Time (t) of Reference Panel}$
- 2) $\text{TSR at Time (t) of Seri Industrial} / (\text{the FTSE Star Italia Index at Time (t)} / \text{the FTSE Star Italia Index at Time (t-1)})$

The annual TSR performance target is the average Total Shareholder Return (TSR), defined as the 65%/35% weighted average of the following ratios:

- 1) $\text{TSR at Time (t) of Seri Industrial} / \text{TSR at Time (t) of Reference Panel}$
- 2) $\text{TSR at Time (t) of Seri Industrial} / (\text{the FTSE Star Italia Index at Time (t)} / \text{the FTSE Star Italia Index at Time (t-1)})$

where

- TSR at Time (t) of Seri Industrial is equal to the ratio of:

- the sum of the average price of Seri Industrial ordinary Shares in the Final Observation Period relating to each Time (t) and all dividends per share distributed in the period between Time (t) and (t-1) and
 - the average price of Seri Industrial ordinary shares in the Final Observation Period at Time (t-1)
- TSR at Time (t) of the Reference Panel is equal to the simple arithmetic mean of the ratios, for each equity security included in the Reference Panel, between:
- (a) the sum of the average price of each security in the Final Observation Period relating to each Time (t) and all dividends per share distributed in the period between Time (t) and (t-1) for the same security, and
 - (b) the average price of the same security in the Final Observation Period at Time (t-1)

Reference Panel means the set of comparable companies as defined by the Board of Directors.

The FTSE Star Italia Index at Time (t) represents the value, at each date (t), of the index in question.

The "Final Observation Period at Time (t) indicates, for each year, the calendar days between 1 April (inclusive) and 30 April (inclusive).

Time (t) indicates each year taken as a reference and Time (t-1) indicates each year preceding the reference year.

ESG performance targets

The five-year and annual ESG Performance Targets will be defined by the Board of Directors prior to the Allocation Date for each Allocation Cycle.

The definition of the ESG Performance Targets will refer to,

- for traditional business lines (excluding the production of lithium ion batteries), to the use in the production cycle of a certain percentage of recycled material with respect to the total raw materials
- for the production of lithium ion batteries, to the use of criteria of sustainability and containment of environmental impact in the choice of materials/technologies to be used and the development of technologies aimed at the progressive recycling of spent lithium batteries in line with circular economy policies.

Please refer to the **Information Document on the 2022 Stock Option Plan and the “Annual Report on the Corporate Governance System and Ownership Structure for the Year 2022”** for further details on the operation of the 2022 Stock Option Plan.

Annual total compensation ratio

|GRI 2-21 a| |GRI 2-21 c|

The **“Annual Total Compensation Ratio” for the year 2022 is 14.5** and is the ratio of the annual total remuneration of the highest paid person (CEO Seri Industrial) to the median annual total remuneration of all employees of Seri Industrial Group Companies (excluding the aforementioned person and excluding employees whose hiring or termination occurred during the fiscal year).

The median total annual remuneration was calculated as follows:

- gross annual salary, theoretical RAL;
- allowance and FIB non-competition clause;
- travel;
- fringe benefits.

In calculating the total annual remuneration of the person receiving the highest remuneration, as well as for the members of the Board of Directors and the Board of Auditors), account was taken of

- Fixed fees (both fees of the reporting company and fees from subsidiaries and affiliates);
- Fees for committee membership (both fees of the reporting company and fees from subsidiaries and associates).

The indicator figure for GRI 2-21 b was not provided as this information was not reported for the year 2021.

1.5.4 GOVERNANCE COMMITTEES

|GRI 2-9 b| |GRI 2-9 c|

On 25 May 2022, the Board of Directors established an internal board:

- a **Nomination and Remuneration Committee**, composed of three (3) members, in the persons of:
 - Annalisa Cuccaro - Chairman and Independent Director pursuant to the Consolidated Law on Finance and the Code;
 - Roberto Maviglia - Independent Director pursuant to the Consolidated Law on Finance and the Code;
 - Manuela Morgante - Independent Director pursuant to the Consolidated Law on Finance;
- a **Control and Risk Committee** (subsequently renamed the **Control, Risk and Sustainability Committee** following the expansion of its functions), divided into two sections, the first consisting of four (4) members, in the persons of:
 - Roberto Maviglia - Chairman and Independent Director pursuant to the TUF and the Code;
 - Fabio Borsoi - Independent Director pursuant to the Consolidated Law on Finance;
 - Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance and the Code;
 - Manuela Morgante - Independent Director pursuant to the Consolidated Law on Finance;

and the second composed of three (3) members, in the persons of:

- Roberto Maviglia - Chairman and Independent Director pursuant to the TUF and the Code;

- Fabio Borsoi - Independent Director pursuant to the TUF;
- Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance and the Code;

- a **Committee for Related Party Transactions** of Lesser Importance, consisting of three (3) members, in the persons of:
 - Manuela Morgante - Chairman and Independent Director pursuant to the TUF;
 - Roberto Maviglia - Deputy Chairman and Independent Director pursuant to the Consolidated Law on Finance and the Code;
 - Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance and the Code;

and to provide for a Committee of three (3) members in the persons of:

- Roberto Maviglia - Chairman and Independent Director pursuant to the Consolidated Law on Finance and the Code;
- Annalisa Cuccaro - Independent Director pursuant to the Consolidated Law on Finance and the Code;
- a member of the Board of Statutory Auditors designated, from time to time, for the specific transaction by the Chairman of the Board of Statutory Auditors.

With the exception of the Committee for Related Party Transactions, no endoconsiliar committees other than those recommended by the Code have been established.

Operation of committees

The Board of Directors has adopted specific regulations defining, in addition to the tasks and functions assigned to them, the rules of operation, including the procedures for taking minutes of meetings and the procedures for managing information to the directors on which they are composed, specifying the deadlines for the prior submission of information and the procedures for protecting the confidentiality of the data and information provided so as not to prejudice the timeliness and completeness of information flows.

The committees shall meet as often as necessary to ensure the proper performance of their functions and duties.

The notice of the meeting, containing the date, time and place of the meeting as well as the list of items to be discussed, is sent by the chairman or, in the event of his absence or impediment, by the oldest member of the Committee, also through the secretary, normally at least three days before the meeting, by fax or e-mail to the address indicated by each addressee. In cases of urgency, this deadline may be shortened, subject to at least twenty-four hours' notice. It is understood that the participation of all the members of the committee in the meetings shall be considered as a waiver of the convocation formalities laid down in the regulations.

The notice of meeting is also sent to the Chairman of the Board of Statutory Auditors and any other persons invited to take part in the meeting.

Committee meetings are chaired by the chairman or, in the event of his absence or impediment, by the oldest member. Committee meetings may also be held by audio-video telecommunication means.

The Chairman of the Board of Statutory Auditors or another standing auditor designated by the latter may attend committee meetings. The chairman may, from

time to time, invite other members of the Board of Directors or representatives of corporate functions or third parties to the committee meetings, whose presence may be of assistance in the discussion of the items on the agenda.

The presence of the majority of the members in office is required for committee meetings to be valid. The committee's decisions are taken by a majority vote of those present. In the event that the committee consists of two members, the meetings are validly constituted if both members are present and the resolutions are passed unanimously.

Committee members who, in the context of their assigned tasks and functions, have an interest, on their own behalf or on behalf of third parties, that conflicts with that of the Company (or a Subsidiary) shall abstain from discussion and any voting.

Committee meetings are recorded in minutes signed by the person who chaired the meeting and the Secretary.

Functions of the committees

The tasks and functions relating to the control and risk management system were assigned to a specific committee, as envisaged by the Code: the Control, Risk and Sustainability Committee.

On 15 November 2022, the Board of Directors deemed it useful to voluntarily extend the functions entrusted to the Committee also with regard to the management of sustainability issues; at the same time, the Committee previously known as the 'Control and Risk Committee' was renamed the 'Control, Risk and Sustainability Committee'.

Conversely, the tasks and functions relating to appointments and remuneration were merged into a single committee.

The internal control and risk management system consists of the set of rules, procedures and organizational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of Seri Industrial (Principle XVIII) - in line with Group strategies.

This section describes the main characteristics of the internal control and risk management system and the methods of coordination between the subjects involved in it, indicating, where applicable, the models and national and international best practices of reference.

It also illustrates how the system involves, each for their respective competences:

- the Board of Directors;
- the Chief Executive Officer (or, as specified below, the Director in charge of the internal control and risk management system);
- the Control, Risk and Sustainability Committee;
- the head of the internal audit function;
- any other corporate functions involved in the controls, such as, for example, the Manager in charge of preparing the corporate accounting documents; the Board of Statutory Auditors.

Similar information is provided with regard to the management of environmental, social and governance issues (ESG issues) and in relation to the consolidated non-financial disclosure process.

In relation to the financial reporting process, also consolidated, the main characteristics of the existing risk management and internal control systems are therefore described (pursuant to Article 123-bis, paragraph 2, letter b), Consolidated Law on Finance).

Description of the main features of the internal control and risk management system

- Taken as a whole, the internal control and risk management system constitutes important elements:
- the System of delegated and proxy powers and, more generally, the *Governance* system;
- the Company Organogram;
- the Code of Ethics;
- the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001;

- the Anti-Corruption Policy,
- the Suppliers' Code of Ethics,
- the Policy on Human Rights
- the Environment, Energy, Health and Safety Policy
- the Procedure for the Management of Privileged Information;
- the Code of Conduct on *Internal Dealing*;
- the Procedure governing transactions with related parties;
- the Procedures pursuant to Law 262/2005;
- the Accounting and Administrative Control System;
- the Management Control;
- the UNI EN ISO 9001 quality procedures applied at the main company sites of the companies belonging to the batteries division (which reports to the subsidiary FIB S.p.A.) and of the companies belonging to the Plastic Materials Division (which reports to the subsidiary Seri Plast S.p.A.)
- the procedures for the organization of UNI EN ISO 14001 environmental management systems applied at the Monterubbiano and Monte Sant'Angelo industrial sites of FIB S.p.A. and at the Alife site of Seri Plast S.p.A.;
- ISO 45001 workplace health and safety management procedures applied at the Alife site of Seri Plast S.p.A.

In particular, activities related to the operation of the control system concern, in addition to Seri Industrial:

- the activities of Seri Plast S.p.A., focused in the plastics segment through the production of plastic components, the sale to third parties of plastic components by enhancing the compound produced internally and the sale of plastic granules
- the activities of FIB S.p.A. (which manufactures under the FAAM brand) focused in the segment of the production and sale of lead and lithium batteries for industrial, storage and specialties applications, and its subsidiary Repiombo S.r.l., which deals with the production of secondary lead and plastic recovered from end-of-life batteries.

In relation to the definition of the nature and level of risk compatible with the Company's strategic objectives, within the framework of the updating of the Or-

ganization and Management Model (or 'Model 231'), lastly adjusted by a Board resolution of 20 March 2023, the necessary controls were identified to verify that corporate risks are properly identified and managed.

Thanks to Model 231, the Board of Directors has defined the guidelines of the internal control and risk management system, so that the main risks pertaining to the Group and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, determining the compatibility of such risks with a management of the company consistent with the identified strategic objectives.

Each year, the Board of Directors approves the audit plan for the relevant year, after examination by the Control, Risk and Sustainability Committee, after consulting the Board of Statutory Auditors and the Director in Charge, identifying the activities to be performed and planning the actions to be taken.

In assessing the adequacy of the internal control and risk management system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness, the Board of Directors relied on the reports of the Control, Risks and Sustainability Committee, the Supervisory Board, the Executive in Charge of Financial Reporting and the internal audit function, as well as the reports of the Director in charge of overseeing the internal control system.

During the year, the Board of Directors implemented a series of initiatives aimed at strengthening the control system on the Company and, more generally, on the Group, focusing on sustainability issues.

In fact, the ever-increasing importance of sustainability has required the company to provide for a series of specific controls, strategically committed to safeguarding social and environmental issues, which are considered qualifying and competitive elements of the business.

A distinctive element among those who make sustainability a driver for the creation of value is in fact the management of risks, including those related to sustainability. Indeed, if business-relevant issues are addressed by considering sustainability-related risks and opportunities, the ability of an organisation to achieve its goals is greater and the value created is consequently greater.

To this end, in 2022 the Company expanded the functions entrusted to the Control and Risk Committee, which was renamed the Control, Risk and Sustainability Committee, in order to assist the Board of Directors in managing these issues.

At the same time, the powers entrusted to the Director in charge of the internal control and risk management system were expanded in order to provide for a high-profile coordinating figure within the organisation on corporate initiatives in these areas, given that the current macroeconomic context is highlighting a growing attention in materia to the management of risks of a 'non-financial nature' or 'ESG' risks. In fact, the nature of risks is profoundly transforming and evolving from the economic-financial sphere towards trend-topics linked to the environment, in particular climate change, and the social dimension.

Further safeguards put in place also include the composition of the control bodies of the two strategically important subsidiaries, Seri Plast S.p.A. and FIB S.p.A., in which there are two members who at the same time also hold the position of control body of the Group, so as to facilitate the system of controls and information flows within the Group.

A similar solution was adopted with regard to the composition of the Supervisory Bodies, which see the presence of the same body in all three companies that have adopted the 231 Model.

In particular, given the strong specialisation of the activities carried out by the two subsidiaries, which are of strategic importance, it was deemed necessary to seek solutions that would ensure that the Supervisory Board could benefit from the support of the right mix of professionalism. In this regard, it was decided to make available to the Supervisory Board, constituted in monocratic form, both internal figures specialised in the legal, administrative and corporate sphere and a figure who could act as a liaison on issues of a technical nature specific to each industrial site. For more information, see Section 9, Paragraph 9.4.

Moreover, during the Financial Year, following the introduction of the Corporate Governance Code, the Company submitted to the Control, Risks and Sustainability Committee proposals to adjust the regulations of the Board of Directors, of the Control, Risks and Sustainability Committee itself and of the Appointments and Remuneration Committee, prior to the relevant amendments, implemented with Board of Directors resolutions of 25 May 2022 and subsequently of 15 November 2022, the latter in order to expand the functions of the Control, Risks and Sustainability Committee with regard to ESG issues.

Lastly, during the course of the financial year, following the appointment of the Board of Directors, the Com-

pany defined its own system of proxies and powers for the members of the Board of Directors.

In addition, the Group's entire Board of Directors is called upon to express a collegial opinion on shareholders' meeting decisions concerning subsidiaries with strategic importance.

In order to strengthen the safeguards and separation of duties, the Board of Directors deemed it appropriate to confer the position of Chairman of the Board of Directors to an independent Director with extensive experience in matters related to listed companies.

With reference to transactions with related parties and carried out in the presence of directors' interests, given the roles played by the Managing Director Vittorio Civitillo, the brothers Andrea Civitillo and Marco Civitillo in the Company, in subsidiaries and in companies related to them, particular attention was paid to the execution of transactions with related parties and to the correct application of the exemption regulations, with particular reference to intra-group transactions and ordinary transactions concluded at standard market conditions. Lastly, attention was paid to the preparation of a consolidated business plan functional not only for the purposes of the correct execution of tests aimed at verifying the value of assets recognized in the financial statements (i.e., goodwill, other intangible assets, deferred tax assets, etc.) but also in order to formalize guidelines and schedules in support of company management.

Roles and functions involved

The internal control and risk management system involves, each within their respective competences:

1. the Board of Directors, which plays a role in guiding and assessing the adequacy of the system and has identified from among its members:
 - (i) a director in charge of establishing and maintaining an effective internal control and risk management system (hereinafter, the "Director in Charge of the Internal Control and Risk Management System"), which does not coincide with the position of *Chief Executive Officer*, and
 - (ii) the Control, Risk and Sustainability Committee, with the task of supporting the Board of Directors' evaluations and decisions relating to the in-

ternal control and risk management system, as well as those relating to the approval of periodic non-financial reports; the same committee is entrusted with the task of supporting the Board of Directors' sustainability assessments and decisions, as well as those relating to the approval of periodic Sustainability Reports;

2. the head of the internal audit function, in charge of verifying that the internal control and risk management system is functioning and adequate;
3. the other corporate roles and functions with specific tasks related to internal control and risk management;
4. the Board of Statutory Auditors, which supervises the effectiveness of the internal control and risk management system.

Main features of the internal control and risk management system in financial reporting

The Group's system of internal control and risk management over financial reporting is defined as the set of activities aimed at identifying and assessing actions or events whose occurrence or absence could compromise - partially or totally - the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of financial information. It is part of the overall internal control and risk management system.

This system, represented by the set of rules adopted by the individual company operating units, is aimed at ensuring that the administrative-accounting procedures adopted and their application are adequate to guarantee (i) a process capable of producing timely and reliable accounting and financial information as well as the preparation of the financial statements in accordance with the reference accounting standards; and (ii) the achievement of the company's objectives of reliability, accuracy, trustworthiness and timeliness of information through an adequate process of identification of the main risks associated with the preparation and dissemination of financial information.

During the year, the Control, Risk and Sustainability Committee assessed, together with the Manager in charge of preparing the company's financial reports, after consulting the Independent Auditors and the Board of Statutory Auditors, that the accounting principles

used are compliant with regulations and that they are consistent for the purposes of preparing the financial statements and the consolidated financial statements. Within the corporate organization of listed companies, the Financial Reporting Officer is responsible for the preparation of accounting and corporate documents:

- interacts with internal audit, which carries out independent checks on the operation of the control system and supports the Manager in charge in monitoring the internal control system;
- is supported by the function managers involved, who, in relation to the area of their competence (e.g. personnel management area, legal affairs area and tax area), ensure the completeness and reliability of the information flows to the Manager in charge for the purposes of preparing the accounting information;
- establishes a process of internal documentation and communication with the administrative managers of the investee companies and with those responsible for individual budgets;
- establishes a reciprocal exchange of information with the Director in charge of the Internal Control and Risk Management System, the Control, Risk and Sustainability Committee and the Board of Directors, reporting on the activities carried out and the adequacy of the Internal Control System with particular reference to the risks inherent to financial reporting;
- informs the Board of Auditors on the adequacy, also organizational, and reliability of the administrative and accounting system;
- informs the Supervisory Board of all events of an extraordinary nature that have an impact on financial reporting, such as, by way of example: any observations by auditing firms, the outcome of any investigations by the Financial Administration, significant transactions carried out in derogation of the procedures adopted by the Company.

The person responsible for the preparation of the Company's financial statements, together with the delegated administrative bodies (e.g. the Chairman and/or Chief Executive Officer), issues the attestation provided for in paragraph 5 of Article 154-bis of the Consolidated Law on Finance; he issues a statement certifying the correspondence with the documentary results, books and accounting records of the deeds and communications that the Company discloses to the market pursuant to paragraph 2 of the aforementioned Article 154-

bis of the Consolidated Law on Finance.

The preparation of financial information is coordinated by a manager in charge of the administrative area and the consolidation process and by various managers in charge of preparing the individual financial statements of the companies belonging to the Group. The management of the information necessary for the preparation of the consolidated financial statements is carried out centrally using a special system.

Director in charge of the internal control and risk management system

[GRI-16 a]

The Board of Directors entrusted a director - other than the *Chief Executive Officer* - with the task of establishing and maintaining the internal control and risk management system (*Recommendation 32, b*), considering it more efficient to entrust this activity to a dedicated director to manage these activities.

In this regard, the Board of Directors, on 25 May 2022, confirmed Mr. Luciano Orsini as Director, entrusting him with the establishment and maintenance of an effective internal control and risk management system (hereinafter the '**Appointed Director**').

The Appointed Director has been granted powers to:

- develop, manage and supervise the internal control and risk management system, in accordance with the provisions of the Corporate Governance Code for Listed Companies
- represent, with the widest powers, within the scope of the delegations conferred, the Company towards States, Ministries, Regions, Provinces, Municipalities, Public Authorities, Organisations, Italian, foreign, international and supranational public and private Bodies, Administrations and Financial and Tax Offices, central and peripheral, Tax Litigation Bodies, etc., in any venue and at any level, as well as towards any natural person or legal entity
- represent, to all intents and purposes, the Company before all public and private entities and bodies in charge of exercising the supervisory, verification and control functions provided for by general regulations. In particular, with regard to workplace safety, compliance with privacy regulations, accident prevention, occupational hygiene, environmental protection and fire prevention, it assumes all the widest deci-

sion-making powers, with the relative assets, necessary to perform the delegated activities. The delegation of powers includes the commitment to comply with the regulations on work safety and prevention against accidents and occupational diseases provided for, inter alia, but not limited to - Article 2087 of the Civil Code, and Legislative Decree 81/08, as amended, as well as the fulfilment of any other provision that may be issued in the future on the matter. For the fulfilment of all the obligations provided for by the laws in force, the delegate shall be endowed with broad powers of initiative and organisation and shall decide in full autonomy and without spending limits, ensuring the punctual and complete fulfilment of all the obligations and charges provided for by the laws in force on the protection of personal data.

Subsequently, in the course of the financial year following the one to which this Report refers, the powers conferred on Mr. Orsini were extended, entrusting him with the task of:

- coordinating the implementation of systems and procedures and organisational solutions aimed at increasing within the corporate organisation the management of issues such as environmental commitment, respect for corporate values, the promotion of gender equality and the Company's actions in an accurate and transparent manner, submitting to the board of directors solutions aimed at implementing the governance system with the objective of orienting the management of the company and the group towards sustainable development and the generation of long-term value for the benefit of shareholders and stakeholders
- coordinating activities aimed at preparing the Sustainability Report or the sustainability report if the company is not obliged to prepare the Sustainability Report.

The Appointed Administrator is called to:

- take care of the identification of the main corporate risks, taking into account the characteristics of the ac-

tivities carried out by the Group and its subsidiaries, and submit them periodically to the Board of Directors for review (*Recommendation 34, a*)

- to implement the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the internal control and risk management system and constantly monitoring its adequacy and (*Recommendation 34, b*);
- take care of the adaptation of this system to the dynamics of the operating conditions and the legislative and regulatory landscape (*Recommendation 34, b*);
- entrust the internal audit function with the performance of checks on specific operational areas and on compliance with internal rules and procedures in the execution of corporate transactions, while simultaneously notifying the Chairman of the Board of Directors, the Chairman of the Control, Risk and Sustainability Committee and the Chairman of the Board of Statutory Auditors (*Recommendation 34, c*)
- report to the Control, Risk and Sustainability Committee (or the Board of Directors) on problems and critical issues that have arisen in the performance of its activities or of which it has otherwise become aware, so that the Control, Risk and Sustainability Committee (or the Board of Directors) can take the appropriate initiatives (*Recommendation 34, d*).

For the fulfilment of all obligations under current legislation, the delegated person is endowed with broad powers of initiative and organization and makes decisions in complete autonomy.

The Appointed Director within the scope of his delegated powers has spending powers for the performance of the activity. In particular, with regard to safety at work, compliance with privacy regulations, accident prevention, occupational hygiene, environmental protection and fire prevention, the Board of Directors, on 13 September 2019, granted him broad powers of initiative and organization, giving him the power to make decisions in full autonomy and without spending limits.

The Control, Risk and Sustainability Committee

The Board of Directors established an internal Control and Risk Committee, renamed the Control, Risk and Sustainability Committee during the Year, divided into two sections; the first comprised of four (4) Directors, all non-executive and independent pursuant to the Consolidated Law on Finance, of which two (2) are independent pursuant to the Code, and the second comprised of three (3) Directors, all non-executive and independent pursuant to the Consolidated Law on Finance, of which the majority are independent pursuant to the Code.

Composition and functioning of the Committee (pursuant to Article 123-bis(2)(d) of the Consolidated Law on Finance)

At the end of the Financial Year, the Control, Risk and Sustainability Committee was - as at the date of this Report - divided into two sections, the first consisting of: Roberto Maviglia - Chairman, Fabio Borsoi, Annalisa Cuccaro and Manuela Morgante. And the second composed of: Roberto Maviglia - Chairman, Fabio Borsoi, Annalisa Cuccaro.

Directors in charge at the date of the closing year			
Board of Directors		Control, Risk and Sustainability Committee	
Role / qualification	Component	(*)	(**)
Non-executive Chairman and independent as of TUF and Code	Roberto Maviglia	6/6	P
Non-executive Director and independent as of TUF	Fabio Borsoi	2/2	M
Non-executive Director and independent as of TUF and Code	Annalisa Cuccaro	6/6	M
Chairman of the Independent Board of Directors and independent as of TUF	Manuela Morgante	6/6	M ⁵
Number of meetings during the financial year		Nr. 6	

NOTES

(*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(**) This column indicates the title of the director within the committee: 'P': chairman; 'M': member

The functioning of the Control, Risk and Sustainability Committee is governed by specific regulations.

As follows a table that show the composition of the Control, Risk and Sustainability Committee and the relative membership of its members.

The average duration of the meetings of the Audit, Risk and Sustainability Committee is 1 hour and 7 minutes.

The number of meetings held during the next financial year was 6 and no further meetings were scheduled.

Minutes of the meetings were duly taken and the Chairman of the committee reports to the first useful meeting of the Board of Directors upon completion of an activity.

5 - Manuela Morgante held the position of Chairman of the committee until 6 May 2022, the date of renewal of the Board of Directors by the Shareholders' Meeting.

Functions assigned to the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee has advisory and proposing functions and reports to the Board of Directors on its work and on the adequacy of the internal control and risk management system, at least every six months on the occasion of the approval of the draft annual and consolidated financial statements and the condensed consolidated half-yearly financial statements. The Control, Risk and Sustainability Committee performs its duties in a completely autonomous and independent manner, both with regard to the Managing Directors, as regards issues of safeguarding the company's integrity, and with regard to the independent auditors, as regards the assessment of the results they present in their reports on the financial statements and on fundamental issues.

It should be noted that the current figure of the internal auditor, appointed on 14 January 2020 and most recently renewed on 30 January 2023, is co-habiting with the independent director pursuant to the Consolidated Law on Finance, Dr. Manuela Morgante. For this reason, the Board of Directors has set up a committee divided into two sections; the first section consisting of four (4) Directors and the second of three (3), which does not envisage the participation of Ms. Morgante in relation to the decisions and/or proposals of the Control, Risk and Sustainability Committee concerning

- reviewing the periodic and significant reports prepared by the internal audit function (Recommendation 35, d);
- monitoring the independence, adequacy, effectiveness and efficiency of the internal audit function (Recommendation 35, f);
- requests to the internal audit function to conduct audits of specific operational areas (Recommendation 35, g);
- the prior opinions to be provided to the Board of Directors:
 - for the approval, at least once a year, of the work plan prepared by the head of the *internal audit* function;
 - on the proposal relating to the appointment, dismissal and definition, in line with corporate policies, of the remuneration of the head

of the *internal audit* function, as well as on the adequacy of the resources allocated to the latter for the performance of his responsibilities.

It abstains from Board of Directors' resolutions pertaining to the aforementioned topics.

In particular, in compliance with the provisions of the Code (*Recommendation 33*), the Control, Risk and Sustainability Committee is entrusted with the following functions:

- a) assessing, in consultation with the Manager in charge of preparing the Company's financial reports, the Statutory Auditor and the Board of Statutory Auditors, the correct use of accounting standards and their consistency for the purposes of preparing the consolidated financial statements (*Recommendation 35, a*)
- b) assess the suitability of periodic financial and non-financial information to correctly represent the Company's business model, strategies, the impact of its activities and the performance achieved, coordinating with any additional committees set up within the Board of Directors (*Recommendation 35, b*). Please note that no committees as mentioned in *Recommendation 1, a* of the Code have been established;
- c) examining the content of periodic non-financial information relevant to the internal control and risk management system (*Recommendation 35, c*);
- d) expressing opinions on specific aspects relating to the identification of the main corporate risks and supporting the Board of Directors' assessments and decisions relating to the management of risks arising from prejudicial facts of which the latter has become aware (*Recommendation 35, d*)
- e) review periodic and particularly significant reports prepared by the internal audit function (*Recommendation 35, d*);
- f) monitor the independence, adequacy, effectiveness and efficiency of the internal audit function (*Recommendation 35, f*);
- g) entrust the internal audit function with the performance of audits on specific operational areas, simultaneously notifying the Chairman of the Board of Statutory Auditors; for coordination purposes, it shall also notify the Chairman of the

Board of Directors, the Managing Director and the Director delegated to supervise the internal control and risk management system, unless the subject of the audit request specifically concerns the activity of such persons (*Recommendation 35, g*)

- h) reporting to the Board of Directors, at least once every six months, on the occasion of the approval of the annual and semi-annual financial report, on the activities carried out as well as on the adequacy of the internal control and risk management system (*Recommendation 35, h*);
- i) performs any further tasks assigned to it by the Corporate Governance Code or the Board of Directors.

The Control, Risk and Sustainability Committee also assists the Board of Directors:

- (i) in the definition of the guidelines of the internal control and risk management system, so that the main risks pertaining to the Company and its subsidiaries are correctly identified as well as adequately measured, managed and monitored, and the determination of the degree of compatibility of such risks with a management of the company consistent with the identified strategic objectives
- (ii) in assessing, at least once a year, the adequacy of the internal control and risk management system with respect to the characteristics of the business and the risk profile assumed, as well as its effectiveness
- (iii) in appointing, revoking and defining, consistently with the Company's policies, the remuneration of the head of the *internal audit* function, as well as the adequacy of the resources assigned to the latter for the performance of his/her responsibilities. If the Company decides to entrust the internal audit function, as a whole or by segments of operations, to an entity outside the Company, the Control, Risk and Sustainability Committee shall assist the Board of Directors in ensuring that the *internal audit* function has adequate professionalism, independence and organisational requirements;
- (iv) in approving, at least once a year, the work plan prepared by the head of the *internal audit* function, without prejudice to the need for the Board of Directors to also consult the Board of Statutory

Auditors and the Director delegated to oversee the internal control and risk management system

- (v) in assessing the appropriateness of adopting measures to ensure the effectiveness and impartial judgment of the other corporate functions involved in the controls in which the Company and its subsidiaries are organised, verifying that they are endowed with adequate professionalism and resources
- (vi) in assigning to a specially constituted Supervisory Board the supervisory functions pursuant to Article 6, paragraph 1, letter b) of Legislative Decree No. 231/2001. If the Supervisory Board does not coincide with the Board of Statutory Auditors, the Committee shall assist the Board of Directors in assessing the advisability of appointing to the Supervisory Board at least one non-executive director and/or a member of the Board of Statutory Auditors and/or the holder of legal or control functions of the Company, in order to ensure coordination between the various persons involved in the internal control and risk management system. If a Supervisory Board composed only of members external to the Company is set up, the Committee shall assist the Board of Directors in ensuring - through the support of the corporate functions and the care of adequate information flows - adequate coordination with the subjects involved in the internal control and risk management system;
- (vii) in assessing the results set forth by the independent auditors in their letter of suggestions, if any, and in their report on the key issues arising during the statutory audit, without prejudice to the need for the Board of Directors to also hear the Board of Statutory Auditors;
- (viii) in the description, contained in the report on corporate governance, of the main characteristics of the internal control and risk management system and on the methods of coordination between the parties involved in it, as well as the assessment of the adequacy of the system itself, and in the indication of the models and national and international *best practices* of reference and the choices made regarding the composition of the Supervisory Board referred to in the Model provided for by Legislative Decree No. 231/2001.

Following the Board resolution of 15 November 2022, the functions entrusted to the Control, Risk and Sustainability Committee were extended, which, on a voluntary basis, was assigned sustainability tasks such as the task of:

- A) support the Board of Directors' sustainability assessments and decisions;
- B) examine and evaluate sustainability issues related to the company's operations and the dynamics of its interaction with all stakeholders, and report its assessments to the Board of Directors
- C) examine and evaluate the sustainability policy adopted by the company and report its assessments to the Board of Directors;
- D) monitor the implementation of sustainability strategies and the Company's positioning in the main sustainability indices and report its findings to the Board of Directors;
- E) expressing direct opinions to the Board of Directors or to the director delegated by the same for the matter, on the initiatives and programmes promoted in the field of corporate social responsibility
- F) examining the layout of the Sustainability Report and the articulation of its contents, as well as the completeness and transparency of the information provided therein, and in this regard providing its own observations to the Board of Directors called upon to approve this document;
- G) at the indication of the Board of Directors or of the director delegated by the same for the matter, or even on its own initiative, formulating opinions or proposals addressed to the Board itself or to the director delegated by the same for the matter, as well as carrying out any further tasks assigned by the Board of Directors on sustainability issues.

During its term of office, the Control, Risk and Sustainability Committee carried out the functions indicated in points (a), (b), (c), (e), (f) and (h) above, and assisted the Board in relation to the activities pertaining to points (i), (ii), (iii) (iv) and (viii) through periodic meetings with the various persons operating in various capacities in the management of the internal control system, and was involved in the identification of persons to be appointed both for internal audit activities, examining annually and in advance the relevant audit plans, and to be appointed within the Supervisory Board. Follow-

ing the expansion of its functions as of the following financial year, the Board of Directors began to exist in respect of points A), B) and F).

During the Year, the Control, Risk and Sustainability Committee performed the following activities:

- assessed, together with the Manager responsible for preparing the Company's financial reports and having heard the statutory auditor and the Board of Statutory Auditors, the correct use of accounting standards and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements
- after consulting the statutory auditor and the Board of Statutory Auditors, verified the methodology adopted by the Company to perform *impairment tests*
- monitored the state of preparation of the statutory and consolidated financial statements for the period ending 31 December 2021, conducting meetings with the independent auditors and the Board of Statutory Auditors, also in order to verify the suitability of the periodic, financial information to correctly represent the Company's business model and strategies
- examined the content of periodic non-financial information relevant to the internal control and risk management system;
- examined the audit plan prepared by the Head of *Internal Audit*;
- carried out discussions with the Supervisory Board concerning the status of implementation of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001;
- examined the periodic reports of the Director in charge of managing the control and risk management system and held discussions with him concerning the development of systems to manage ESG issues
- examined the periodic reports of the Internal Auditor and the Supervisory Board;
- it preliminarily examined the amendments to be made to the Regulations of the Board of Directors, the Control and Risk Committee and the Appointments and Remuneration Committee aimed at adapting the Company's *governance* system to the recommendations and principles of the new *Corporate Governance Code*

- examined the amendments to be made to the Regulation of the Control, Risk and Sustainability Committee in order to expand its functions on sustainability matters
- examined a report by the Chief Executive Officer on compliance with the procedure for the management of material information and inside information.
- reported to the Board of Directors on the occasion of the approval of the annual financial report, on the activities carried out regarding the adequacy of the internal control and risk management system.

During the Year, the Control, Risk and Sustainability Committee:

- it was not called upon to express opinions on specific aspects concerning the identification of the main corporate risks or to support the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter became aware
- it was not necessary to entrust the *internal audit* function with the performance of checks on specific operational areas.

With regard to issues relevant to ESG, the Committee proposed the following Policies to the Board of Directors, in consultation with the Director in Charge:

- Suppliers' Code of Ethics,

- Procurement Policy,
- Anti-corruption Policy,
- Environment, Energy, Health and Safety Policy
- Human Rights Policy, Commitment to Respect for Human Rights and Diversity,

before they were approved by the Board of Directors and disseminated both inside and outside the organisation through publication on the company website. Subsequently, the same policies were adopted by subsidiaries of strategic importance: FIB S.p.A. and Seri Plast. S.p.A.

In the performance of its functions, the Audit, Risk and Sustainability Committee had access to the information and corporate functions necessary for the performance of its tasks, as well as the possibility of using external consultants under the terms established by the Board (*Recommendation 17*).

The Committee has been endowed by the Board with financial resources to carry out its functions, amounting to EUR 20,000, on an annual basis, for the entire term of office, subject, in any case, to the possibility of allocating to the Committee, from time to time, additional financial resources for the performance of specific activities. (*Recommendation 17*).

Please refer to the '*Annual Report on the Corporate Governance System and Ownership Structure for the year 2022*' for further information on the functioning of the Control, Risk and Sustainability Committee.

1.5.6 BOARD OF STATUTORY AUDITORS

It is the independent body responsible for supervising compliance with the law and the Articles of Association, compliance with the principles of proper administration and the adequacy of the organizational, administrative and accounting structure adopted by the Company.

In carrying out its activities, the Board of Statutory Au-

ditors coordinates with the Control, Risks and Sustainability Committee, the internal audit function, as well as the Supervisory Board, attending meetings called by the Control, Risks and Sustainability Committee and the Supervisory Board.

Below is the composition of the Board of Statutory Auditors in office at the end of the Year.

Auditors in charge as of the closing of the financial year

Role	Components	Date of birth	Date of first appointment (*)	In office since	In office until	List (M/m) (**)	Indep. code.	N° of attendances (***)	other appointments (****)
Chairman	Caratozzolo Matteo	1939	31/07/2019	14/05/2021	31/12/2023	M	X	15/15	7
Auditor in charge	Cauzillo Daniele	1961	31/07/2019	14/05/2021	31/12/2023	M	X	15/15	5
Auditor in charge	Russo Susanna	1973	14/05/2021	14/05/2021	31/12/2023	M	X	9/9	6
Alternate Auditor	Melenchi Anna Maria	1966	18/12/2018	14/05/2021	31/12/2023	M	X	0/0	Na
Alternate Auditor	Cercone Lucio	1965	31/07/2019	14/05/2021	31/12/2023	M	X	0/0	Na

Auditors ceased during the financial year

Number of meetings held during the financial year 20

Quorum required for the submission of lists by minorities for the election of one or more members 2,5%

NOTES

(*) The date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was first appointed (ever) to the Group's Board of Statutory Auditors.

(**) This column indicates whether the list from which each mayor was drawn is 'majority' (indicating 'M'), or 'minority' (indicating 'm').

(***) This column shows the attendance of the auditors at meetings of the board of auditors (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

(****) This column shows the number of directorships or auditor appointments held by the person concerned pursuant to Article 148-bis of the Consolidated Law on Finance and the related implementing provisions contained in the Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-quinquiesdecies of the Issuers' Regulation.

During the financial year, the Board of Statutory Auditors held 20 meetings and the aggregate attendance of its members at the meetings was 97%. In relation to the number of meetings of the Board of Statutory Auditors scheduled for the financial year following the year of reference, according to the provisions of the Articles of Association, the Board of Statutory Auditors must meet at least every 90 days (four times a year).

Please refer to the *"Annual Report on the Corporate Governance System and Ownership Structure for the year 2022"* for the personal and professional characteristics of each auditor.

It should be noted that, in addition to the powers and duties provided for in the Articles of Association, the law and regulations in force, since the entry into force

of the Italian legislation complying with the European Directive on statutory auditing, the Board of Statutory Auditors supervises:

- on the financial reporting process;
- on the effectiveness of the internal control, internal audit and risk management system;
- on the statutory audit of the annual and consolidated financial statements;
- on the independence of the statutory auditors, in particular as regards the provision of non-audit services.

With regard to the **Appointment and Replacement of Statutory Auditors**, please refer to the *'Annual Report on the Corporate Governance System and Ownership Structure for the Year 2022'*.

Diversity criteria and policies

Seri Industrial applied diversity criteria, including gender criteria, in the composition of the Board of Statutory Auditors when it was appointed on 14 May 2021. In fact, at least one third of the standing and alternate members of the Board of Statutory Auditors at the time of their appointment is made up of auditors of the least represented gender.

In fact, pursuant to Article 26 of the Bylaws, where, with reference to the term of office in question, mandatory criteria of gender distribution (male and female) are applicable, each list that contains at least three (3) candidates must contain a number of candidates of the least represented gender at least equal to the minimum quota applicable from time to time (with regard to both the office of standing auditor and that of alternate auditor).

Moreover, if the minimum quota of the least represented gender applicable from time to time is not met (with regard to both the office of Standing Auditor and that of Alternate Auditor), the last candidate of the most represented gender of the list that will have obtained the relative majority of the votes cast by the shareholders shall be appointed instead of the next candidate of the least represented gender of the same list.

With regard to gender balance, pursuant to Article 148, paragraph 1-bis, of the Consolidated Law on Finance and Article 144-undecies.1, paragraph 3 of the Issuers' Regulation and Recommendation 8 of the Code, the allocation of the members of the Board of Statutory Auditors must be made in such a way that the less represented gender obtains - in substance - at least one third of the effective members of the Board of Statutory Auditors. This distribution criterion was applied for the first time when the Board of Statutory Auditors was renewed at the Shareholders' Meeting of 14 May 2021 and is applicable for six consecutive terms.

Please refer to the "*Annual Report on the Corporate Governance System and Ownership Structure for the year 2022*" for further information.

Head of Internal Audit

The person in charge of the *internal audit* function (the '**Head of Internal Audit**') was appointed for the three-year period 2020 - 2022 by the Board of Directors, at the meeting held on 14 January 2020, upon the proposal of the Director in Charge, after consulting the Board of Statutory Auditors and obtaining the opinion

of the Control, Risk and Sustainability Committee and the OPC Committee, in the person of Mr. Daniele Bergamini, an external professional, in order to verify that the internal control and risk management system is functioning and adequate.

The internal audit function is entrusted to a person external to the Company, with adequate requirements of professionalism and independence. The decision to outsource the function was made to ensure an adequate level of independence, also assigning the function an adequate expense budget in order to be able to carry out its activities independently, as indicated above.

The internal audit function has no connection with any operational area and reports hierarchically to the Board of Directors and functionally to the Control, Risk and Sustainability Committee. In addition, the Head of Internal Audit had direct access to all information useful for the performance of the task.

The audit plan for the Financial Year was approved by the Board of Directors on 3 March 2022, after review by the Control, Risk and Sustainability Committee.

The *internal audit* function - among its duties - is called upon to verify, in compliance with international standards, the operation and suitability of the internal control and risk management system, through an *audit* plan approved by the Board of Directors, based on a structured process of analysis and prioritization of the main risks.

The Head of Internal Audit prepared periodic reports containing adequate information on his activities, on the way in which risk management is conducted, as well as on compliance with the plans defined for their containment, and an assessment of the degree of suitability of the internal control and risk management system, and forwarded them to the Chairman of the Board of Statutory Auditors, the Control, Risk and Sustainability Committee, the Chairman of the Board of Directors, as well as to the Director in Charge, the *Chief Executive Officer* and the Supervisory Board.

The appointment, which expired, was renewed for the three-year period 2023- 2025 by resolution of the Board of Directors on 30 January 2023.

Organizational Model pursuant to Legislative Decree 231/2001

The Group has adopted an Organizational, Management and Control Model pursuant to Legislative Decree No. 231/2001 (the '231 Model'), which is constantly evolving in order to take into account the types of offences it is intended to prevent.

The Company's Model 231 was most recently adjusted by Board resolution on 20 March 2023.

Similarly, Model 231 was adopted by the two strategically important subsidiaries: Seri Plast S.p.A. and FIB S.p.A.

Model 231:

- provides guidance on the contents of Legislative Decree 231/2001, which introduced into our legal system a liability of companies and entities, for offences committed, in their interest or to their advantage, by their representatives or employees; and
- outlines the organization, management and control model, aimed at informing on the contents of the law, directing company activities in line with Model 231 and supervising the functioning and observance of Model 231.

In particular, the Organization, Management and Control Model aims to:

- to determine, in all those who work in the name and on behalf of the companies that have adopted Model 231 in activities envisaged by Legislative Decree 231/2001, the awareness that they may incur, in the event of violation of the provisions of the law, in an offence, liable to penalties against themselves and against the Company (if the latter has benefited from the commission of the offence, or in any case if the latter has been committed in its interest)
- to reiterate that unlawful conduct is condemned by the companies that have adopted Model 231 in that it is contrary to the provisions of law and the principles to which Seri Industrial intends to adhere in the performance of its corporate mission
- set out these principles and explain the organization, management and control model in use
- enable internal monitoring and control actions, aimed in particular at the company areas most exposed to Legislative Decree 231/2001, to prevent and combat the commission of offences.

The 231 Model is available on the Company's website,

as well as the Code of Ethics in the section 'Governance/Control System/Model of Organization model and Ethical Code'.

Auditing Company

On 3 December 2019, the Shareholders' Meeting approved the engagement of the auditing firm EY S.p.A. for the financial years 2019 to 2027, with regard to the auditing of the annual financial statements, the consolidated financial statements, the limited audit of the condensed half-yearly financial statements, the verification of the proper keeping of the company accounts, the opinion on the consistency of the report on operations, and of certain specific information in the report on corporate governance and ownership structure, with the annual financial statements and the consolidated financial statements and their compliance with the law, as well as the activities aimed at issuing the declaration on the possible identification of significant errors, and the activities aimed at signing the tax declarations. The envisaged remuneration is EUR 80,000.00, plus reimbursement for expenses incurred in performing the work.

On an annual basis, the Company's Board of Directors grants the assignment for the limited review of the consolidated Sustainability Report, pursuant to Legislative Decree 254/2016, which, for the Financial Year, was entrusted to the auditing company EY S.p.A..

In anticipation of the preparation of the subsequent financial statements, the Company takes into account the indications set forth by the auditor in the additional report addressed to the Board of Statutory Auditors, even if no special meeting of the Board of Directors was held during the Year in which the results set forth were discussed collectively (*Recommendation 33, f*).

The person responsible for the preparation of the Company's financial statements and other corporate roles and functions

Article 27 of the Bylaws provides that the Board of Directors shall appoint and dismiss the person to whom the functions and responsibilities relating to the preparation of corporate accounting documents shall be assigned, pursuant to Article 154-bis of Legislative Decree No. 58/1998. The appointment of the Manager in charge of preparing the company's accounting documents, as set forth in Article 27 of the Bylaws, is made after the Board of Directors verifies that he/she has a degree in economics and experience in the field

of accounting and/or finance and/or management control. The Bylaws also provide that the appointment of the Manager in charge of preparing the company's financial reports must be preceded by a mandatory but non-binding opinion of the Board of Statutory Auditors, to be rendered within five days of the Board of Directors' request.

The functions of Manager in charge of preparing corporate accounting documents have been entrusted as of 14 January 2020 to Mr. Pasquale Basile, having verified the requirements of Article 27 of the Articles of Association, subject to the mandatory opinion of the Board of Statutory Auditors. The Board of Directors introduced a Regulation for the Manager in charge of preparing the company's accounting documents, which regulates the activities, powers and responsibilities of the Manager in charge from an organizational point of view.

In order to allow for the independent performance of the activities entrusted to the Financial Reporting Officer, on 25 March 2021, the Board of Directors made available to the Financial Reporting Officer an expense budget for the performance of the relative mandate, amounting to EUR 10,000, on an annual basis, for the entire period of the appointment, unless otherwise determined and/or required.

Other corporate roles and functions with specific tasks relating to internal control and risk management

Other corporate roles and functions with specific tasks in internal control and risk management are indicated below, taking into account the size, complexity and risk profile of the Company and its strategically important subsidiaries. The Group and its strategically important subsidiaries reserve the right to identify other corporate roles and functions with specific tasks in terms of internal control and risk management, should the need arise.

On the subject of health and safety protection in the workplace, the current legislation set forth in Legislative Decree 81/08, identifies a number of figures entrusted with the responsibility of preventing risks in the workplace. The Company, strategically important subsidiaries and other subsidiaries, depending on the complexity of the individual business, have identified:

- *the employer* who, in the field of health and safety in the workplace, has control of the organisation and manages the system with specific provisions within the scope of delegated decision-making powers. This

figure, and that of the employer's deputy, where appointed, also with the help of deputies, have the task of identifying the sources of risks in the workplace, appointing the competent doctor, ensuring that the training of other safety figures takes place, and that the necessary individual protection devices are provided to workers;

- *managers and supervisors*, who act on the basis of decisions taken by the employer and exercise their functions by delegation, overseeing the execution and management of the system;
- *the persons in charge of the prevention and protection service* (also RSPP) to whom the functions of general coordination of risk prevention and protection at individual sites are delegated, including the management and maintenance of the risk assessment document ('DVR'), the identification of risk factors (relating, for example, to plant, tools, space, noise and related stress, presence of hazardous substances or waste, etc.) and the development of preventive measures.

As part of the management of UNI EN ISO 9001 quality systems adopted at the company sites of the companies belonging to the Batteries Division (of which Fib S.p.A. is the lead company) and those belonging to the Plast Division (of which Seri Plast S.p.A. is the lead company), the persons responsible for the management of said quality systems have been identified.

In addition, within the framework of the organization of UNI EN ISO 14001 environmental management systems applied in the industrial sites of Monterubbiano and Monte Sant'Angelo of FIB S.p.A. and in the Alife site of Seri Plast S.p.A., the persons responsible for the management of said systems have been identified.

Finally, the Company, in accordance with the provisions of EU Regulation 2016/679 on *Privacy*, has identified systems administrators within its organisation.

Coordination between those involved in the internal control and risk management system

[GRI-2-16]

Considering the context and the size of the Group, the Company resorts to periodic meetings between the various parties involved in the internal control and risk management system, increasing the exchange of information flows between them and taking into account any specific needs that may have arisen during the year. The exchange of flows is aimed at maximizing the efficiency of the system itself, reducing the duplication of

1.5.6 BOARD OF STATUTORY AUDITORS

activities and guaranteeing the effective performance of the Board of Auditors' tasks.

Thanks to periodic meetings of the Control, Risk and Sustainability Committee in which, in addition to the Board of Statutory Auditors, the Supervisory Board, the *internal audit* function, the Director in charge and, as far as financial reporting is concerned, the Manager in

charge and the auditing firm are invited to participate, it is possible to ensure that the exchange of information between the various parties takes place efficiently. The table below summarises the methods of exchange between the various parties involved in the internal control and risk management system and their frequency.

Organisational structures	Guidelines	Financial Reporting Audits/Information	Request for specific verifications to be carried out	Audit Plan	Carrying out verifications	Information to the B.o.D.	Additional report pursuant to Legislative Decree 39/2010 of the auditor
Board of Directors (B.o.D.)	It has the role of defining the guidelines and evaluating them annually	Evaluates the DP's information report		Approves the Audit Plan annually		Receives regular briefings, from ASCR, JRC, SB, IA	Evaluates annually the results presented by the auditor in the Additional Report if it contains relevant elements
Director-in-Charge (ASCR)	executes the guidelines defined by the B.o.D.	Receives the evaluations carried out by the DP Examines the DP's information report	It may request audits to be carried out by the IA, informing the Chairman of the BoD, SC and JRC.	Shares the Audit Plan	Receives the periodic report of the IA	Reports to the B.o.D. on the identification of major risks. Informs the JRC, Board of Directors on specific critical issues and problems that have arisen	Receives from the SC the Additional Report transmitted by SR if it contains relevant elements
Control, Risk and Sustainability Committee (RAC)		a. Establishes a systematic relationship with the DP b. Supports the DP on the correct use of the adopted accounting principles c. Receives the DP's information report	May request audits from the IA, informing the Chairman of the CS, the CDA and the ASCR	Shares the Audit Plan	Receives and examines the periodic report of the IA	Reports periodically to the BoD on its activities	Receives from the SC the Additional Report transmitted by SR if it contains relevant elements
Supervisory Board (SB)		a. Receives information from the DP	It may request the IA to carry out verifications	Shares the Activity Plan with the IA	Receives and examines the periodic report of the IA	Reports to the BoD on its activities. Reports annually to the BoD. In urgent cases, informs the Chairman of the BoD, the CS and the ASCR	Receives from the SR the Additional Report required by Legislative Decree 39/2010
Internal Auditor (IA)		Establish a systematic relationship with the DP		Prepares the Audit Plan annually in consultation with the Supervisory Board and the Board of Auditors	Carries out checks and prepares a periodic report. Receives and examines the periodic report of the IA	Report periodically to the B.o.D.	
Board of Auditors (CS)		a. Establishes a systematic relationship with the DP b. Receives information from the DP c. Exchanges information with the SR		Receives the Audit Plan, to be approved in consultation with the Board of Auditors			
Auditing company (SR)		a. Establishes a systematic relationship with the DP b. Exchanges information with the Board of Auditors					Prepares the Additional Report required by Legislative Decree 39/2010
Financial Reporting Officer (DP)		a. Adopt organisational and procedural solutions in the area of financial reporting in agreement with the ASCR b. Prepares an information report for the BoD, the SC, CCR and the ASCR					

1.5.7 DELEGATION SYSTEM

Seri Industrial has defined a system of proxies and powers of attorney with the aim of ensuring the segregation of powers and, therefore, improving the flows and processes related to ensuring regulatory compliance. It is an integral part of the Company's Internal Control and Risk Management System and constitutes a management, control, supervision tool, also for the purposes of Legislative Decree 231/2001, because it allows:

- (i) the identification of persons who must perform and, ex post facto, who have performed, acts of external relevance and which may have given rise to the commission of an offence;
- (ii) the sharing of decisions and commitments, including onerous ones, to be made in the name and on behalf of the company;
- (iii) the prevention of abuse of the powers conferred

1.6 RISK MANAGEMENT

In the SERI Industrial Group, a project is underway to implement the Internal Control and Risk Management System (SCIGR), to be integrated with the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (the 'MOG'), with the aim, in accordance with the provisions of the Corporate Governance Code for Listed Companies, of forming an integrated control system. The system is articulated as the set of processes aimed not only at monitoring the efficiency of operations and the reliability of financial information, but also compliance with laws and regulations, as well as with the Articles of Association, internal procedures and the safeguarding of Group assets.

The effectiveness of the SCIGR is manifested in fostering informed decision-making by the Board of Directors and in overseeing the application of ethical conduct and compliance with the law. In fact, it consists of the set of rules, procedures and organizational structures aimed at enabling the identification, measurement, management and monitoring of the main risks.

The Board of Directors of the Company involves and identifies various actors within it:

- the Board of Directors itself, which plays a role in guiding and assessing the adequacy of the system, identifying from among its members one or more directors in charge of the internal control and risk management system and a specific Control and Risk Committee
- the Internal Audit Department, which verifies the functioning of the internal control and risk management system;
- the Manager in charge of preparing corporate accounting documents, who is responsible, among

his duties, for preparing adequate administrative and accounting procedures for the preparation of documents relating to financial reporting;

- the Supervisory Board, which performs the functions provided for by Legislative Decree No. 231/2001, which supervises the functioning, effectiveness, compliance and updating of the MOG, as well as oversees the preparation of suitable operating procedures to ensure the most correct functioning of the system
- the Board of Statutory Auditors, which supervises the effectiveness of the internal control and risk management system.

It should be noted that all recipients of the MOG are invited to assess its appropriateness, making contributions for improvement and addressing the relevant proposals to the Supervisory Board.

In the Group, the Internal Audit function has been entrusted to a person with adequate professionalism, independence and organizational requirements. Its task is to verify, in compliance with international standards, the operation and suitability of the SCIGR, based on a structured process of analysis and prioritization of the main risks.

Periodically, the Internal Audit managers prepare a Report highlighting:

- the process analysed;
- the internal organizational structure overseeing the process;
- the personnel interviewed;
- the risks of non-compliance in relation to the procedure in place;

- the tests of the effectiveness of the procedure/practice detected;
- the outcome of the check and anomalies detected, broken down by severity in relation to the risk not managed;
- discussion of the results with the head of the function/process involved;
- recommendations for the purpose of reducing the anomaly, if any;
- the definition of the timeframe for follow-up.

Within the MOG, a disciplinary system is provided for and the instruments for identifying the risk of offences being committed, detailing their nature, are explained. On 28 October 2021, the Board of Directors renewed, until the Shareholders' Meeting called to approve the financial statements as of 31 December 2023, a Supervisory Body, composed of a member external to the Company, with the requirements of professionalism and independence necessary to carry out the task in the person of Antonio Nobile, a lawyer who carries out professional activities of consultancy and assistance in corporate criminal law. Subsequently, the subsidiaries FIB S.p.A. and Seri Plast S.p.A. also renewed their Supervisory Bodies until the year 2023 on 22 November 2021 and 23 December 2021, respectively.

Mechanisms for receiving ethical reports and advice

[GRI 2-26 a]

Seri Industrial S.p.A. is committed to acting with honesty and integrity, in compliance with the law and the principles expressed in the Code of Ethics. Nevertheless, the Company has introduced communication channels through which it is possible to report situations of risk that could cause damage and lead to irregularities.

Seri Industrial S.p.A. and the subsidiaries that have adopted the Organization, Management and Control Model pursuant to Legislative Decree 231/01 have equipped themselves with a system for the "Reporting" of offences (**whistleblowing**) to the Supervisory Board, which represents a strong ethical safeguard put in place to maintain a high level of attention on the conduct adopted by both employees and those who work with the Group.

The system adopted makes it possible to manage re-

ports received by Seri Industrial S.p.A. and its main subsidiaries also in an anonymous form.

The reporting system guarantees the receipt, analysis and processing of reports, also in confidential form, forwarded by anyone operating within the organization as well as by third parties such as: customers, suppliers, consultants, collaborators, shareholders, partners of the company, each within the scope of their functions and responsibilities.

These are reports concerning conduct by persons operating within the company (Board of Directors, Board of Auditors, employees), as well as other third parties (customers, suppliers, consultants, collaborators, partners, etc.) in business relations with Seri Industrial S.p.A. and/or its subsidiaries.

Seri Industrial also makes the platform dedicated to whistleblowing available for the reporting of any violations of human rights or any suspected or known violation of anti-bribery procedures or laws on the subject.

The platform, which is designed to ensure the confidentiality of sources and information that comes into its possession, without prejudice to legal obligations, is accessible both on the company intranet and on the institutional website of Seri Industrial for all stakeholders. Reports can also be sent, following the procedures set out in the Reporting Procedure

<https://seriindustrial.it/segnalazioni/>.

The Group guarantees that any report or complaint sent through the above procedure will be taken into account.

Non-retaliation policy

Seri Industrial pursues the maintenance of the highest ethical standards to ensure, in compliance with Italian and international regulations, a work environment free of inappropriate or illegal behaviour. Seri Industrial repudiates any retaliatory action against any employee, former employee, consultants, collaborators or third parties who have disclosed their identity in providing assistance to the Supervisory Body in carrying out investigations relating to suspected violations of the Code of Ethics, the Model of Organisation, Management and Control of the Company, as well as company

policies or the law.

In the sole case in which the reports are unfounded, in that they are made for the proven purpose of damaging or prejudicing others, Seri Industrial undertakes to intervene promptly, including, where possible, at the disciplinary level.

Combating active and passive corruption and privacy

|205-3|

The risk of active and passive corruption is monitored and managed by the Group through two main documents:

1. the Code of Ethics
2. the Organization, Management and Control Model pursuant to Legislative Decree 231/2001
3. the Anti-Corruption Policy
4. Suppliers' Code of Ethics.

The current Code of Ethics was approved by the Board of Directors on 11/11/2020. Following the renewal of the administrative body by the Shareholders' Meeting of 13 September 2019, the Board of Directors, on the same date, designated, as the director in charge of overseeing the functionality of the SCIGR, the Manag-

ing Director Luciano Orsini, who also holds the position of Vice-Chairman. He is in charge of implementing and publicising the same and of periodically updating the Board of Directors on the course of adaptation of the MOG, recently updated (11/11/2020). The Code of Ethics was then forwarded to the Subsidiaries so that they could adapt to the same lines of conduct.

With reference to the fight against active and passive corruption, the Group Ethical Code binds:

- a) persons in positions of representation, administration or management of one of the companies of the Group and, where applicable, of an organizational unit with financial and functional autonomy, as well as persons exercising, also de facto, the management and control thereof
- b) persons subject to the management or supervision of one of the persons referred to in point a);
- c) suppliers and other external subjects collaborating with the companies of the Group, who are required to comply with the applicable laws and regulations and to share the principles and purposes of the Code.

In the three-year reporting period (2020-2022) there were no confirmed cases of corruption.

STRATEGIC RISKS

Climate change



Risk/Opportunity

The energy transition towards a low-carbon and more environmentally sustainable economy may bring about risks and opportunities for the businesses in which the Group operates, induced both by transition scenarios, such as possible accelerations in the severity of climate and environmental policies, technological development trends and consequent market dynamics, and by physical variables, linked to the occurrence of acute and chronic weather conditions.

Management mode

Risks related to climate change are constantly analyzed, assessed and managed by the Group considering both aspects related to transition scenarios and physical events.

The Group pursues an industrial strategy aimed at seizing all opportunities deriving from the energy transition and oriented towards the continuous streamlining of production processes and the use of raw materials, in order to reduce impacts on the environment. In this context, the Group has chosen to operate on the market through an integrated business model based on the cardinal principles of the circular economy, managing the entire supply chain of the Batteries and Plastics sector, from the recovery of raw materials (secondary lead and recycled plastic raw materials) to the production of the finished product. The Group is also strongly focused on research and technological development activities aimed at innovating processes and products with a reduced environmental impact and functional to combating climate change. These objectives are also pursued through international industrial collaboration initiatives aimed at improving energy efficiency and promoting the circular economy - the IPCEI, in fact, lays the foundations for a complete circular economy in the field of lithium-ion batteries in Europe.

Competitive environment



Risk

The Group is exposed to the risk that potential competitors might enter the same market, as well as that current competitors might improve their positioning, attracting the same customers as the Group and thus depriving it of market share. Should the Group not be able to counter, by leveraging its skills, the possible strengthening of current competitors or the entry of new operators, this situation could have repercussions on the Group's economic, equity and financial situation.

Management mode

In order to better orientate its business strategy, the Group constantly monitors the evolution of the competitive landscape in both the Plastics and Batteries businesses.

The Group pursues a strategy of diversifying its product portfolio, characterized by high quality and innovative standards - from plastic components to recycled raw materials and lead and lithium batteries - which, together with an increasingly customer-satisfaction-oriented approach, constitute an important factor in mitigating the progressive and growing competition.

Technological evolution



Risk

Il Gruppo è esposto al rischio di obsolescenza di particolari tecnologie e componenti utilizzate per alcuni dei propri prodotti, soggette a continue evoluzioni e innovazioni. Il ciclo di vita dei prodotti del Gruppo, nonché il ciclo produttivo comprensivo dell'eventuale fase di sviluppo pluriennale propedeutica al lancio del prodotto, caratterizzati da un'elevata longevità, accrescono il rischio di obsolescenza

Management mode

The Group is exposed to the risk of obsolescence of particular technologies and components used for some of its products, which are subject to continuous evolution and innovation. The life cycle of the Group's products, as well as the production cycle including any multi-year development phase prior to product launch, characterized by high longevity, increase the risk of obsolescence

Legislative and regulatory developments



Risk

The Group operates in highly regulated business sectors and is subject to European and national regulations that affect how it conducts its industrial activities. Of particular relevance is the regulation of batteries. In fact, legislative and regulatory changes that affect, inter alia, the way in which energy accumulators are produced (e.g., by prohibiting the use of a certain component, which is currently used) could entail limitations on the Group's operations (e.g., by reconsidering some of the production lines currently developed) or an increase in costs.

Management mode

The Group conducts its activities in compliance with current legislation and ensures the constant monitoring of legislative and regulatory developments, through its own structures, in order to allow commercial and operational activities to run smoothly.

Faced with the risks that may arise from these evolutions, the Group promotes dialogue and the development of relations with international sector bodies, such as the EBA - European Battery Alliance - adopting an approach of transparency and collaboration.

Macroeconomic and geo-political trends



Risk

The presence of the companies in various countries and their operations in international markets exposes the Group to so-called 'country risk', i.e. risks connected to macroeconomic and geo-political, institutional and social conditions, as well as possible changes in regulatory and tax regimes. In view of this, the possibility that these risks may have a negative effect on income flows and the value of corporate assets in the countries in which the Group operates cannot be excluded.

Management mode

The Group constantly monitors the riskiness of the countries in which it operates, focusing on regulatory aspects with potential impacts on its reference businesses, and adopts an international diversification strategy by positioning itself not only in its core markets, but also in emerging markets characterized by policies that promote the circular economy and sustainability.

Raw material price trends and procurement



Risk

The Group is exposed to the risk of incurring economic or financial losses due to both increased volatility in the prices of raw materials used - including lithium and lead - and their unavailability. These risks if not effectively managed can affect the Group's results. Already since 2021, there has been a significant increase in the prices of numerous raw materials due to widespread shortages as a result of the complex global economic crisis generated by the pandemic spread of the Covid-19 virus. This situation was exacerbated at the beginning of 2022 as a result of the Russia-Ukraine conflict, which led to further effects on global financial markets in terms of volatility of commodity prices, especially energy prices.

Management mode

To mitigate these risks, the Group evaluates whether to adopt, albeit to a limited extent, hedging policies for the risk of fluctuations in the price of raw materials, through the use of hedging derivative contracts, in order to limit the impact on margins of unexpected changes in market prices. However, it is not possible to exclude that significant fluctuations in the prices of raw materials, directly used by the Group, could generate decreases in revenues and a consequent reduction in margins in absolute terms.

With reference to the Russia-Ukraine conflict, the Company has no strategic or other supplies from the countries involved in the conflict.

Partner Strategic Partners



Risk

Il The Group, with particular reference to the company Seri Plast, has agreements in place for the supply of specific products with some strategic customers. The possible termination of such agreements, including the default of one of the parties, and/or the non-renewal of such agreements could affect the Group's business and its economic and financial situation.

Modalità di gestione

In order to mitigate these risks, the Group is committed to maintaining positive long-term relationships with its various strategic customers. In this context, the active presence of top management in the management of relations with strategic customers constitutes a mitigating factor to identify and manage any critical operational issues in a timely manner.

OPERATING RISK

Cyber security



Risk

The progressive acceleration towards digitization and the consequent increase in the use of technology have increased companies' exposure to increasingly complex cyber risks, including the risk of cyber attacks, which can compromise corporate information systems as well as steal sensitive information, with both economic and reputational impacts.

Management mode

The Group pays extreme attention to protecting its networks from the main threats, working to prevent them and minimize the effects any attacks may have.

In particular, in order to mitigate its exposure to cyber risk, in 2022 the Group launched an investment plan in the IT area that includes an assessment and relative renewal of existing infrastructures (servers, licensing, networking, firewalls) and the adoption of a cybersecurity system.

Business Interruptions



Risk

Risks related to malfunctioning or unforeseen interruptions in production cycles are caused by unforeseeable accidental events, including accidents, equipment breakdowns or malfunctions, lower plant output and extraordinary events (e.g. fires) that are beyond the Group's control. Such events, if of significant duration, could lead to delays in production, with consequent breach of contract and possible compensation obligations, negatively impacting the Group's profitability.

Management mode

The Group has entered into specific insurance contracts to cover some of these risks; nevertheless, the related insurance coverage may be insufficient to meet the losses incurred, both in relation to the expenses incurred in this scenario as well as any compensation to customers.

Product liability and reputation



Risk

The Group, like all operators in the sector, is exposed to the risk of product liability actions in the countries in which it operates, with consequent possible reputational damage, which could affect the perception of the Group's public image on the market, undermining the relationship of trust with current or potential customers.

Management mode

In order to mitigate any risks arising from product and professional liability, the Group has cautiously entered into insurance policies with leading insurance companies. However, if the Group were required to pay damages in excess of the maximum amount provided for by these policies, this could have an impact on the Group's economic and financial situation and assets.

Environment



Risk

The Group is exposed to environmental risks such as, by way of example, air, soil and water pollution from waste disposal, toxic-harmful emissions and spills of hazardous substances. Any irregularities and/or violations of prescriptions established by authorizations or environmental regulations could expose the Group to both administrative and criminal sanctions, also pursuant to Legislative Decree no. 231/01.

Management mode

The Group is committed to effectively preventing and minimizing environmental impacts and risks throughout the entire life cycle of its products and processes. This objective is also pursued through the adoption of Environmental Management Systems certified according to ISO 14001, which guarantee the adoption of structured policies and procedures aimed at identifying and managing the environmental risks associated with the various company activities. Although Group companies take the necessary steps to comply with the applicable laws and regulations, it cannot be absolutely excluded that irregularities may be found and/or that the Group may be called upon to incur significant costs or investments to remedy such situations.

Related party transactions



Risk

There is a risk that the Company's and the Group's business relations with related parties are conducted on non-market terms.

Management mode

In order to mitigate these risks, the Company has put in place the safeguards provided for by the regulations in force aimed at preventing transactions carried out in conflict of interest from undermining the conditions of efficiency and profitability of the Group's corporate business.

Involvement in legal proceedings



Risk

The Group is a party to civil and administrative proceedings and legal actions, related to the normal course of business, that could damage the Group's reputation and impair the relationship of trust with shareholders.

Management mode

In the presence of current obligations resulting from past events, which may be of a legal or contractual nature or derive from declarations or conduct of the company such as to induce in third parties a valid expectation that the company itself is responsible or assumes responsibility for fulfilling an obligation, the Group periodically makes adequate provisions for risks and charges present among the liabilities in the balance sheet. In addition to the provision accrued in the financial statements, the possibility cannot be excluded that the Group may incur other liabilities in the future in consideration of: i) the uncertainty with respect to the final outcome of ongoing proceedings for which a loss has been assessed as not probable; ii) the occurrence of further developments that may lead to a revision of the judgement on the probability of losing the case; iii) inaccuracy of estimates of provisions due to the complex determination process.

The Contingent Liabilities section in the notes to the financial statements provides a description of the status of these proceedings and assessments of their foreseeable outcomes, including with the support of its legal advisors.

FINANCIAL RISKS

Credit and counterparty



Risk

Credit risk is the company's exposure to potential losses arising from the non-fulfilment of contractual payment obligations undertaken by the counterparty.

The Group's exposure to credit risk is mainly attributable to commercial transactions carried out in the ordinary course of business.

The maximum theoretical exposure to credit risk is represented by the carrying value of financial assets recognized in the balance sheet.

Management mode

The credit risk management policy provides for the preliminary assessment and constant monitoring of the creditworthiness of counterparties in order to anticipate situations of potential risk of insolvency or delay in payment.

In addition, the Group carries out credit assignment transactions without recourse (without recourse), which result in the complete elimination of counterparty risk.

With reference to the Russia-Ukraine conflict, at present, there are no particular risks, considering (i) the insignificance of the business volumes in the areas affected by the conflict, (ii) that there are no overdue receivables and (iii) that in some cases the Company operates with advance payments from customers.

Liquidity



Risk

Liquidity risk is the risk that the company is unable to meet its financial commitments in a timely manner due to difficulties in raising funds or liquidating assets on the market.

Management mode

The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investing activities, and, on the other hand, the maturity and renewal characteristics of the debt or

liquidity of financial investments and market conditions.

The Group pursues a strategy of diversifying its financing sources, which it uses to cover scheduled commitments, characterized by a balanced maturity profile.

The Group's management has in place a series of policies and processes to monitor the prospective conditions of liquidity in relation to the business planning process and the procurement of financial resour-

ces that allow for the forecasting of requirements deriving from investment activities, working capital management and the repayment of outstanding debts, taking into account the forecast plans drawn up. In addition, in order to guarantee efficient liquidity management, treasury activities - managed through a cash pooling system - are centralized at the Parent Company level, for appropriate management of cash flows and any surpluses.

The notes to the financial statements illustrate the time profile of the Group's financial liabilities based on undiscounted contractual payment schedules.

Interest rate



Risk

The Group is exposed to financial risk related to changes in interest rates that affect the level of borrowing costs and the market value of financial assets and liabilities.

Management mode

The interest rate risk management policy aims to contain financial expenses and their volatility also through the use of derivative financial contracts, which fall into the category of 'Interest Rate Swaps'. In particular, it is the Group's policy to consider converting a portion of its floating-rate debt into fixed-rate debt in order to normalize financial outlays.

As expected, derivative instruments are measured at fair value, corresponding to the mark-to-market value assessed by the reference market and through valuation models and tools. Derivative contracts are entered into with leading banking counterparties in order to reduce the risk of contractual default. For those derivative instruments where the variable rate stabilization strategy has been set up to a pre-determined level and no hedging is envisaged on rate levels above these thresholds, the fair value of the derivative not hedged against interest rate risk is recognized in the income statement.

Exchange rate



Risk

The Group operates on international markets by concluding transactions in currencies other than the euro, particularly in US dollars, and is therefore exposed to the risk of exchange rate fluctuations between the different currencies that could cause more onerous economic conditions. In particular, the exposure to risk derives from the geographic distribution of the Group's industrial activities with respect to the geographic distribution of its markets and, more specifically, from the fact that the purchase and sale of goods and services are made in currencies other than the Euro, the Group's functional currency (so-called economic exchange rate risk), just as trade payables and receivables in foreign currencies may be impacted by the conversion rates used with effects on the economic result (so-called transactional exchange rate risk).

With reference to sales made by the Group in the Chinese market and denominated in the local currency (Renminbi), the Group is exposed to a price risk due to the trend of the exchange rate with the US dollar (the currency in which raw materials are purchased).

Management mode

The exchange rate risk management policy is geared towards systematically hedging the exposures to which Group companies are subject, with the exception of the translation risk. In particular, the Group can contain the risk related to exchange rate fluctuations associated with the purchase and sale of goods and services by fixing, only where possible, the purchase price of certain components from suppliers in euros, when the finished product is destined for Europe and, to a limited extent, by means of derivative financial instruments to hedge the exchange rate risk such as forward contracts or currency options.

Introduction

The growing importance of sustainability is now evident in both national and international contexts. Companies are increasingly making a strategic commitment to social and environmental issues, which are seen as qualifying and competitive elements of their business.

A further distinguishing element among those who make sustainability a driver for value creation is the management of risks, including those related to sustainability.

The current macroeconomic context is highlighting an increased focus on risk management, especially with regard to risks of a 'non-financial nature' or 'ESG' risks.

Against this backdrop, the topic of 'materiality' has taken centre stage in the sustainability reporting debate and has become the subject of important academic discussions, from which the need for a better understanding of it emerges.

The Global Sustainability Standards Board has updated some 'Universal Indicators' of the GRI standards, with the aim of achieving a reporting system more relevant to international principles of governance, due diligence and respect for human rights.

The main concepts of materiality include:

- *financial materiality*, which focuses on the risks and opportunities that environmental, social and governance aspects can have on the finan-

cial performance of companies - once qualified by 'only' financial statements - in order to appreciate how these aspects affect enterprise value;

- *impact materiality or environmental and social materiality*, which takes as its primary concern the Impacts that business activity has on people including human rights, the environment and economy at large; this idea of materiality directs the reports that are prepared to meet the knowledge needs of various stakeholders;
- the so-called *double materiality*, which encompasses the two previous directions.

The GRI, whose standards are also used in the Seri Industrial Group's Sustainability Report, has identified *impact materiality* as its reference: an inside-out approach is preferred, i.e. it considers the Impacts that the Organisation has on the external context.

According to the *impact materiality* perspective, a sustainability issue is material if it gives rise to significant Impacts (negative or positive, actual or potential) on people and/or the environment and the economy caused by the Organisation's operations and investments, its products and/or services or its value chain. As *impact materiality* considers impacts on people and the environment, it affects a wider range of stakeholders, including consumers, employees, citizens, business partners, communities and civil society.

1.7.1 PROCESS OF DETERMINING MATERIAL TOPICS

|GRI 2-14 A|; |GRI 3-1 |

The process of identifying Impacts (and subsequently material issues) towards the external context consisted of a detailed study of the activities carried out by the Seri Industrial Group and its value chain (upstream on suppliers, downstream on customers).

PROCESS OF DETERMINING MATERIAL TOPICS

IDENTIFICATION

Based on the internal analysis of our activities and feedback received, we have identified a list of Impacts (actual and potential, positive and negative) that could be a consequence of the activities carried out by the Group

ASSESSMENT

After identifying the Impacts, we undertook an exercise aimed at determining the value of the Impact in terms of likelihood and severity, calculated by considering the three parameters

- Scale
- Scope
- Irremediable

PRIORITIZATION

After identifying the significance of the Impacts, we prioritized those that reached the "threshold value."































Taking into account the internal documentation analysed, a "long list" of positive and negative, current and potential Impacts emerged, followed by an evaluation in terms of Scope for Current Positive/Negative Impacts and in terms of Scope and Probability for Potential Positive/Negative Impacts.

Considering the E.S.G. areas, a "Threshold" of significance was established, beyond which an Impact is considered Significant. This was followed by the definition of the "Short list" with the most relevant Impacts to which the following material issues were associated.

1.7.2 IDENTIFICATION OF MAIN IMPACTS AND CORRELATION TO MATERIAL TOPICS


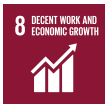



[GRI 3-2 |

Impact:  Actual positive  Potential positive  Actual negative  Potential Negative


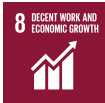

ESG	Impact Identification	Impact Classification	Topic material	Reference SDGs
ENVIRONMENTAL	Contribution to the circular economy through a virtuous business model		Circular economy	 
	Climate change due to GHG emissions along the value chain		Environment (climate change) and innovation	   
	Exploitation of virgin raw materials		Responsibility in the supply chain	  
SOCIAL	Absence of welfare practices that could meet the basic needs of workers and their families and thus increase the retention rate		Human capital, equal opportunities and development of the territory and local communities	 
	Discrimination and gender equality of workers			 
	Worker health and safety due to inappropriate working conditions or unsuitable behaviour in the workplace - Failure to adapt machinery, equipment, working hours, work organisation		Health and safety	 
	Violation of workers' human rights due to inappropriate working conditions and non-compliance with relevant regulations, child labour		Customer satisfaction	 
	The goods and services provided do not meet all conventional or legally mandated consumer health and safety standards, including health warnings and safety information			
GOVERNANCE	Creating economic value throughout the Group's value chain		Corporate governance (Ethical and transparent behaviour)	
	Negative impacts on the economic system due to corruption incidents		Corporate governance (Ethical and transparent behaviour)	 

	ESG	Material Topics	SDGs	Business Analysis and Thematic Contextualisation	Management
1	E	Circular economy	 	<p>The company's business model is based on the principles of circular economy and technological innovation, through a strong presence along the entire business value chain.</p> <p>In order to reduce the impacts of the entire production process on the environment and support the energy transition towards a decarbonised and sustainable economy, the Group manages the entire supply chain of batteries and plastic materials, producing the raw materials (secondary lead and recycled plastic raw materials, both recovered from end-of-life batteries), the semi-finished products (the battery boxes and lids) and the finished product (the accumulator).</p> <p>The plastics and batteries sector contribute to the transition from a linear to a circular economy model. The Group encourages its Suppliers along the value chain to assess the extent of the environmental impact of the entire production chain and promote any activities aimed at reducing greenhouse gas emissions, reducing the use of natural resources.</p> <p>The impact refers to the stages of procurement, production (eco-design) and logistics along the value chain.</p>	<p>Already operating in the circular economy in the area of plastics and batteries, the business model is being expanded to include lithium and post-consumer plastics.</p> <p>Adoption of the Stock Option Plan with ESG performance targets</p>
2	E	Environment (climate change) and innovation	   	<p>The Group operates on the market through an integrated business model, in full compliance with the cardinal principles of the Circular Economy, with a fundamental role in accelerating the energy and ecological transition.</p> <p>In this context, the risks connected to climate change are constantly analysed, assessed and managed by the Company's management, considering both aspects connected to the energy transition (market scenario, regulatory and technological evolution, reputational issues) and physical aspects (extreme/chronic weather), with a short, medium and long-term horizon.</p> <p>The plastics and batteries sector contribute to climate change through the generation of direct and indirect greenhouse gas emissions. The former are generated from the combustion of fossil fuels in the production processes at the Group's sites, while indirect emissions arise from the extraction, processing, and transportation of the materials used, but also from logistics, the transportation of finished products, and, albeit indirectly, their use, so the impacts relate to the entire value chain.</p>	<p>The increased sensitivity to environmental issues is a reason for technological development that is now the recognised driver for environmental protection.</p> <p>There are active programmes that, per tabulas, go in this direction: P2P-TEV.2</p> <p>Product innovation with the adoption of the 'Water based' solution for the lithium sector;</p> <p>R&D dedicated to eco-design to make product recycling more effective</p> <p>In order to define its business identity and plans for the future, Seri Industrial constantly carries out activities aimed at innovating existing technologies with the goal of improving both existing production processes and its products in terms of eco-design.</p> <p>Seri Industrial's mission is to be a key player in the energy transition towards sustainability and decarbonisation, through continuous R&D activities to achieve the goals of sustainability and circular economy.</p>
3	E	Responsibility in the supply chain	  	<p>For the Seri Industrial Group, it is fundamental to develop stable partnerships with suppliers, starting with those considered most strategic, valuing local suppliers.</p> <p>To strengthen the Group's commitment to the sustainable development of its actions, the Companies of the Group, especially in relevant operations, invite their suppliers to consult the Company's Code of Ethics, with the aim of defining the reference principles on social and environmental issues and providing them with a line of conduct to be followed in their operations.</p> <p>Supply relationships are based on compliance with the laws and regulations on labour, human rights, health and safety, the environment, and anti-corruption in force in one's own country and on the application of the principles set out in the Code of Ethics.</p> <p>In both business sectors in which the Company is active, the exploitation of virgin raw materials is a key issue as Suppliers must ensure responsible sourcing of raw materials, as stipulated in the Supplier Code of Ethics.</p> <p>The impact refers sourcing and logistics along the value chain.</p>	<p>Recently introduced policies have certainly improved the potential impact, which nevertheless needs continuous monitoring</p>

1.7.3 BUSINESS AND TOPICS CONTEXTUALIZATION












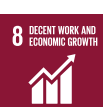






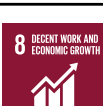

	ESG	Material Topics	SDGs	Business Analysis and Thematic Contextualisation	Management
4	S	Human capital, equal opportunities and development of the territory and local communities	   	<p>The company has always invested in its people, because it sees them as the added value needed to promote value creation. These resources represent a competitive advantage, both industrially and commercially.</p> <p>Seri Industrial's objective is to create value. A value that is not only economic, but that is capable of generating positive effects in many aspects, including the development of the territory and human resources.</p> <p>It is also essential to focus on the territory in which Seri Industrial carries out its activities; it is the people who make the company, who collaborate with it and who personally experience the positive or negative impacts of the company's activities.</p> <p>The Group contributes to the social and economic growth of the communities and is committed to promoting behaviour that respects the contexts in which it operates.</p> <p>Impacts related to the material theme refer to human resources management along the entire value chain.</p>	<p>The adoption of the UN Global Compact Principles and the recently introduced policies have certainly improved the potential Impact, which nevertheless needs continuous monitoring.</p> <p>Considering the residence of employees working in all Seri Industrial subsidiaries, it appears that an average of +70% of employees resides close to their place of work (Italian production and non-production companies).</p>
5	S	Health and safety	 	<p>Occupational health and safety is of primary importance for all Group companies. The identification, control, operational management and development of appropriate policies is explained by the Risk Assessment Document (DVR).</p> <p>The topic-related impact refers to the entire value chain</p>	<p>The recently introduced HSE policy on Health and Safety at Work identifies the company's commitments improving the potential impact, which, however, must be subject to continuous improvement.</p> <p>ISO 45000</p> <p>In line with the provisions of Italian Legislative Decree 81/2008, all Italian production facilities have a Protection and Prevention Service (SPP) that identifies and assesses risks, verifies the safety and healthiness of the workplace, develops preventive and protective measures, defines safety procedures for the various company activities, proposes information and training programmes for workers, and establishes consultations and meetings on health and safety at work.</p>
6	S	Customer satisfaction	 	<p>The concept of customer satisfaction is implicit in the high degree of customization and specialization of the products of Seri Industrial Group companies, providing customers with constant technological advice.</p> <p>For the Seri Industrial Group companies, it is essential to establish strategic partnerships with customers, a concept also embedded in their business model.</p> <p>Among the key principles governing all the company processes of the Seri Industrial Group Companies is Quality, where the founding concepts are Commitment and Customer Focus, all guaranteed by the application of the procedures contained inter alia in ISO 9001.</p> <p>Above all, an initiative that well represents the relationship between the Company and the customer is that of FAAM Service, which has always been committed to guaranteeing its customers and partners constant after-sales assistance through a solid network of professionals. For the products of the Batteries Division, professional maintenance is of paramount importance.</p> <p>In addition, FAAM Service also takes care of collecting end-of-life batteries from customers, making an important contribution to the circular economy system pursued by Seri Industrial.</p> <p>The impacts related to the material issue of customer satisfaction relate mainly to the production process that qualifies the product, the logistics phase that enforces compliance with delivery deadlines, and the after-market phase with efficient customer satisfaction service.</p>	<p>Group companies, especially in relevant operations, invite their customers and suppliers to consult the Company's Code of Ethics and policies, with the aim of defining reference principles on social and environmental issues and providing them with a line of conduct to follow in their operations.</p> <p>There were no complaints about the safety or non-compliance with laws and regulations of FIB products in the years 2020, 2021 and 2022.</p> <p>During 2022, Seri Industrial did not record any instances of breaches of the privacy of its customers.</p>

1.7.3 BUSINESS AND TOPICS CONTEXTUALIZATION

	ESG	Material Topics	SDGs	Business Analysis and Thematic Contextualisation	Management
7	G	Corporate governance (Ethical and transparent behaviour)		<p>Seri Industrial has structured a Corporate Governance Model through which it responds effectively to the interests of all its stakeholders, based on the recommendations of the Corporate Governance Code of Borsa Italiana, in force from time to time, which have been implemented in its own internal regulations approved by the Board of Directors.</p> <p>Over the years, the Group has paid particular attention to the continuous adjustment of its corporate model and the updating of its internal regulations of reference, and to the improvement of processes for risk management, also in terms of corporate compliance. Seri Industrial has succeeded in adapting its corporate governance system, thanks to the members of the Board of Directors, Executive Directors and Management, such as to allow for a high standard of Governance, constantly aligned with national best practices.</p> <p>Proper management of company activities in Seri Industrial allows for transparent, ethical and appropriate conduct in every respect. This means not only compliance with the laws and regulations in force, but also consideration of the expectations and aspirations of the various stakeholders.</p> <p>In order to promote a preventive Group policy, Seri Industrial has implemented a Code of Ethics which is the pillar of this system and which must be read and interpreted together with the documents considered essential for the development and dissemination of the Group's fundamental values, such as other codes of conduct, policies, procedures, guidelines and organisational provisions existing to date.</p> <p>The current positive impact refers to the entire value chain.</p>	<p>Investors: Forums, road shows and meetings organized by Corporate Broking Companies</p> <p>Partners (Customers and Suppliers): the Company has supply chain policies and codes to prevent corruption; however, this system requires high internal control.</p>
8	G	Corporate governance (Ethical and transparent behaviour)	 	<p>Seri Industrial orients its operations towards respect for human rights through the Group Code of Ethics. Respect for human rights is an essential value on which the corporate culture and strategy are based and represents a priority in all business areas.</p> <p>The potential negative impact on the economic system due to corruption refers to the entire value chain.</p>	<p>The recently introduced policies have certainly improved the potential impact, which however will have to be continuously monitored</p>

1.7.3 BUSINESS AND TOPICS CONTEXTUALIZATION

Table linking Material Topics, GRI Aspects and Scope of Legislative Decree 254/2016

ESG	Topics material	Reference SDGs	Appearance GRI
Environmental	Circular economy	 	Materials
	Environment (climate change) and innovation	   	Energy, ater and effluents, emissions and Waste
	Responsibility in the supply chain	  	Supply practices
Social	Human capital, equal opportunities and development of the territory and local communities	   	Employment, Diversity and equal opportunities, Training and education, Worker-management relations
	Health and safety	 	Health and safety at work
	Health and safety	 	Health and safety at work
Governance	Corporate governance (Ethical and transparent behaviour)		Economic value creation throughout the Group's value chain
	Corporate governance (Ethical and transparent behaviour)	 	Non-discrimination, diversity, equal opportunities and anticorruption



Economic Responsibility and Fiscal Practices

2

2.1 ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

Seri Industrial's objective is to create value. A value that is not only declined in a purely economic perspective, but that is capable of generating positive effects in that multitude of aspects that go to form the very idea of sustainability, to be understood as the combination of social, environmental, territorial and human resources development, innovation and long-term growth capacity. Economic performance is the means by which the value generated by the Group's daily operations is distributed to stakeholders. It is therefore of significant importance to reconcile economic-financial decisions with their potential impacts on the above mentioned sustainability issues.

The set of economic risks to which Seri Industrial is potentially exposed in its industrial activity, may negatively affect the aforementioned distribution of value to stakeholders. This is why the best planning and mana-

gement policies for economic resources are implemented, linking current activities to a medium-long term organic vision, which can protect the system of redistribution of added value, i.e. the wealth produced by Seri Industrial and redistributed among its stakeholders.

Starting from a reclassification of the profit and loss the statement of the creation and distribution of added value provides an indication of how the Group has created wealth for its stakeholders, highlighting the economic effects produced by the management of the company on the main categories of stakeholders.

In 2022, the economic value generated (in thousands of €) was €175,452, up from €157,704 in 2021 and €134,695 in 2020; there was also an increase in the economic value distributed equal to € 187,166, from €158,376 in 2021 and €125,232 in 2020.

2.1 ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

Specifically, the statement determining the economic value generated and distributed:

Thousands of euro	2022	2021	2020
Revenues from contract with customers	€ 175,452	€ 157,704	€ 125,584
Other operating income	€ 17,435	€ 11,643	€ 3,926
Internal works	€ 11,233	€ 7,773	€ 4,482
Finance income	€ 425	€ 757	€ 703
Total generated economic value	€ 204,545	€ 177,877	€ 134,695
Supplier remuneration			
Purchase of materials	€ 121,652	€ 102,575	€ 67,870
Change in inventories	-€ 14,692	-€ 11,059	€ 5,887
Service expense	€ 47,202	€ 33,353	€ 27,355
Other operating costs	€ 2,975	€ 3,232	€ 4,018
Remuneration of employees and contractors			
Personnel cost	€ 29,251	€ 28,905	€ 25,755
Remuneration of public administration			
Current taxes	€ 313	€ 718	€ 1,085
Deferred tax assets and liabilities	-€ 5,813	-€ 3,928	-€ 10,900
Shareholder remuneration			
Dividends			
Remuneration of lenders			
Finance expense	€ 6,278	€ 4,580	€ 4,158
Total distributed economic value	-€ 187,166	-€ 158,376	-€ 125,231
Result of operating activities in operation	-€ 4,442	-€ 1,494	-€ 4,303
Other provisions	€ 160	€ 811	€ 1,614
Depreciation and amortisation	€ 21,661	€ 20,184	€ 12,152
Total retained economic value	€ 17,379	€ 19,501	€ 9,464
CONSOLIDATED REVENUES	€ 204,120	€ 177,120	€ 133,991
RESEARCH AND DEVELOPMENT INVESTMENTS	€ 8,600	€ 4,740	€ 4,909
PERSONNEL COST	€ 29,251	€ 28,905	€ 25,755
Total distributed economic value	€ 187,166	€ 158,376	€ 125,232
Supplier remuneration	€ 157,137	€ 128,101	€ 105,133
Remuneration of employees and contractors	€ 29,251	€ 28,905	€ 25,755
Remuneration of public administration	-€ 5,500	-€ 3,210	-€ 9,814
Shareholder remuneration	€ 0	€ 0	€ 0
Remuneration of lenders	€ 6,278	€ 4,580	€ 4,158

2.1 ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

With regard to the distribution of the economic value generated, the most significant stakeholder categories are suppliers and employees, which together accounted for 99% of the economic value generated and distributed. An analysis of the economic value generated and distributed in 2022 by Seri Industrial shows that for

the year ending 31/12/2022, revenues from the sale of products and other operating revenues generated by Seri Industrial outside the borders of the Italian State are equal to 42% (45% 2021) of total consolidated revenues.

2.2 FISCAL PRACTICES

[GRI 207]

The Seri Industrial Group is aware of its responsibility in the realization of an increasingly sustainable economic system, where correct tax compliance contributes to the welfare of every state in which it operates: Seri Industrial has always made it a priority to meet its tax commitments.

To this end, the Group has specific Procedures and Protocols.

In particular, Procedure No. 10 ex 262 "Taxation, Taxes, Tax Payables" regulates the activities concerning the determination of current and deferred income taxes (IRES and IRAP), the relative accounting treatment and the presentation in the financial statements of the items referring to them (negative income items - tax payables and receivables).

The **Protocols** are guidelines within the processes governed by the MOG, updated to reflect the recent introduction of individual tax offences.

The set of protocols and procedures therefore enable the management and prevention of tax risks through an internal tax risk control system (Tax Control Framework); in this sense, activities in the tax area are included in the systems, and in the general risk control procedures, adopted by the Group, as well as in the general Audit and Compliance activities and programmes.

In fact, the strategic management of the Seri Industrial Group operates solely according to its business strategy, where the tax component is a direct consequence of the results obtained.

It should be noted that most of the Group's taxes are paid in Italy.

Responsibility for managing tax matters lies with the tax department, currently occupied by external consultants, who report to the Manager in charge. It should be noted that the tax activities of foreign companies are managed with the help of external consultants resident in the country where the company has its registered office in order to ensure local tax compliance.

This management mainly includes:

- tax compliance, in terms of direct execution, or supervision;

- support, in terms of tax advice, for the Seri Industrial Group's activities;
 - defence of Seri Industrial Group companies, in case of tax disputes;
 - the management and prevention of tax risk is managed through an internal tax risk control system (Tax Control Structure), included in the risk control procedures adopted by the Group, as well as in Audit and Compliance activities;
- In general, Seri Industrial believes that full transparency towards financial administrations is part of its duties as a taxpayer, also in terms of social responsibility.

At the same time, Seri Industrial believes that full compliance with tax obligations by all companies competing in the various markets is not only a duty of each taxpayer, but a necessary condition for confirming a context of fair competition between companies competing in these markets.

In detail, the Seri Industrial Group is committed to:

- operate in accordance with principles of honesty, appropriateness and compliance with tax regulations, adopting collaborative and transparent behaviour towards tax authorities and third parties, in order to minimize any substantial impact in terms of tax risk
- always operate in the spirit and according to the rule of tax legislation in the countries in which it operates
- apply transfer pricing policies aimed at avoiding the erosion of the tax base, aligning the application of taxable income to the place where the economic activity is carried out and respecting the principle of free competition;
- not setting up companies located in tax havens;
- not adopting aggressive tax planning schemes.

The Company regularly discloses tax items and charges in its annual financial statements.

The Group has no specific reporting mechanisms on tax matters and does not show any particular way of involving stakeholders in this regard, unless required by regulatory requirements.

INNOVATION

3



3.1 INNOVATION

In order to define its business identity and plans for the future, Seri Industrial constantly carries out activities to innovate existing technologies with the aim of improving both existing production processes and its products.

Seri's mission is to be a key player in the energy transition towards sustainability and decarbonisation, through continuous R&D activities to achieve the goals of sustainability and circular economy. Seri Industrial is active in an international context and in a market characterised by increasingly strong players and a continuous technological update, which requires being able to propose efficient and innovative solutions.

FIB S.p.A., through its subsidiary Faam Research Center S.r.l., carries out research and development activities for new products and technologies.

In Monterubbiano and Teverola, lithium batteries are designed and all the electronics for the construction of the BMS (Battery Management System) are realised. In addition to this medium-term vision, there is the current peculiarity of operating in market niches, where only a truly innovative proposal can achieve a leadership position.

Innovation is therefore an essential value for all the companies belonging to Seri Industrial.

As far as R&D expenditure is concerned, there was a decrease for both divisions in 2022, amounting to about -11 % of total expenditure compared to the previous year for the Batteries division and about -26 % for the Plast Division.

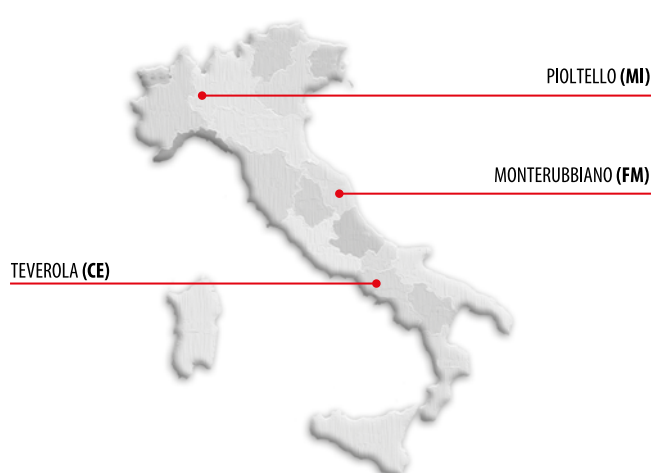
Data in €	2020	2021	2022
FL S.p.A.	2,330,747	2,284,061	2,040,689*
FRC S.r.l.	44,207		
Total Batteries Division	2,374,954	2,284,061	2,040,689
SERI PLAST S.r.l.	2,188,857	2,455,853*	1,828,155*
PLAST R&D S.r.l.	344,951		
Total Plastic Materials Division	2,533,80	2,455,853	1,828,155
Total R&D Investments	4,908,762	4,739,914	3,868,844

*This amount includes the expense relating to programs carried out indirectly through a research contract commissioned to its subsidiary Plast Research and Development S.r.l..

FAAM
RESEARCH CENTER

PLAST RESEARCH
& DEVELOPMENT S.r.l.

R&d CENTERS



Plastic materials division



During the financial year 2022, Seri Plast, in line with its mission and its propensity for innovation, developed internally and indirectly, commissioning its subsidiary "Plast Research & Development S.r.l.", a series of Research, Development and Innovation activities whose objective was to innovate the product offer and optimize production processes. The activities carried out in the period 2022 covered several projects including:

- Forest Comp: design and manufacture of bio-based thermoplastic and polyurethane polymer formulations using functionalized plant fibres
- Flame Retardant and PP compound (PP/FR): Design and realization of flame retardant materials in PP using FR with low environmental impact and/or new generation
- Life Plas Plus (LPP): Design and manufacture of recycled plastic compounds using new formulations for the automotive, electrical and electronics sectors.
- Poly verification equipment: Conception, design and realization of a new production control system that uses inductive sensors to verify the presence of all components (the so-called 'poles').
- Green multilayer pipe: Design and realization of a new, completely recyclable pipe.
- Three-layer pipes made of recycled PVC: Design and development of a new production process using raw material (PVC) from recycled production waste and post-consumer materials.
- Gasket for the Blue Power Vacuum in the Naval Sector: Design and development of a new accessory with an 'Anti-spill' function for hydraulic systems.



Plast Research & Development S.r.l. is a research and development company for the improvement and innovation of plastic products and related production processes with offices in Pioltello and Canonica d'Adda.

The skills of the staff, mainly technical, concern:

- the design and manufacture of plastic components;
- the design of hydraulic systems for the supply of drinking water and waste water;
- the design and manufacture of technical textiles in glass fibre, polypropylene fibre and Kevlar.

During the 2022 financial year, Plast Research & Development, in line with its corporate purpose, dedicated itself to research, development and innovation, developing internally a series of activities, commissioned by its parent company Seri Plast S.p.A., whose objective was to innovate the latter's product offer and related production processes.

Batteries division



FIB, a FAAM brand, has developed considerable experience in the production of lead-acid batteries of the starter and industrial types since the early 1970s, and has gained considerable experience in product, process and production facilities.

In addition to the above, FIB has been involved for several years in the design, development and production of lithium accumulators for starter, electric traction and stationary use, also for special military uses, and has acquired such experience that it decided to set up the first industrial lithium cell, module and battery plant.

During the year 2022, the battery division developed through FIB S.p.A. directly and indirectly through its subsidiary "FAAM Research Center S.r.l." and by commissioning* "Plast Research & Development S.r.l.", a series of activities aimed at innovating the product offering and optimizing certain production processes.

The Research, Development and Innovation activities carried out during the period of reference by the companies' technicians and researchers not only have a strategic character for the company but are also multi-year in nature.

Activities in 2022 covered several projects including:

- Stationary element Green 10STA100 (10OPzS1000), (concluded): realization of a new product dedicated for use on storage from renewable sources;
- Li Storage Industrial, (concluded): realization of a new basic "atom" system for the new product called "LiRack";
- BMS - Slave Industrial 8 cells, (concluded): Design and realisation of a new 4P8S base module with 8-cell SLAVE BMS board in series, for industrial applications ("Industrial");
- BMS -Slave Home 8 cells, (concluded): Design and realization of a new 4P8S base module with 8-cell SLAVE BMS board in series, for residential applications ("Home");
- Lithium Project: Study, design and testing for the realization of an innovative 'water based' Lithium cell.
- E-MOBILITY: Testing of an innovative 'water-based' automotive cell.
- Formulation of the PP Compound suitable for the realization of the Organ Sheet, (concluded): Design and realization of a new matrix for the realization of thermoplastic fibre fabrics*.
- *Construction of Thermoplastic Polypropylene/Glass Prepreg Structural Panel for Automotive Applications, (concluded): Design and realization of a composite material with thermoplastic matrix and glass fibres for the automotive sector.



FAAM Research Center S.r.l. is the research and development centre for lithium-ion technologies, with the task of:

- develop an industrial lithium-ion cell based on lithium-iron-phosphate for low-cost storage and industrial applications
- to technologically support and supply its customers through constant technological consulting for the realization, start-up and implementation of innovative industrial plants;
- develop lithium-ion cells with innovative materials also for future industrial uses.

4

CUSTOMER SATISFACTION

|416-2|



4 CUSTOMER SATISFACTION

The concept of customer satisfaction is implicit in the high degree of customisation and specialisation of the products of the Seri Industrial Group companies. The number of complaints of the two most representative production units, FIB with battery production and Seri

Plast, a division active in the moulding of plastic boxes, lids and accessories for batteries, was also analysed for the year 2022.

As follows a comparison of the 2020, 2021 and 2022 figures for FIB S.p.A.:

FIB S.p.A.	2020		2021		2022	
	Cells/Batteries sold	% of complaints/returning in relation to sales	Cells/Batteries sold	% of complaints/returning in relation to sales	Cells/Batteries sold	% of complaints/returning in relation to sales
SLI	184,609	1.53%	192,838	0.69%	179,349	0.58%
Motive Power	175,166	0.32%	207,846	0.16%	164,403	0.25%
Stand by	89,780	0.93%	141,524	0.31%	196,121	0.13%

There were no complaints about the safety or non-compliance with laws and regulations of FIB products in the years 2020 and 2021 and 2022.

For Seri Plast, in particular, in the "Compound" Division, a defect rate of 0.69% of total components produced was recorded for the year 2022. For the "Building & In-

frastructure" Division, 12,585,419 components shipped in pieces and 9,639,783 components shipped in metres were recorded, with a total of 218,042 complaints and an average defect rate of 0.98%. For the Moulding Division, a defect rate of 0.22% was recorded for the year 2022.

SERI Plast S.p.A.	Sold components in 2021	% of complaints in relation to 2021 sales	Sold components in 2022	% of complaints in relation to 2022 sales
Divisione compound	12,681,076	0.084%	15,422,084	0.69%
Divisione stampaggio	36,671,888	0.088%	30,873,809	0.22%
Divisione Building e Infrastrutture (pz)	25,065,117	0.003%	12,585,419	0.23%
Divisione Building e Infrastrutture (mt)	25,065,117		9,639,783	1.96%

* In 2022, the reporting activity for the Building and Infrastructure Division was changed by breaking down the components sold, in pieces and in metres.

Of them all, an initiative that well represents the relationship between the companies and the customer is that of FAAM Service. The latter represents a point of reference for after-market service on all energy storage systems with lead and lithium technology for industrial (traction and stationary) and automotive applications. Regular and professional maintenance is of paramount importance for our products, as it avoids compromising their efficiency. This is why FAAM has always been

committed to guaranteeing its partners rapid and constant after-sales service through a solid and capillary network of professionals.

In addition, FAAM Service also takes care of collecting end-of-life batteries from customers, making an important contribution to the circular economy system pursued by Seri Industrial, thus facilitating the re-introduction of lead and recycled plastics into the production chain.

4.1 RESPONSIBILITY ALONG THE SUPPLY CHAIN

[GRI 2-6 B]

It is essential for Seri Industrial to develop stable partnerships with suppliers, starting with those considered most strategic, and to value local suppliers.

Seri Industrial believes that giving value to sustainability today means fully assuming specific responsibilities:

- towards the environment, for an eco-friendly growth;
- towards communities, to generate social value and contribute to their development; and
- towards human resources, to enhance their contribution as the center of the entire production process.

This is why the Company promotes, also through its subsidiaries, along the entire supply chain the sharing and observance of principles and rules, as it is in its interest to ensure a combination of competitiveness, environmental sustainability and social responsibility.

In order to reinforce the Group's commitment to sustainable development, Group companies, especially in relevant operations, invite their suppliers to consult the Company's Code of Ethics and recently also the specific 'Suppliers' Code of Ethics' and the adoption of the 'Purchasing Policy', aimed at defining the reference principles on social, environmental and governance issues to provide them with a line of conduct to follow in their operations.

The issues addressed by the Code of Ethics for Suppliers concern:

- **labor and human rights:** The Group firmly believes that the defence and enhancement of human rights, particularly in the labor sphere, is an indispensable prerogative for entering in any economic and commercial relationship. This principle is based on the protection of employees, both by the Seri Industrial Group and by its Suppliers, who must be treated with dignity and respect, ensuring that they are not subject to harassment, cruel treatment, violence, intimidation, corporal punishment, physical or psychological coercion, verbal abuse and discrimination in the workplace.
- **safeguarding and respecting the environment:** Seri Industrial Group is aware of the importance of safeguarding the environment and is committed to the protection of natural resources embracing the principles of environmental sus-

tainability in the short, medium and long term in its strategic choices and business processes.

- **business ethics and integrity:** In the Seri Industrial Group, people act responsibly and work with major commitment commitment in compliance with the strict principles of ethics, loyalty and professional fairness. The Group operates in a framework of fair competition with honesty, integrity, fairness and good faith, respecting the legitimate interests of shareholders, employees, customers, business and financial partners and the local communities and collectivities where the Group is present with its .

The Code of Ethics for Suppliers is based on the principles stipulated in the Conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the Ten Principles of the United Nations Global Compact.

The main aim is to consolidate the dissemination of transversal principles within the Group, taking into account the different socio-cultural and geographical contexts in which it operates, but firmly inspired by the Group's values of legality and morality, which are manifested in the principles of dignity, equality, professionalism and honesty.

The choice of suppliers is inspired by principles of impartiality, competence, competition and cost-effectiveness, as well as principles of transparency and excellence, always in compliance with the highest quality standards.

In choosing its suppliers, the Group is committed to considering only reliable partners who carry out their work in compliance with the laws in force, with the highest ethical standards, to also promote a safe and healthy working environment, to protect human rights and dignity and to safeguard the environment. In this direction, Suppliers are to be considered as an asset that, as such, must be safeguarded and enhanced in a long-term partnership. To this end, Seri Industrial also requires the prior sharing and compliance with the principles and values of sustainability identified by the Group.

Supply relationships are based on compliance with laws and regulations on labor, human rights, health

4.1 RESPONSIBILITY ALONG THE SUPPLY CHAIN

and safety, environment, anti-corruption in force in their country and the application of the principles set out in the Code of Ethics for Suppliers. Suppliers are also required to ensure respect for fundamental human rights, the principles of equal treatment and non-discrimination, the protection of child and forced labour, and freedom of association.

Suppliers are selected by the Group, also taking into account technical skills, the quality of the good/service, timeliness of delivery, prices and payment terms and, more generally, purchasing conditions.

Supply chain risks

A supply chain as articulated as that of the Seri Industrial Group, made up of national and international suppliers, must be constantly monitored and updated given the significant risks inherent in the same and in view of the fact that it depends heavily on its own supply chain for the procurement of components necessary for production. In order to guarantee the availability of material for the production phases and in order to diversify the risk and have adequate guarantees for the respect of the envisaged time to market, the Group plans its production punctually and ensures that an increasing share of the components is supplied, as far as possible, by more than one supplier.

Additional risks relate to the protection of the environment, human rights and the health and safety of workers. In particular, the Group is exposed to the risk that its suppliers do not comply with the Group's quality standards, as well as the regulations applicable to them in terms of labour and welfare and occupational health and safety.

The current negative impact of production activities on

the climate and the environment must be eliminated or at least minimised by acting upstream in the production process. The Group encourages its suppliers to assess the extent of the environmental impact of the entire production chain, in order to help reduce the environmental footprint of all products.

Furthermore, consideration is given to the risk that suppliers deliver raw materials or components that are defective or do not correspond to what was agreed, or are unable to deliver raw materials or components within the agreed timeframe for any reason whatsoever (including, but not limited to, raw material shortages, financial difficulties, issues relating to the quality of raw materials, strikes), with possible negative effects on the Group's production cycle and delays in the delivery of products to customers, as well as negative repercussions on reputation.

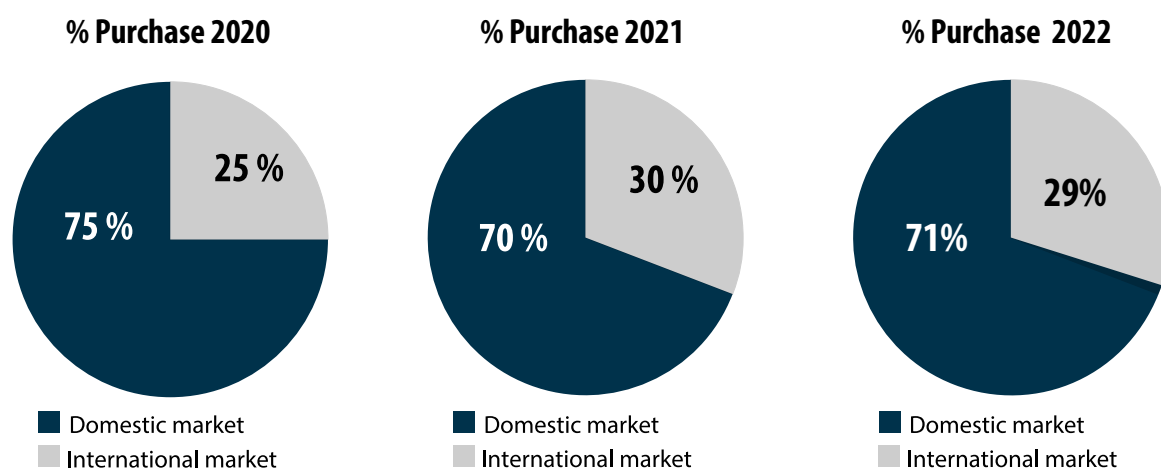
The tools currently adopted by the Seri Industrial Group to manage these risks are the selection of suppliers and a preliminary check of their structures in order to verify their compatibility with Group standards.

In addition to what has been described, with respect to the issue of selecting suppliers/subcontractors and checking their ability to protect and manage human rights, the health and safety of workers and proper environmental management, it is noted that no supplier is currently assessed according to environmental or social criteria through a formalised and documented process. Although a standard systematic control procedure has not been identified, no complaints were registered during 2022 concerning issues related to the violation of human rights and environmental regulations along the supply chain.

4.1 RESPONSIBILITY ALONG THE SUPPLY CHAIN

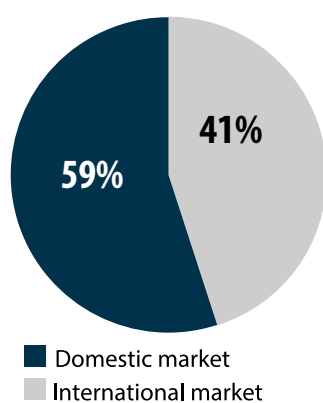
Geographical breakdown of the supply chain

As follows the percentage of the Group's 2022 purchases. "Domestic market" refers to the volume of spending on suppliers in the same country where the Seri Industrial Group company is present.

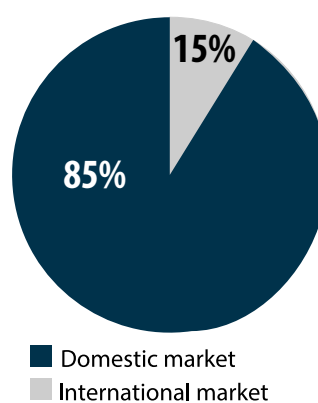


The geographical breakdown of purchases for the Plastics Materials and Batteries Divisions for the year 2022:

SERI PLAST
Seri Plast division - % Purchase 2022



FAAM
FAAM division - % Purchase 2022



A group of four diverse young adults (two men and two women) are standing on a red running track, high-fiving each other in a circle. They are all smiling and wearing athletic gear. The background shows a park-like setting with trees and a clear sky.

5

**INCLUSION, DEVELOPMENT
AND HUMAN CAPITAL
MANAGEMENT**

5 INCLUSION, DEVELOPMENT AND HUMAN CAPITAL MANAGEMENT

|GRI 2-7 A| |GRI 2-7 B| |GRI 2-7 D| |401-2|

Personnel management is as relevant to Seri Industrial as it is to its stakeholders. The Company has always invested in its people, because it considers them as the added value necessary to promote value creation. A competitive advantage, from an industrial and commercial point of view, cannot disregard the growth of the entire company team: for this reason, Seri Industrial is increasingly pushing towards the inclusion of valid professional skills, the hiring of young resources and increasing the number of employees, so as to be able to face the challenges that the future holds with greater capacity.

One of the main focuses for Seri Industrial, which makes innovation and quality its competitive strength, in addition to the health and safety of its workers, is maintaining the know-how of its employees and renewing their skills. For this reason, one of its objectives is to invest in the training of its employees, to improve their preparation, to create an ever stronger bond between people and companies, to enhance their skills and to increase the retention of the most capable and valuable professionals.

The SERI Industrial Group rejects the use of forced or compulsory labor and guarantees working conditions that comply with the laws and regulations in force. The performance of work, both ordinary and extraordinary, is a free expression of the workers' will and is free from physical and/or psychological coercion.

The SERI Industrial Group rejects the employment of any form of child labour and of people under the minimum age established by law, as defined by the regulations in force in the countries in which the Group

operates. As of December 31, 2022, there were 712 employees. Employees of foreign subsidiaries accounted for 19% of the total workforce of 133.

Moreover, as the data in the tables below confirm, Seri Industrial invests in long-term relationships with its employees, 92% of whom are hired on permanent contracts. The turnover figure also confirms the strong stability of the workforce.

Company benefits include: company car for mixed use, personal computer and company telephone: provided only for top management and commercial roles, in addition to what is already provided for all workers: parental leave: provided in Italy and in France both for the birth of children and for their growth or care; there is also the possibility of using 3 days a month to provide care for disabled family members, - Supplementary pension schemes: collective funds (open or closed) through the payment of severance pay, - Canteen service: provided in all Group companies. Alternatively, workers are provided with restaurant tickets.

Should strategic changes be envisaged within the Group, the relevant communications to employees and trade union representatives are produced in compliance with the timescales envisaged by law and/or the relevant National Collective Labor Contracts

As follows is the composition of employees as at 31/12/2022, broken down by gender, region and contract type⁵ (part-time/full-time, fixed-term/indefinite-term contract) and a comparison with 2020 and 2021.

Number of employees by region and gender at December 31, 2022

|GRI 2-7 A| |GRI 2-7 B|

Number of employees per region and gender in 2022		
	Number of employees	% employees on category IT/For
Italy	579	100%
of which men	464	80%
of which women	115	20%
Foreign	133	100%
of which men	103	77%
of which women	30	23%
Total	712	100%

6 - As defined by ILO Convention No. 29

7 - As defined by ILO Convention No. 138

8 - It should be noted that for the financial year 2022, there are no employees (casual, zero-hour contract employees, on-call employees) who are not guaranteed a minimum or fixed number of working hours (non-guaranteed hours).

Total number of full-time/part-time employees

|GRI 2-7 A| |GRI 2-7 B|

Total number of full-time/part-time employees and gender as of 2022			
	Men	Women	Total
Full-time	564	130	694
Part-time	3	15	18
Total	567	145	712

Total number of full-time/part-time employees and gender as of 2021			
	Men	Women	Total
Full-time	571	122	693
Part-time	2	15	17
Total	573	137	710

Total number of full-time/part-time employees and gender as of 2020			
	Men	Women	Total
Full-time	579	118	697
Part-time	3	19	22
Total	582	137	719

Total number of employees by gender and type of contract

|GRI 2-7 A| |GRI 2-7 B|

Total number of employees by gender and type of contract as of 2022			
	Men	Women	Total
Permanent	526	133	659
Fixed term	41	12	53
Total	567	145	712

Total number of employees by gender and type of contract as of 2021			
	Men	Women	Total
Permanent	512	127	639
Fixed term	61	10	71
Totale	573	137	710

Total number of employees by gender and type of contract as of 2020			
	Men	Women	Total
Permanent	539	130	669
Fixed term	43	7	50
Totale	582	137	719

5.1 TOTAL NUMBER OF EMPLOYEES BY REGION AND TYPE OF CONTRACT

Total number of employees by region and type of contract

|GRI 2-7 A| |GRI 2-7 B| |GRI 2-7 E|

Total number of employees by region and type of contract as of 2022					
	Foreign		Italy		Total
Permanent	85	64%	574	99%	659 93%
Fixed term	48	36%	5	1%	53 7%
Total	133		579		712

Total number of employees by region and type of contract as of 2021 ⁹					
	Foreign		Italy		Total
Permanent	80	59%	559	97%	639 91%
Fixed term	55	41%	16	3%	71 8%
Total	135		575		710

Total number of employees by region and type of contract as of 2020					
	Foreign		Italy		Total
Permanent	85	68%	584	98%	669 93%
Fixed term	39	31%	11	2%	50 7%
Total	124		595		719 100%

Collective agreements

|GRI 2-30 A| |GRI 2-30 B|

All employees of the Seri Industrial Group are covered by national collective agreements, and the minimum wage of employees is not lower than that established by the collective agreements and regulations in force in the various countries in which the Group operates.

unions or other forms of representation, in accordance with the legislation and practices in force in the various Countries in which they are employed¹⁰. Collective bargaining is recognized as the privileged instrument for determining the contractual rules and conditions of its employees, as well as for regulating relations between the individual company and trade union organizations.

Freedom of association and collective bargaining

The Seri Industrial Group recognizes the right of its employees to associate to defend and promote their interests, as well as the right to be represented by trade

Turnover

With regard to recruitments and terminations in 2022, as shown in the tables below, more than 50% of both incoming and outgoing turnover is attributable to recruitments and terminations in Italy.

9 - It should be noted that the Chinese subsidiary for the year 2020 did not report the exit of a worker (blue collar, male, 48 years old) in October 2020. This information is not included in the tables below for 2020

10 - As defined by ILO Convention No. 87

5.1 TOTAL NUMBER OF EMPLOYEES BY REGION AND TYPE OF CONTRACT

Incoming turnover as of 31/12/2022

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	13	6	32	10	10	1	72
Foreign	11	5	17	9	4	4	50
Total	24	11	49	19	14	5	122

% rate of incoming turnover as of 31/12/2022

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	18%	8%	44%	14%	14%	1%	100%
Foreign	22%	10%	34%	18%	8%	8%	100%
Total	20%	9%	40%	16%	11%	4%	100%

Incoming turnover as of 31/12/2021

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	15	5	14	2	6	0	42
Foreign	13	3	8	5	1	2	32
Total	28	8	22	7	7	2	74

% rate of incoming turnover as of 31/12/2021

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	36%	12%	33%	5%	14%	0%	100%
Foreign	41%	9%	25%	16%	3%	6%	100%
Total	38%	11%	30%	9%	9%	3%	100%

Incoming turnover as of 31/12/2020

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	8	5	62	11	34	0	120*
Foreign	3	2	6	2	3	0	16
Total	11	7	68	13	37	0	136*

*of the 136 recruitments, 60 are from the Teverola plant (30/50, 37 M and 3 W, >50, 20 M)

% rate of incoming turnover as of 31/12/2020

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	7%	4%	52%	9%	28%	0%	100%
Foreign	19%	13%	38%	13%	19%	0%	100%
Total	8%	5%	50%	10%	27%	0%	100%

The turnover rate is given by the ratio between the resources entered for each category (age range, region, gender) and the total number of resources entered belonging to that category per 100.

5.1 TOTAL NUMBER OF EMPLOYEES BY REGION AND TYPE OF CONTRACT

Outgoing turnover as of 2022

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	9	3	27	4	20	5	68
Foreign	12	4	19	7	6	4	52
Total	21	7	46	11	26	9	120

% rate of outgoing turnover as of 31/12/2022

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	13%	4%	40%	6%	29%	7%	100%
Foreign	23%	8%	37%	13%	12%	8%	100%
Total	18%	6%	38%	9%	22%	8%	100%

Outgoing turnover as of 2021 ¹¹

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	4	0	25	4	25	4	62
Foreign	3	3	10	2	2	1	21
Total	7	3	35	6	27	5	83

% rate of outgoing turnover as of 31/12/2021

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	6%	0%	40%	6%	40%	6%	100%
Foreign	14%	14%	48%	10%	10%	5%	100%
Total	8%	4%	42%	7%	33%	6%	100%

Outgoing turnover as of 31/12/2020

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	9	0	29	8	32	1	79
Foreign	1	1	2	3	1	1	9
Total	10	1	31	11	33	2	88

% rate of outgoing turnover as of 31/12/2020

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Italy	11%	0%	37%	10%	41%	1%	100%
Foreign	11%	11%	22%	33%	11%	11%	100%
Total	11%	1%	35%	13%	38%	2%	100%

N.B. The turnover rate is given by the ratio of the resources leaving for each category (age group, region, gender) to the total number of resources belonging to that category per 100.

11 - It should be noted that the exits in 2021 also include the exit at the end of 2020 of a worker from the Chinese subsidiary (blue collar worker, male, age 48), not counted among the exits in 2020

5.2 GENDER DIVERSITY WITHIN THE GROUP

|GRI 2-7 A| |GRI 2-7 B| |GRI 2-9 C|

In human resources management, the principles of diversity and inclusion underpin the approach of Seri Industrial, which is deeply convinced that the heterogeneity of the workforce is a valuable tool to better understand and respond to the needs of the labor market.

As at December 31, 2022, the female presence stood at around 20% of the total workforce. This figure is partly influenced by the peculiarity of the business, where 88% of workers in production activities are male.

At the end of 2018, the Single Guarantee Committee

for Equal Opportunities, the Enhancement of Workers' Wellbeing and Against Discrimination was established, chaired by the head of the personnel management area, the Chairman of the Board of Directors and a member appointed by the workers.

This committee has the task of proposing, consulting and verifying the organization of work and the company climate; its main function is to report to the management and the head of the HR area on the needs, requests and suggestions of female and male workers, in order to improve the condition of personnel.

Employees by job classification, age group and gender as at December 31, 2022

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	0	0	0	0	1	0	1
White-collars	19	17	91	53	88	23	291
Blue-collars	21	0	202	24	145	28	420
Total	40	17	293	77	234	51	712

Employees by job classification, age group and gender as at December 31, 2021

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	0	0	1	0	1	0	2
White-collars	27	15	92	45	88	24	291
Blue-collars	18	1	213	25	133	27	417
Total	45	16	306	70	222	51	710

Employees by job classification, age group and gender as at December 31, 2020

	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	0	0	1	0	2	0	3
White-collars	18	10	105	51	87	23	294
Blue-collars	12	1	230	28	127	24	422
Total	30	11	336	79	216	47	719

5.2 GENDER DIVERSITY WITHIN THE GROUP

Employee diversity rate by job classification, age group and gender as at 31/12/2022

%	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	0%	0%	0%	0%	0%	0%	0%
White-collars	3%	2%	13%	7%	12%	3%	41%
Blue-collars	3%	0%	28%	3%	20%	4%	59%
Total	6%	2%	41%	11%	33%	7%	100%

Employee diversity rate by job classification, age group and gender as at 31/12/2021

%	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	0.0%	0.0%	0.14%	0.0%	0.14%	0.0%	0.28%
White-collars	3.80%	2.11%	12.96%	6.34%	12.39%	3.38%	40.99%
Blue-collars	2.54%	0.14%	30.0%	3.52%	18.73%	3.80%	58.73%
Total	6.34%	2.25%	43.10%	9.86%	31.27%	7.18%	100%

Employee diversity rate by job classification, age group and gender as at 31/12/2020

%	< 30		30 - 50		> 50		Total
	Men	Women	Men	Women	Men	Women	
Executives	-	-	0.1%	-	0,3%	-	0.4%
White-collars	2.5%	1.4%	14.6%	7.1%	12%	3.2%	40.9%
Blue-collars	1.7%	0.1%	32%	3.9%	17.7%	3.3%	58.7%
Total	4.2%	1.5%	46.7%	11%	30%	6.5%	100%

Workers who are not employees

[GRI 2-8 A] | [GRI 2-8 B] | [GRI 2-8 C]

As at December 31, 2022, there were 4 interns, 3 men and 1 woman.

In addition, the Subsidiaries make use of employees from cooperatives in the course of their production activities.

COOPERATIVES	Men	Women	Qualification
Seri Plast	74.83	29.44	Blue collars
Repiombo	0.99	-	Blue collars

FTEs= Total hours worked/Total annual hours

5.3 OCCUPATIONAL HEALTH AND SAFETY

[403-1] | [403-2] | [403-3] | [403-4] | [403-5] | [403-6] | [403-7] | [403-8]

Health and safety is managed by the Group through training and prevention. All Group companies are equipped with DVRs, the Group's production companies have ISO 9001 certification or are in the process of doing so, in addition to ISO 14001 and ISO 45001 certification for the organization of an occupational health and safety management system, the Group's objective is to implement certification on all sites (Tab. chap. 6).

The principles adopted by the Seri Industrial Group as a reference for the management of the Environment, Occupational Health and Safety as well as Energy issues and energy performance include:

- compliance with the relevant international, national and local legislative regulations in force;
- the aim of continuous improvement in environmental, occupational health and safety and energy performance promoted through the development of Policies, Guidelines and the adoption of Management Systems certified in accordance with adopted the regulations and reference standards;
- involvement of the necessary resources to ensure the systematic implementation of practices and operations to improve energy efficiency;
- involvement and promotion of awareness of employees and suppliers in the process of safeguarding the Environment, Occupational Health and Safety and in the process of continuous improvement of energy performance also through training and/or information activities;
- satisfaction of Stakeholder expectations and formal obligations undertaken by the Seri Industrial Group as a fundamental prerequisite for the creation of value and the promotion of Sustainable Development.

About regard Occupational Health and Safety, Seri Industrial is committed to:

- constantly assessing Occupational Health and Safety risks;
- favor the progressive improvement of work environments through the continuous search for products and solutions that comply receive ergonomic criteria that raise Occupational Health and Safety standards;
- ensure that workers with the necessary training and information on accident prevention and emergency management;
- constantly recall the attention of personnel working at its sites to be compliant with rules and procedures through awareness and dissemination initiatives, encouraging the growth of a culture of prevention and protection and increasingly responsible individual conduct.

The importance of health and safety in the working environment

For the Seri Industrial Group, the protection of the fundamental rights of the individual is essential in any manifestation of social coexistence, starting with the right to work in environments and conditions suitable to ensure the health and safety of workers. The Group, as indicated in the Policy on Environment, Health and Safety at Work, is committed to ensuring healthy and safe working conditions and to promoting the dissemination and consolidation of a culture of safety among all workers, including within the supply chain. Seri Industrial Group is committed to ensuring that all activities are planned and executed in order to preserve the health and safety of workers and to ensure the highest standards in this area

5.4 OCCUPATIONAL INJURIES

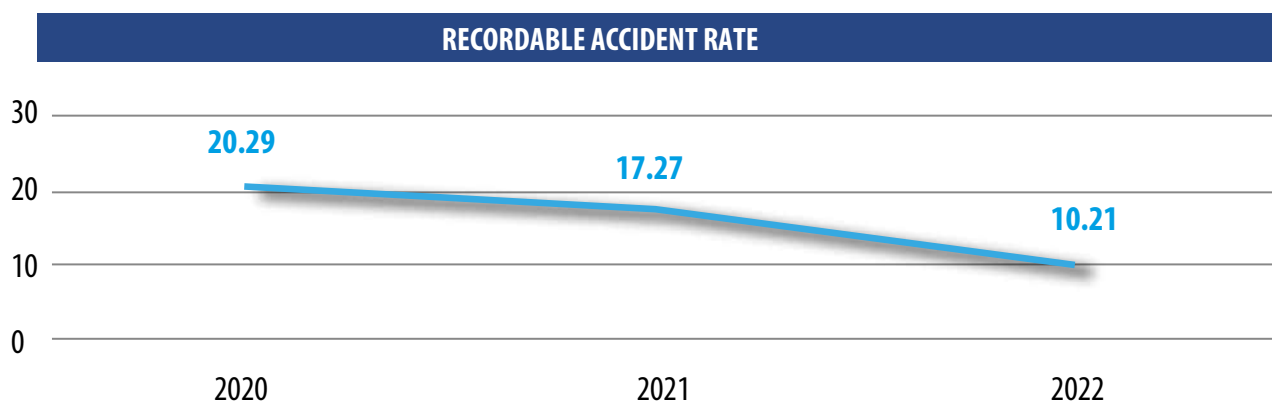
|403-9|

In 2022 there were 11¹² recordable injuries to employees at the workplace, 2 of which¹³ were commuting accidents. All accidents were related to activities carried out at production sites, involving the use of machinery and forklifts. In 2022, the recordable accident rate for employees alone was 10.21¹⁴, down from 17.27 in 2021 (in 2020, the rate was 20.29).

In 2022 there will be no serious accidents at employee level, thus leading to a serious¹⁵ accident rate of 0. 8 accidents occurred to non-employee workers¹⁶.

The table below shows the number of injuries to employees that occurred during the three-year reporting period (2020-2022):

Professional accidents to employees	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Recordable accidents	20	1	21	18	2	20	11	0	11
of which serious	0	0	0	0	1	1	0	0	0
of which at work	20	1	21	18	2	20	9	0	9
of which on the way to work	2	0	0	0	0	0	2	0	2
Recordable accident rate			20.29			17.27			10.21



12 - In calculation of accidents, only accidents occurring at the workplace were considered and not commuting accidents, unless they occurred with transport organised by the company.

13 - Recordable accidents are those that caused more than 24 hours' absence from the workplace.

14 - The accident rate was calculated by dividing the number of accidents by the number of hours worked in the year and multiplying by 1,000,000. The number of hours worked by employees in 2022 is 1,077,033, a decrease from 2021 when it was 1,158,410 (in 2020 it was 1,035,245).

15 - Serious injuries are all those for which the worker has not recovered within 6 months or those for which it is reasonable to expect that he/she will not recover within 6 months.

16 - Non-employees are defined as workers of Cooperatives whose hours worked in 2022 amounted to 213,882 out of a Group-wide total of 1,290,915 (in 2021, they amounted to 194,715 out of a Group-wide total of 1,353,125).

5.5 EMPLOYEE HEALTH AND SAFETY BENEFITS

There is health cover for employees, established by the respective national collective agreements. These may provide reimbursements according to price scales for medical expenses incurred and agreements with specialised health facilities.



QUAS FUND: la QuAS - Cassa Assistenza Sanitaria Quadri - ha lo scopo di garantire ai dipendenti con qualifica di "Quadro" assistenza sanitaria integrativa al Servizio sanitario nazionale.



METASALUTE FUND: è stata established by the CCNL and provides for a company contribution and an employee contribution; MetaSalute is the Supplementary Health Care Fund for workers in the metal and plant installation industry and for workers in the gold and silver sector. The Fund's objective is to provide concrete answers to the expectations and needs of workers by offering supplementary healthcare services to the National Health Service.



FASG&P FUND: : The Health Care Fund for Workers in the Rubber, Electric Cable and Allied Rubber and Plastics Industries



FASDAC FUND: : Health Care Fund for Managers of Commercial, Transport and Shipping Companies, General Warehouses, Hotels and

Shipping Agencies.



EST FUND: the Fund, set up by the social partners in 2005, entitles all permanent employees and apprentices covered by the National Collective Labor Agreements (C.C.N.L.) of the Tertiary Sector, Tourism, Specialty Pharmaceutical Companies, Fruit and Vegetable and Citrus Companies (for the latter excluding apprentices), Sports Facilities, Driving Schools and, as of 1 July 2018, Funeral Agencies, to a range of health care benefits.

5.6 NON-DISCRIMINATION

|406-1|

Within all companies headed by Seri Industrial, no incident resulting from discrimination on the basis of ethnicity, gender, religion, nationality, social background or other factors has ever been recorded or reported. The Company addresses this issue formally in its Code of Ethics and Human Rights Policy.

The establishment of the *Single Guarantee Committee for equal opportunities, the enhancement of the wellbeing of those who work and against discrimination*, strengthens the protection of employees as well as confirming the will to increasingly improve the condition of staff in respect of human rights, and never employs child labor.

The Seri Industrial Group is committed to maintaining a working environment free from any violence or harassment.

For the Seri Industrial Group, diversity is a strategic element for the company's competitiveness and the development of its people. The Group believes that teams with different skills, experiences and backgrounds enrich the work environment and stimulate creativity, fostering a more effective leadership style more effective and nurturing an increasingly open corporate culture.

Non-discrimination, Equal Opportunity and Inclusion permeate the values of the Seri Industrial Group.

For these reasons, the Group is committed to:

- create an inclusive work environment that ensures respect, integrity, personal development and equal opportunities (e.g. training, development, career), not only for current employees, but also for potential employees
- increase employee awareness of diversity and equal opportunities within the Group, including through the development of training programmes and specific projects on diversity and inclusion;
- comply with regulations and laws on equal opportunities, also with reference to the regulatory framework of the countries in which it operates and to identified *best practices*;
- foster the commitment of all the Group's collaborators to act with respect and integrity in all relations with colleagues, customers, suppliers and all the actors with whom they interact
- stimulate suppliers' attention to respect for human dignity in the form of non-discrimination and protection of diversity.

In order to implement and monitor the commitments expressed in the Human Rights Policy, as well as to optimize the effectiveness of actions to prevent and mitigate negative impacts, Seri Industrial will adopt mechanisms to monitor areas of potential risk.

5.7 TRAINING

[404-1]

Training is a topic relevance for Seri Industrial and is a strategic goal for the near future. In 2022, a total of 1,971 hours of training were carried out (it was 1,624 in 2021, 491 in 2020) on employee health and safety topics..

All the companies controlled by Seri Industrial are in compliance with the Workplace Health and Safety Consolidation Act (TUSL), that set of regulations of the Italian Republic, concerning health and safety in the workplace, issued by Legislative Decree No. 81 of 9 April 2008.

Specifically, the courses held in 2022 covered:

- Art. 36/37: basic training providing workers with the right knowledge about safety in the workplace;
- Fire-fighting;
- First aid;
- Training for forklift drivers/mullet drivers;
- RLS training;
- Platforms;
- Supervisors;
- Privacy

During 2022, training sessions were held by:

- by the Director in charge and held by the SB, on the content of the MOG with all the company managers with the aim of illustrating the following issues:

Introduction

- Model General Part
- predicate offences
- Sanctions
- Exclusion of liability of the Entity
- Instruments of protection
- Code of Ethics
- Model General Part

The Seri Industrial Group model

- Identification of sensitive processes
- The controls provided for by the Model and the relevant protocols
- How to read the Special Part
- Reporting/flows to the Supervisory Board

- and by the Administrator in charge concerning the "Introduction to the integrated system and analysis of procedures".

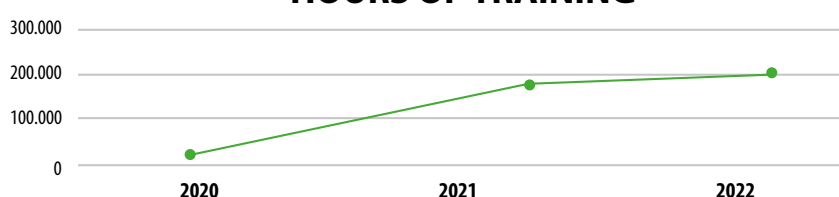
After the training sessions, Questionnaires were administered to the participants to check the degree of awareness achieved by the managers.

Following the delivery of the above mentioned Questionnaires, interviews were conducted with individual managers in order to analyze, in greater depth, their awareness of the business risks identified with respect to the model adopted and with respect to the broader Internal Control and Risk Management System.

Total training hours		2020						2021						2022					
		Men		Women		Total		Men		Women		Total		Men		Women		Total	
		N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.	N. hours	Avg.
Executives		-	-	-	-	-	-	2	1	-	-	2	1	2	2.00	0	0	2	2,00
White-collars		228	1.1	136	1.6	364	1.2	330	1.59	86	1.02	416	1.43	595	3.00	206	2.22	801	2,75
Blue-collar		121	0.3	6	0.1	127	0.3	1,156	3.18	50	0.94	1,206	2.89	1,156	3.14	12	0.23	1,168	2.78
Total		349	0.6	142	1.0	491	0.7	1,488	2.60	136	0.99	1,624	2.29	1,753	3.08	218	1.51	1,971	2,77

Average hours are equal to the total hours of training for each category divided by the total number of employees in that category

HOURS OF TRAINING





MANAGEMENT
OF ENVIRONMENTAL
IMPACTS

6

Management of energy, water resources, emissions and waste are the environmental aspects at the centre of Seri Industrial's strategy and on which stakeholders are increasingly focusing their attention.

Seri Industrial's commitment to environmental protection is manifested not only in its willingness and ability to market products made from recycled materials, but also in the responsible management of resources, a prerogative that is now essential for those production systems that tend towards a true circular economy model.

Considering the principles adopted by the Group, as regards Energy management and the improvement of energy performance, Seri Industrial is committed to:

- carry out activities in a way that promotes energy efficiency through the application of the best management and technological solutions;
- increase the knowledge and responsibility of internal and external staff in order to raise awareness of those involved towards the established goals;
- establish a commitment to continuous improvement in the energy performance of the Production Unit's;
- define objectives and targets aimed at improving energy performance and ensure adequate information and resources for their achievement as well as ensure their constant monitoring;
- prioritize the purchase of energy-efficient products and services, taking energy performance into account in design activities and in the criteria for awarding supply contracts to third parties;
- prioritize the use of energy from renewable sources;
- enhance synergies with other implemented management systems;
- collaborate with its stakeholders for a low-carbon energy transition.

The management of quality, environmental and health and safety aspects is based on the application of inte-

grated management systems that comply with international reference standards, which guarantee a systemic approach to the continuous improvement of performance and indirectly to the reduction of risk.

Seri Industrial supports all actions aimed at protecting the surrounding environment, preventing products and processes from presenting significant risks to the ecosystem and complying with current environmental legislation and regulations.

Seri Industrial is committed in all its companies to pursuing the improvement of environmental impacts to protect the environment, as well as reducing the quantity of its emissions, water discharges and waste production. Certifications are a fundamental and essential example of quality, environmental and safety recognition.




















The plant carrying out industrial activities, both Italian and foreign, are provided with appropriate environmental authorizations to carry out their activities.

The individual production units of Group companies may adopt specific site policies consistent with the guidelines defined by the HSE Policy.

It should be noted that Repiombo S.r.l. was subject to an ordinary inspection visit by ARPAC in 2021, aimed at monitoring the conditions established by the A.I.A. decree; during the inspection it emerged, with respect to the groundwater, that the contamination thresholds (CSC) were slightly exceeded in relation to some analytes. The Province initiated a procedure to ascertain the infringement, which has not yet been concluded. In the meantime, Repiombo S.r.l. has adopted all the prevention and precautionary measures contemplated by the reference legislation, including a Pump & Stock system - more recently replaced by a Pump & Treat system - for monitoring groundwater, with the approval of the same ARPAC.

With the exception of the above clarification, there were no further instances of non-compliance with laws and regulations during the reporting period.

6 MANAGEMENT OF ENVIRONMENTAL IMPACTS

PRODUCTION SITES	Quality Management System ISO 9001	Health and Security Management System ISO 45001	Environment Management System ISO 14001
FIB Monte Sant'Angelo			
FIB Monterubbiano			
SERI Plast Gubbio			
SERI Plast Pioltello			
SERI Plast Canonica d'Adda			
ICS EU SAS Peronne	 		
Plastam EU Arras			
ICS Poland Brwinow	 		
SERI Plast Alife			
FIB Alife			
YIBF Yixing			

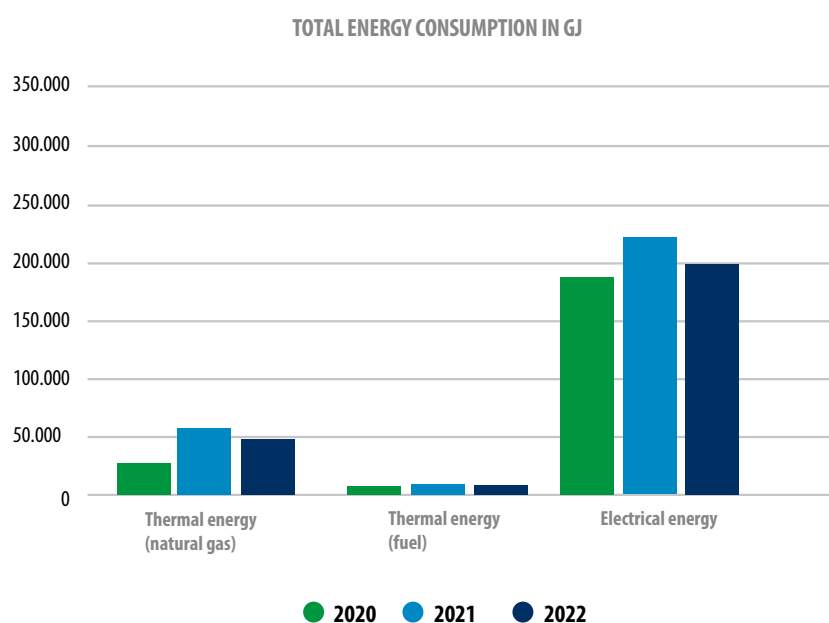
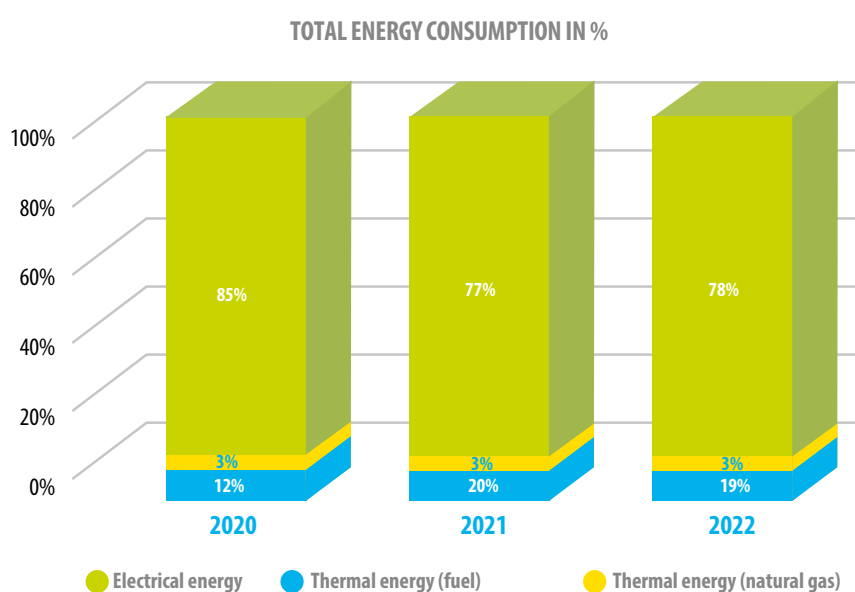
6.1 ENERGY

[302-1]

Electricity is the main source of energy supply, which is used to power all production processes of the individual companies and their plants, while thermal energy is mainly used for heating offices and any refectories/ canteens.

In view of the total energy consumption, the consumption of electrical energy has decreased compared to 2021; as far as thermal energy is concerned, there is a decrease of 14%.

TOTAL ENERGY CONSUMPTION	Unit of measure	2020	2021	2022
Electrical Energy	GJ	186,058	221,874	202,868
Thermal energy	GJ	33,165	67,303	57,983
Total energy consumption	GJ	219,223	289,177	260,851



6.1 ENERGY

Looking specifically at electricity consumption, 98% of which is purchased from the grid and the remainder self-generated through photovoltaic plants at the Gubbio and Monte Sant'Angelo sites, for 2022 the total will be about 203,000 GJ (down from 2021 when it was about 221,000 GJ), more than 50% of which will be attributable to consumption at the production plants dedicated to plastic material moulding, which is one of the main components of the final batteries; in addition, the plastic moulding production process is based on the use of presses powered by electricity.

The machinery for processing the raw material, the plastic compound, needs to reach a temperature of around 230° to allow it to be melted and then modelled using moulds. This results in a huge demand for electricity, which explains why a large part of the consumption is attributable to the companies in the Seri Plast world. Particular initiatives, such as the optimization of production cycle times and the use of specific accessory equipment (such as temperature controllers), are taken in order to enable savings in electricity consumption.

ELECTRICITY CONSUMPTION			
	2020	2021	2022
Electricity (kWh)	51,682,680	61,631,797	56,352,195
<i>of which acquired from non-renewable sources</i>	50,582,758	60,558,007	55,328,099
<i>of which self-produced through FER</i>	1,099,922	1,073,790	1,024,096*
Electricity (GJ)	186,058	221,874	202,868
<i>of which acquired from non-renewable sources</i>	182,098	218,009	199,181
<i>of which self-produced through FER</i>	3,960	3,866	3,687

*To this must be added 337,833 kWh, or 1,216 GJ, of self-generated electricity from RES and sold to the grid

The thermal energy consumption of the plants, which corresponds to 22% of the total energy consumption, amounted to approximately 57,000 GJ in 2022, including natural gas, fuel and, to a small extent, propane gas.

NATURAL GAS AND FUEL CONSUMPTION			
	2020	2021	2022
Natural Gas (sm3)	669,233	1,652,089	1,400,858
<i>of which propane</i>	1,132	1,365	1,165
Fuel (company cars) (l)	190,904	251,836	236,899
Natural Gas (GJ)	26,368	58,287	49,502
<i>of which propane (GJ)</i>	45	48	41
Fuel (company cars) (GJ)	6,797	9,015	8,481
Total (GJ)	33,165	67,303	57,983

6.1 ENERGY

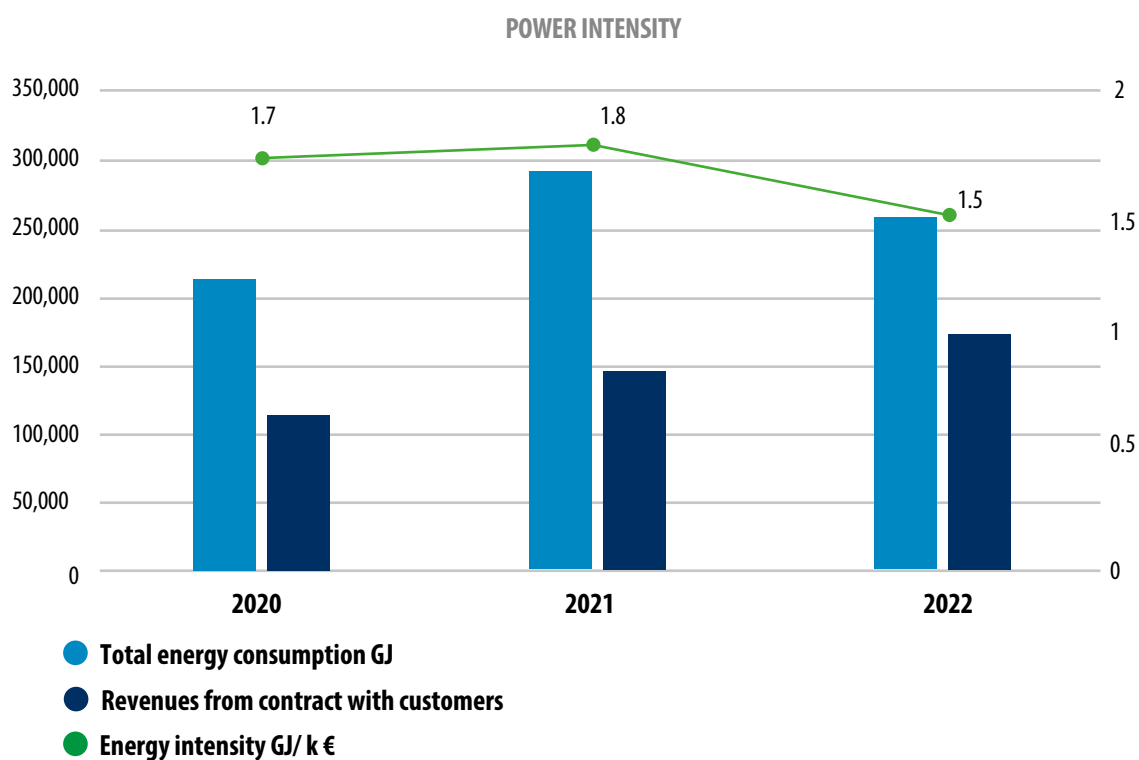
Energy intensity

[302-3]

The consolidated energy intensity is 1.5 GJ/ k€, down 0.3 GJ/ k€ from 2021 due to the increase in turnover in the reporting year.

Energy intensity is the ratio of total energy consumption to turnover.

POWER INTENSITY	U.m.	2020	2021	2022
Total energy consumption	GJ	219,223	289,177	260,851
Revenues from contract with customers	k/€	125,584	157,704	175,452
Power intensity	GJ/k€	1.7	1.8	1.5



6.2 WATER

[303-1] | [303-3]

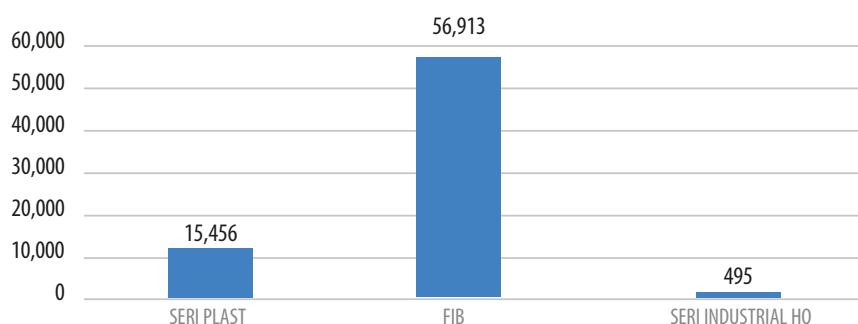
Water is an important component of battery production, which is why the main share of water consumption for all Seri Industrial companies is attributable to production activities. In all production plants, the amount of water used in each production process is monitored, with the aim of reducing waste and thus consumption. In 2022, total water consumption was 71,764 m³, down from 2021, when it was 82,512 m³. As shown in the table below, the main source of supply is the water network; in addition, there are two wells

for the Seri Plast plant at Canonica D'Adda. There are no withdrawals from water stress areas and no data are available on water hardness in terms of +/- 1,000mg/l of total dissolved solids. It should be noted that the consumption of the FIB Alife site is included in the total consumption of Seri Plast Alife site, while the consumption from September 2021 to December 2021 of FIB - Monterubbiano was estimated based on the last months of the previous year

SOURCE OF SUPPLY AND TOTAL WATER CONSUMPTION (IN M³)

Site	Source	2020	2021	2022
SERI Plast e FIB - Alife	Groundwater	2,574	2,906	3,067
SERI Plast - Canonica d'Adda	2 wells used for geothermal energy/river + network	2,927	2,681	3,578
SERI Plast - Pioltello	Network	6,261	6,119	7,022
SERI Plast - Gubbio	Network	640	590	923
ICS EU - Peronne	Network	1,266	1,204	746
Plastam Europe - Arras	Network	632	298	279
ICS Poland - Brwinow	Network	207	141	253
FIB - Monterubbiano	Network	7,818	18,366 ¹⁷	8,284
FIB - Monte Sant'Angelo	Network	18,690	19,595	17,834
FIB - Teverola	Network	5,421	20,731	22,622
FAAM Service	Network	462	241	390
Lithops - Torino	Network	266	/	/
YIBF - Yixing	Network	9,730	7,594	5,741
Repiombo - Calitri	Network	711	1,466	1,630
SERI Industrial - S. Potito	Network	450	580	495
Total		58,055	82,512	72,863

Water withdrawal per business in 2022 - m³



17 - It is a hidden loss that the water company has recognized for 9.130 lt

6.3 EMISSIONS

|305-1| |305-2| |305-3|

The direct and indirect CO₂ emissions associated with Seri Industrial's main consumption can be attributed to two categories:

- **direct emissions (Scope 1):** greenhouse gas emissions from direct fuel consumption by the company (especially natural gas and diesel oil);
- **direct emissions (Scope 2):** greenhouse gas emissions from the consumption of electricity, heat and steam imported and consumed by the company, net of the portion produced from renewable energy sources.

In the Sustainability Report 2021, it was planned to publish Scope 3 data for the year 2022 on a voluntary basis,

but this was not possible due to non-receipt of data from the supplier.

As far as Scope 1 emissions are concerned, these include consumption generated by the use of natural gas, especially for heating offices and refectories. In addition to Scope 1 emissions related to natural gas consumption, there are also those related to diesel consumption resulting from the use of company cars. These are the consumption of 94 company-owned vehicles and consumption of vehicles not owned by the company, but used for company missions, within the perimeter of the Seri Industrial Group.

In 2022, Scope 1 emissions are 3,462 tonnes of CO₂e.

Scope 1 Emissions	Unit of measure	2020	2021	2022
Natural gas	t (CO ₂ e)	1,349	3,328	2,814
Diesel	t (CO ₂ e)	495	633	606
F-Gas R 410 A ¹⁸	t (CO ₂ e)			42
Total Scope 1 emissions	t (CO₂e)	1,844	3,961	3,462

N.B.:The emission factor used to calculate 2022 Scope 1 emissions for Natural Gas and Diesel is: DEFRA - UK Government GHG Conversion Factors for Company Reporting (2022).

Greenhouse gas emissions from electricity consumption (Scope 2) and calculated using the Market based method (which assigns a zero CO₂ emission factor for energy consumption from renewable sources and covered by certificates of origin) are 22.1 thousand tonnes of CO₂.

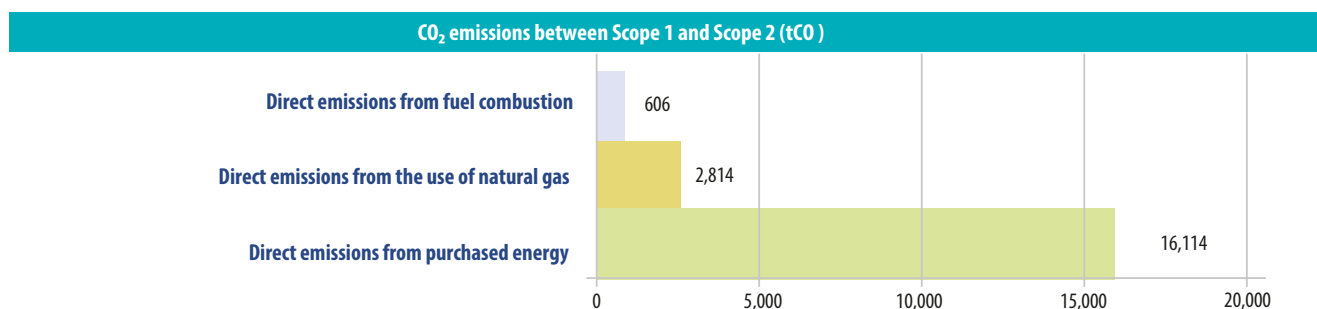
Emissions calculated with the Location based method (which involves the use of an average emission factor relative to the specific national energy mix for the production of electricity) amount to approximately 16.1 thousand tonnes of CO₂.

Scope 2 Emissions	Unit of measure	2020	2021	2022
Electricity (Market-based)	t (CO ₂)	19,614	23,682	22,078
Electricity (Location-based)	t (CO ₂)	14,952	17,137	16,114

N.B. Scope 2 emissions were calculated using the two separate methods Market-based and Location-based. The emission factor used for the calculation of Scope 2 Market-based emissions is: AIB_Residual Mix (20210) for European countries; Terna (2019) for non-European countries.

Scope 2 emissions, which are expressed in tonnes of CO₂, also include methane and nitrous oxide, whose small percentages mean that they have a negligible

effect on total greenhouse gas emissions (CO₂ equivalents), as can be deduced from the relevant technical literature.



The graph shows greenhouse gas emissions, measured in CO₂, split between Scope 1 emissions (from fuel combustion and natural gas use) and Scope 2 emissions (from purchased electricity).

18 - Emissions related to refrigerant gas (F-Gas) were not reported for the years 2020 and 2021

6.3 EMISSIONS

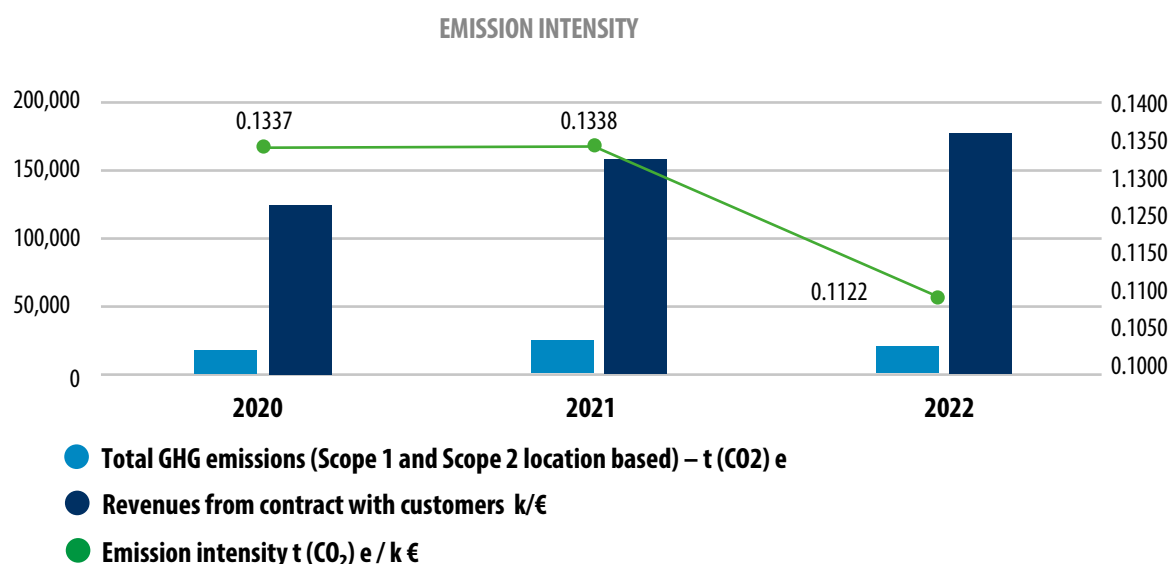
Emission intensity

[305-4]

The consolidated emission intensity is 0.1122 t (CO₂) e / k€, a decrease of 0.022 t (CO₂) e / k€ compared to 2021, mainly as a result of the growth in turnover in the reporting year.

Emission intensity is the ratio of total GHG emissions to turnover; total GHG emissions are the sum of direct Scope 1 emissions and indirect Scope 2 emissions (*location based*).

Emission intensity	U.m.	2020	2021	2022
Total emissions GHG	t (CO ₂)e	16,796	21,098	19,576
Revenues from contract with customers	k/€	125,584	157,704	175,452
Emission intensity	t (CO₂) e / k€	0.1337	0.1338	0.1122



6.4 WASTE

|306-1| |306-2| |306-3| |306-4| |306-5|

Seri Industrial and its subsidiaries, in compliance with legal requirements, distinguish between hazardous, non-hazardous, disposed and recovered waste. Seri Industrial's business is characterised by strong vertical integration, which allows the different companies to recover the main materials that make up batteries, namely polipropylene (for plastics) and lead (for batteries).

Thanks to this industrial synergy, much of the waste from one company's production process becomes in-

put material for another company's production system. In the details of waste management for the year 2022, out of 20,076 tonnes of waste delivered, 80%, or 16,046 tonnes, was sent for recovery. Of the waste sent for recovery, 9,775 tonnes, or 61%, were hazardous waste.

A special box was dedicated to Repiombo S.r.l., considering the activity of lead and plastic component recovery from end-of-life batteries, as it alone contributes about 84.3% of the total waste produced.

Waste produced in 2022 (t)



Waste recovered in 2022 (t)



6.4 WASTE

2022				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	11,156	8,920	20,076
<i>of which disposed</i>	t	1,380	2,650	4,030
<i>of which recovered</i>	t	9,775	6,271	16,046

2021				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	10,807	5,739	16,546*
<i>of which disposed</i>	t	1,331	443	1,774
<i>of which recovered</i>	t	9,477	5,295	14,772

* for 2021 stocks were also counted for 2020;

2020				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	10,647	5,288	15,932*
<i>of which disposed</i>	t	1,047	133	1,180
<i>of which recovered</i>	t	9,597	5,156	14,753

* for 2020, the 2019 stocks were also counted (amounting to 1,543 tonnes).

As follows the box dedicated to Repiombo alone (data already contained in the 2022 total):

2022				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	9,833	7,091	16,924
<i>of which disposed</i>	t	721	2,437	3,159
<i>of which recovered</i>	t	9,112	4,653	13,765

As follows the box dedicated to Repiombo alone (data already contained in the 2021 total):

2021				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	9,181	3,734	12,915
<i>of which disposed</i>	t	663	-	663
<i>of which recovered</i>	t	8,517	3,734	12,252

As follows the box dedicated to Repiombo alone (data already contained in the 2020 total):

2020				
	Unit of measure	Hazardous	Non Hazardous	Total
Waste produced	t	9,025	4,143	13,168
<i>of which disposed</i>	t	529	-	529
<i>of which recovered</i>	t	8,496	4,143	12,639

6.4 WASTE

The following table summarises the categories of waste produced, disposed of and diverted from disposal in 2022 by Italian companies:

Waste typology	Produced (Kg)	For disposal	Diverted from disposal
Waste from inorganic chemical processes	2,968,058	330,990	2,637,068
Waste from organic chemical processes	90,690	-	90,690
Wastes from the manufacture, formulation, supply and use of coatings (paints, varnishes and glazes), adhesives, sealants and printing inks	115	24	91
Wastes generated by thermal processes	67,000	-	67,000
Pickling acids	2,120	2,120	-
Wastes from physical and mechanical surface treatment and processing of metals and plastics	91,530	4,370	87,160
Spent oils and liquid fuel residues (except edible oils and oils in Chapters 05, 12 and 19)	340	280	60
Packaging waste, absorbents, rags, filter materials and protective clothing (not otherwise specified)	644,914	11,430	633,484
Wastes not otherwise specified in the list	3,490,104	2,556,594	933,510
Waste from construction and demolition operations (including soil from contaminated sites)	201,120	4,060	197,060
Wastes from waste treatment plants, off-site wastewater treatment plants, as well as from the purification of water and its preparation for industrial use	12,231,120	1,067,442	11,163,678
Municipal waste (household and comparable waste from commercial and industrial activities as well as from institutions) including separately collected waste	15,593	12,011	3,582
TOTAL	19,802,704	3,989,321	15,813,383

The following table summarises the categories of waste generated, disposed of and diverted from disposal by foreign companies in 2022:

Waste typology	Produced (Kg)	For disposal	Diverted from disposal
Rifiuti dei processi chimici inorganici	24,815	14,975	9,840
Waste Packaging, Absorbents, Wiping Cloths, Filter Materials and Protective Clothing Not Otherwise Specified	23,919	2,029	21,890
Wastes Not Otherwise Specified In The List	831	250	581
Wastes from waste management facilities, off-site waste water treatment plants and the preparation of water intended for human consumption and water for industrial used	13,500	13,500	-
Municipal Wastes (Household Waste and Similar Commercial, Industrial And Institutional Wastes) Including Separately Collected Fractions	206,189	5,650	200,539
Lead soil	2,226	2,226	-
Article containing lead	1,782	1,782	-
TOTAL	273,262	40,412	232, 850

6.4.1 RE-USED MATERIAL FOR PLASTICS

|301-1| |301-2|

At SERI Plast, the production of plastic compounds is largely based on recycled material, coming both from end customers and from the other production plants belonging to the Group. SERI Plast's innovation lies in having consolidated technologies and production processes that use used plastic components, which are then treated and remixed, generating a raw material that allows the production of compounds homologous to virgin compounds.

The possibility of producing a fully customised semi-finished product (the plastic boxes), composed of the secondary raw material produced by SERI Plast, and of directly supplying the key secondary raw material (Pb) (more on this in the next paragraph) for a lead accumulator, make FIB's finished product partially manufactured in-house. However, although geared towards continuous improvement and maximum optimization of the materials used, every production process is physiologically associated with the production of waste.

Specifically, it was possible to quantify internal production waste that is recycled and fed back into the production process, as well as polypropylene production waste sold to SERI Plast. Apart from the subsidiaries, the main sources of supply of scrap for recycling for SERI Plast are Scrap Material producers and, partially, vertical plastic producers.

With the same intentions, a further initiative was promoted in the Plast Division in partnership with Unilever (P2P see Ongoing Projects). In fact, the reconversion project represents an excellent example and an important step forward in Unilever's global 'Future of work' programme, which supports employees in updating and developing new skills and which, also in the case of Pozzilli, will accompany workers with an integrated support plan comprising various aspects, including technical training, change management and any other aspect useful to put everyone in the best possible condition to operate in the new production reality.

For the Canonica d'Adda plant (moulding of boxes, lids and battery accessories), the reuse of material through the management of production waste, and indirectly through the plastic compound supplied by the plant, is a process at the heart of the production activity. The two French companies, as it is not economically viable to send the waste produced to the Italian Seri Plast plant, use local companies to grind the production waste, optimising production activity and encouraging raw material saving.

As follows is a summary of the total recycled material per unit of raw materials used during the three-year reporting period by Seri Plast and its foreign subsidiaries ICS EU SAS, Plastam EU SAS and ICS Poland:

SERI Plast S.p.A.	2020	2021	2022
Raw materials used (kg)	42,917,146	43,273,265	42,643,056
Of which recycled	7,425,401	18,167,060 ²⁰	18,963,305
Recycled/Produced	17%	42%	44%
ICS EU SAS	2020	2021	2022
Raw materials used (kg)	2,614,647	3,123,615	2,712,096
Of which recycled	862,115	1,084,914	857,732
Recycled/Produced	33%	35%	32%
Plastam EU	2020	2021	2022
Raw materials used (kg)	3,134,459	4,376,298	3,486,515
Of which recycled	3,054,422	4,263,843	3,372,959
Recycled/Produced	97%	97%	97%
ICS Poland	2020	2021	2022
Raw materials used (kg)	436,570	1,244,864	1,564,701
Of which recycled	287,861	631,809	766,391
Recycled/Produced	66%	51%	49%

20 - The calculation methodology adopted in 2021 is different compared to previous years after a fine-tuning in the collection of data.

6.4.2 RE-USED MATERIAL FOR BATTERIES

|301-1| |301-2|

The main suppliers of FIB and its subsidiaries are smelters (including the subsidiary Repiombo), to whom FIB itself supplies end-of-life batteries (on consignment) in the following ways:

- through the B2C business, managed by FAAM Service, operating in the supply of automotive batteries which, exploiting its deep network in the territory, sells new batteries to distributors and collects end-of-life batteries from them
- through FAAM Service, servicing energy storage systems with lead and lithium technology for industrial applications, which offers post-service collection of end-of-life batteries (MRF service) from large industrial and/or service companies;
- buying, in the remaining part, from exhaustion collectors.

Through its subsidiary Repiombo Srl, in its plant in Calitri (AV), FIB has set up a highly innovative plant, in terms of energy saving and respect for the environment, consisting of a shredding and recovery section for end-of-life batteries, which is fully operational, and a melting and subsequent refining section, for the production of complex alloys of the metal part, to be started up in the near future. The Calitri plant has a covered surface area of 8,000 square metres and external areas dedicated to storage and roads of about 20,000 square metres. In which is installed a perfectly sealed tank for the storage of end-of-life batteries, a crushing and separation plant for the different metal parts, plastic, acid and other components, a plant for the selection of 'Pb pastel', a plant for the selection of 'Pb grids', and a plant (currently being commissioned) for the melting of the metal part for the production of raw lead, and boilers and ingot mills for the refining and production of lead alloy ingots with the 'recipe' requested by FIB itself.

FIB S.p.A.	2020	2021	2022
Total Lead (Pb) re-used (t)	583	4,395 ¹²	4,480
Total Lead (Pb) used (t)	4,985	6,207	5,507
Ratio reused/used	12%	71%	81%

21 - The calculation methodology adopted in 2021 is different compared to previous years after a fine-tuning in the collection of data.

**SERI INDUSTRIAL
AND THE TERRITORY**

7



It is not enough to report economic and financial growth figures, nor can it be exhaustive to focus on the technological evolution that accompanies the development of innovative and environmentally friendly products. Nor can it be sufficient to focus only on the environmental impacts of production processes.

It is essential to also focus on the territory in which Seri Industrial carries out its activities; it is the people who make the company, who collaborate with it, and who personally experience the positive or negative impacts of the company's activities.

Seri Industrial, in the wake of the Italian entrepreneurial tradition, is closely linked to the territory in which it carries out its activities, and the Group's expansion has always taken place taking into consideration precise logics of support for the economic, social and employment growth of the territories and responsibility towards the local communities of reference. This commitment has generated the possibility of employing professionals, workers and employees who come from the reference communities adjacent to the operating and production sites.

In this regard, special mention must be made of the process of integrating into the workforce young women and men from the places where the operating sites are located, often with a qualification obtained far from home, reinforcing the desire to make the most of local talent in the process of expansion and rejuvenation of Seri Industrial.

Over the years, Seri has established strong ties with the territories in which it operates, paying attention to the needs they express and outlining a path of development and joint growth. A path that leads the Group to concretely support numerous projects and initiatives in support of local communities in areas of greatest social need.

In order to ensure a structured and strategic management of social initiatives, the Group has set itself the objective of defining criteria, guidelines and priorities on which to focus its sponsorship activities in the social and cultural sphere, determining the annual budget dedicated to these activities, assessing projects and initiatives to be supported, and monitoring the consistency and effectiveness of the projects promoted. An example for all is the important support to Polisportiva Matese ASSD a r.l., which will be discussed below.

7.1 ENGAGEMENT WITH LOCAL COMMUNITIES

[GRI 2-28]

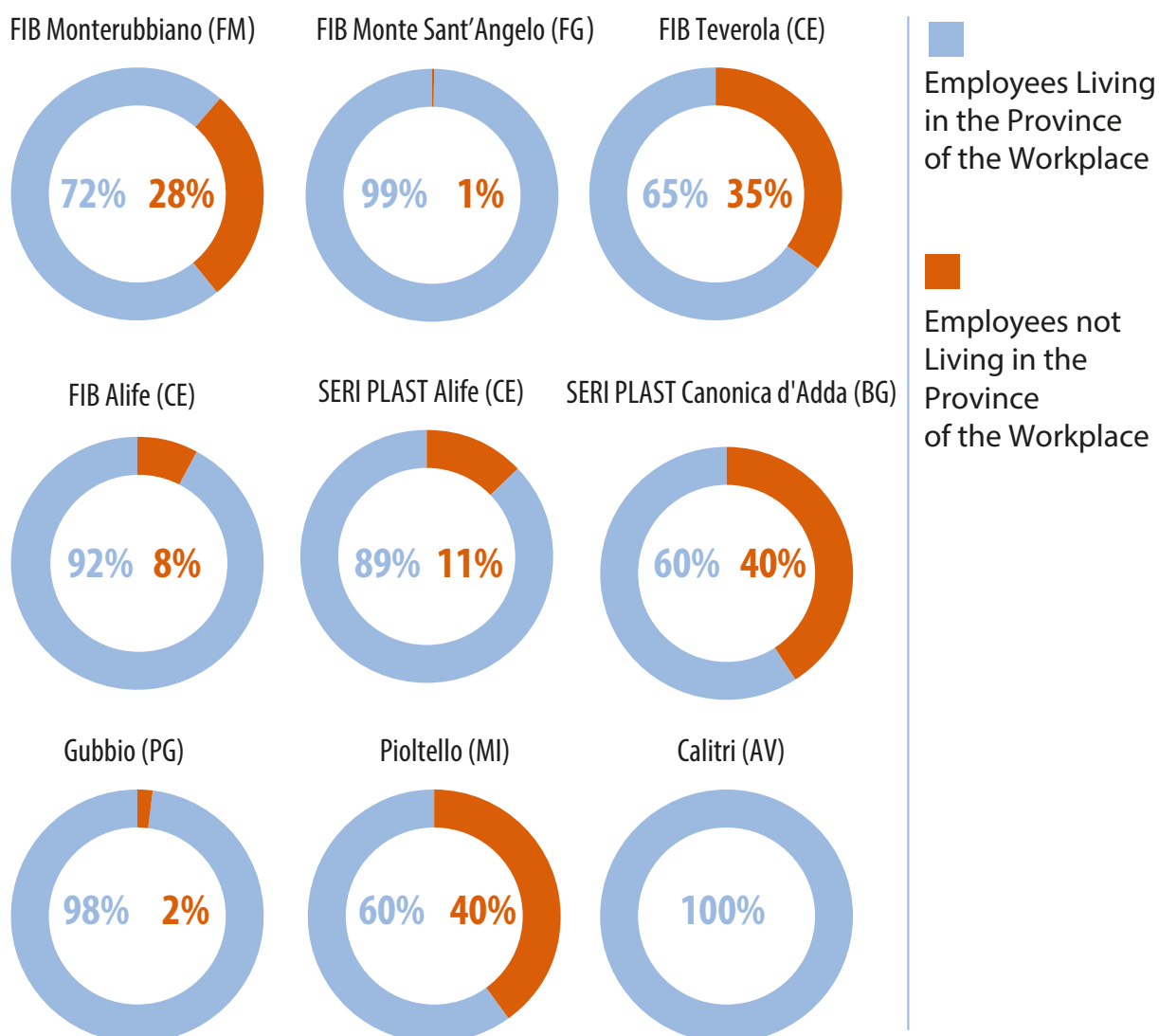
The concept of impact on the territory and engagement with local communities is well rendered by the concept of '*glocalisation*'. Starting from the neologism coined by Bauman, Seri Industrial is a reality capable of combining international activities with the culture, traditions and people of the individual local realities where the business is born, grows and operates.

For this reason, Seri Industrial is aware of the importance of maintaining constant dialogue with the local community and the bodies that represent it, preventing the risk of potential conflicts where a set of different subjects share the same space with different interests.

If we consider the residence of employees working in all the companies controlled by Seri Industrial, it emerges that an average of 78% of employees reside close

to their place of work as far as Italian manufacturing and non-manufacturing companies are concerned.

The SERI Industrial Group is committed to respecting the rights of local communities in the countries where it operates and to reducing the social and environmental impact of the activities developed at its production sites. The Group contributes to the social and economic growth of the communities and is committed to behaving in a manner that respects the contexts in which it is located and to exerting a positive influence on the territories. The SERI Industrial Group acts to build a solid relationship of cooperation with its stakeholders, with the aim of creating long-term value and opportunities for growth and development, and to promote open and transparent dialogue and relationships based on mutual trust.



The relationship with local communities is also expressed through the close relationship that the R&D companies for the battery market maintain with universities and research centres.

This constant cooperation with entities - such as ENEA, RSE, MEET Muenster, EBA (European Battery Alliance), AIT Vienna, without forgetting the University Federico II of Naples, the University of Camerino, La Sapienza University - represents SERI Industrial's strong commitment to share new specific knowledge; this cooperation is also represented by a continuous involvement of technicians specialised in batteries and lithium technologies, for an effective know-how transfer and to consolidate a system of dialogue in the European Union.

SERI industrial is a partner of Confindustria.

In addition, the company took part in the following national events:

- 17/02 Il ruolo dell'impresa manifatturiera nella sostituzione dell'energia fossile, Cavalieri del Lavoro Workshop
- 13/04 Corsa alle gigafactories: investimenti e competenze in Europa e in Italia, World ETech Conference
- 02/06 Battery Electric Vehicles and charging infrastructure, University of Berlin
- 21/06 Sustainable production and solutions for the future, Sapienza University of Rome
- 21/06 Filiera Batterie, MISE
- 25/06 Transizione verde e tessuto produttivo - Sud & Nord: Villa Nitti accorcia le distanze II Edition
- 20/7 Batteries IPCEI, ENEL X Catania
- 18/10 Circolar Talk "Batterie e circolarità: un futuro in comune", Circular Economy
- 27/10 È tempo di rilanciare una politica industriale nazionale? Marche Polytechnic University
- 8/11 Vitali e il cantoo delle batterie elettriche, podcast 'ZERO' Cavalieri del Lavoro Federation
- 09/11 Gli impatti del futuro regolamento batterie,

ERION Ecomondo

- 10/11 "Materie prime critiche: tavolo nazionale, strategia, sviluppi e prospettive", MISE Ecomondo
- 16/11 "Elettricità, questione verde" meeting for the Merita Foundation
- 6/12, Masterclass "Ecodesign the future: batteries edition" Circular Economy in cooperation with Eri-on Energy

A selection of public events can be found at: <https://www.seri-industrial.it/index.php/stories>

SERI Industrial supports the importance of the objectives envisaged by the IPCEI Project also through the realisation of open-site events at the production site in Teverola (CE) with Technical Institutes, Universities, start-up incubators and schools to foster the spill-over effects on the lithium market/segment/world with the intention of establishing an important technology cluster for the whole Southern Europe, for the connection between universities, companies, investors and start-ups.

A spill-over effect is defined as any process through which an activity has a broader impact on society, the region and the surrounding economy and brings improvements to both companies and consumers.

Without the commitment of companies and Member States, it will be difficult to reap the full benefits of the Projects and it will be a wasted opportunity for the EU to establish a single cluster in the lithium-ion battery market.

Through such an innovative Project, the FIB will be able to attract resources from other countries, also thanks to the sharing of results with the other EU participants; in this sense, the FIB proposes to sign contracts for specific activities related to the Project, mainly in Italy, Germany, Ireland, to finance specific professional courses in the field of batteries, also by hosting students at the Teverola laboratory.

7.1 ENGAGEMENT WITH LOCAL COMMUNITIES

Seri Industrial believes in the importance of promoting social activities as an aggregative and educational element, aimed at improving relations in the context in which it operates, so much so that over the years it has made a considerable contribution to the local communities with which it interacts.

In this regard, the company promotes and supports sports activities and sponsors the Polisportiva Matese sports club, in the province of Caserta, with approx-

imately 220 athletes, including basketball and volleyball, for all age groups of the surrounding population. Polisportiva Matese itself is accredited by CONI and adheres to the "Sport di tutti" project for free access to sport with the aim of both breaking down the economic barriers faced by some families and ensuring the right to sport for all, providing a service to the community.

POLISPORTIVA MATESE SSD a r. l.



The numbers of Polisportiva Matese 2022:

- 150 athletes in volleyball and 120 in basketball.
- 13 coaches, 5 in basketball and 6 in volleyball, 2 athletic trainers for both sectors.

POLISPORTIVA MATESE SSD a r. l.

VOLLEYBALL LEAGUES PLAYED

- Men's National Series B
- Women's C Regional Series
- Women's Under 12
- Under 13 Women's
- Under 13 Men's 3x3 and 6x6
- Under 14 Women's
- Men's Under 15
- Under 18 female
- S3 4 to 12 years old



BASKETBALL LEAGUES PLAYED

- Regional D Series Championship
- Under 19 M
- Under 16 M
- Under 17 M
- Under 15 M
- Under 14 M
- Under 13 M
- Minibasket 4 to 12 years
 - Beginners - Aquilotti
 - Scoiattoli - Pulcini



It is also worth mentioning the visit of the Italian national volleyball team's staff as part of the 'Il talento siete voi' (You are the talent) project, chosen along with 96 other clubs nationwide, and only four from Campania, as the clubs to visit to compare notes with the national team's coaches and to improve their work and, for volleyball, **promotion to the men's Serie B** (2021-22)

The Polisportiva Matese is accredited by CONI to the CAS (centro avviamento allo sport), which allows all families in precarious economic conditions and/or with disabled school-age adolescents in the family, to have

their children participate in afternoon sports activities, even with the use of a shuttle bus, totally free of charge.

During the summer period, summer camps (Matese EDU CAMP) are organised, especially for the youngest children, full of fun and involvement in activities such as hiking, cycling, guided tours and various workshop activities.

In November 2022, FIB S.p.A. has resolved a Liberal Disbursement up to Euro 650,000 to Polisportiva Matese S.S.D. a r.l., already granted for € 200,000.00, as the

concessionaire of the public sports facility “Palazzetto dello Sport” owned by the Municipality of Piedimonte Matese (CE), for maintenance and restoration work on a public sports facility (Sport Bonus) located in the Municipality of Piedimonte Matese as part of the Bonus Sport.

The operation allows the Seri Industrial Group and the FIB to further strengthen and root their relations with the territory, contributing to improve facilities and spaces to be used by local communities. Thanks to the donation, the Polisportiva Matese S.S.D. will be able to carry out the renovation of a sports facility and the construction of new facilities, with the consequent opportunity for economic and social improvement of the territory for a small local reality such as the Matese.

It is also essential to focus on the territory where FIB carries out its activities and the group had its origins; it is in fact the people who make the company, who collaborate with it, and who experience first-hand the positive or negative impacts of the company's activities.

FIB and, more generally, the SERI Industrial group, in the wake of the Italian entrepreneurial tradition, is

closely linked to the territory in which it carries out its activities, and the Group's expansion has always taken place bearing in mind precise logics of support for the economic, social and employment growth of the territories and responsibility towards the local communities of reference. This commitment has generated the possibility of contributing to the renovation of the Palazzetto dello Sport in the Municipality of Piedimonte Matese, which could utilise professionals, workers and employees who come from the reference communities adjacent to the group's registered office and to some of its operating and production sites.

Polisportiva Matese has committed from its cato to define:

(i) conventions for employees of the SERI Group and their family members for the use of the upgraded facilities at more advantageous conditions, (ii) the right to use the facility completely free of charge for a certain number of days for the organisation of corporate events of interest to the Group, and possibly (iii) the right to be able to give the upgraded facility a name that could identify and promote the image of the Group in the area.

A hand in a light blue sleeve reaches out from the bottom left towards the center, with fingers slightly spread. The background is a sunset over a body of water, with the sun low on the horizon and its light reflecting on the water's surface. The sky is filled with soft, wispy clouds in shades of blue and orange.

8 ONGOING PROJECTS

8.1 INTEGRATION OF THE CIRCULAR ECONOMY MODEL IN PLASTICS AND ENERGY STORAGE

The objective on which Seri Industrial is focusing is to always propose a model of vertical economic integration in strategic development

JV Seri Plast/Unilever for the establishment of a joint venture called P2P S.r.l. (Packaging 2 Polymer), between Seri Plast and Unilever for the industrial reconversion of the Pozzilli plant. The plant, once reconverted, will be the only one in Southern Italy capable of recovering the mixed fraction of post-consumer packaging, which is currently sent to landfills, waste-to-energy plants and cement factories. The Pozzilli plant will be built with the application of the best technological standards and will allow the country system to reduce the production and use of virgin plastic from hydrocarbons, virtuously

adhering to the guidelines of the European Green Deal. Through the use of recycled polymers, the new packaging produced will be exempt from the Plastic Tax and will meet the performance quality targets required by Unilever and the market.

P2P, Unilever and the site's trade unions and RSU/A have signed the trade union agreement to launch the re-use plan. An ambitious industrial reconversion programme kicks off, which will allow the creation of one of the most advanced sites in Europe for the production of recycled plastic and the only one in Southern Italy capable of recovering mixed plastic material from post-consumer waste, with investments estimated at around 109 million euro.

Pozzilli Project P2P - Packaging to Polymer

Context of reference



Mechanical recycling 130k ton/y

- Advanced presorting process
- Grinding/washing/decontamination (food grade targeting on PET/HDPE/PP) - 4 lines
- Compounding/colouring - 5 lines
- Odour removal - 2 lines



Products

- rPP, rHDPE, rLDPE, rLLDPE e rPET
 - food grade
- Technologies ready to produce also HDPE and PP food grades when EU regulations will be ready to accept polymers from mechanical recycling into food packaging.



* Bain & Company, 2019 %



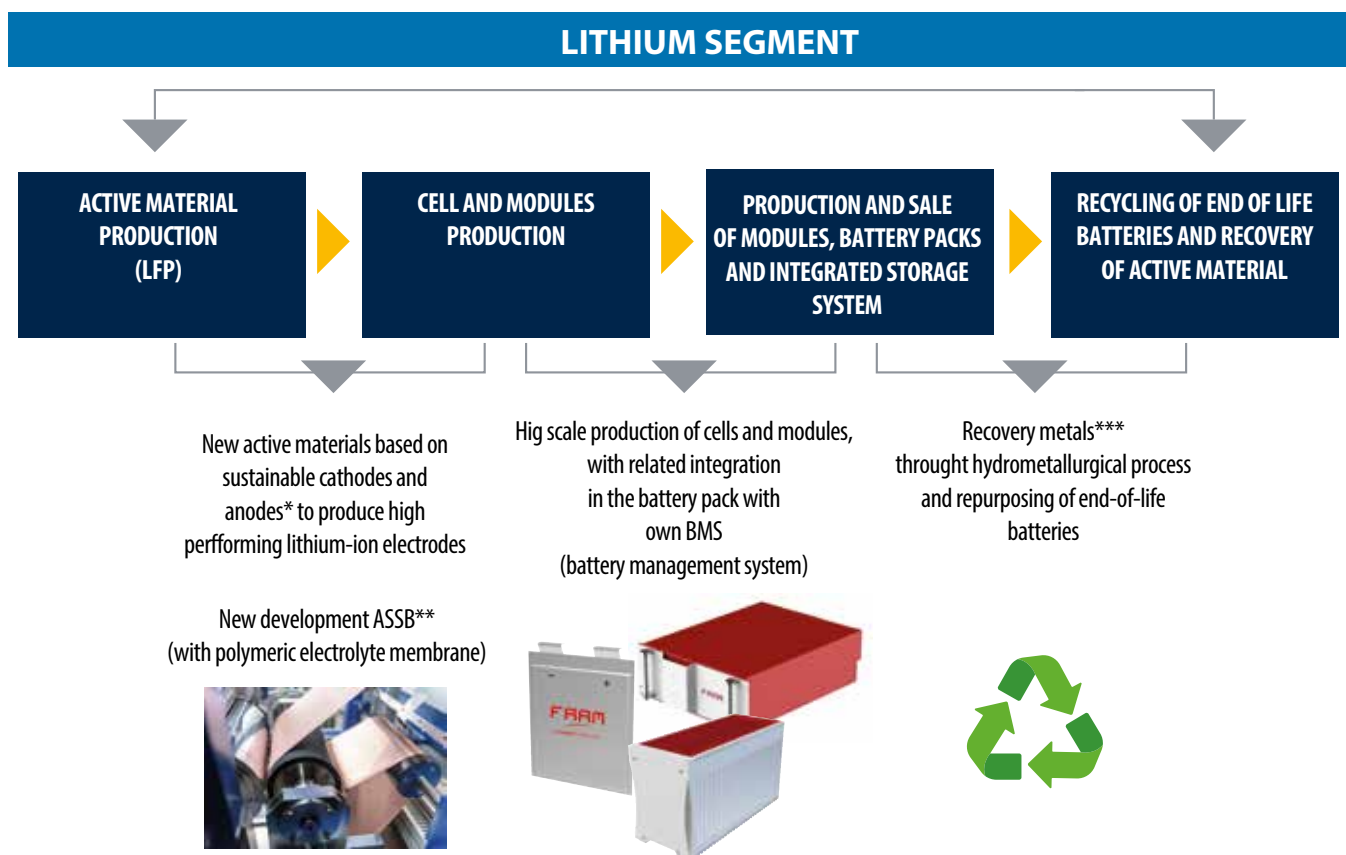
% of the recycling production

8.1 INTEGRATION OF THE CIRCULAR ECONOMY MODEL IN PLASTICS AND ENERGY STORAGE

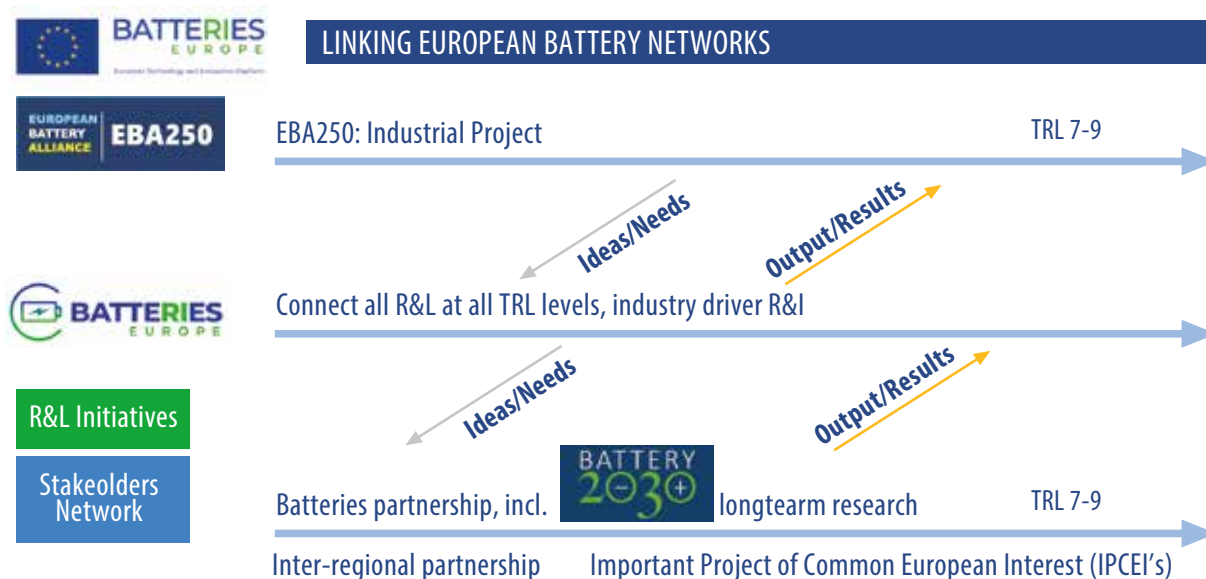
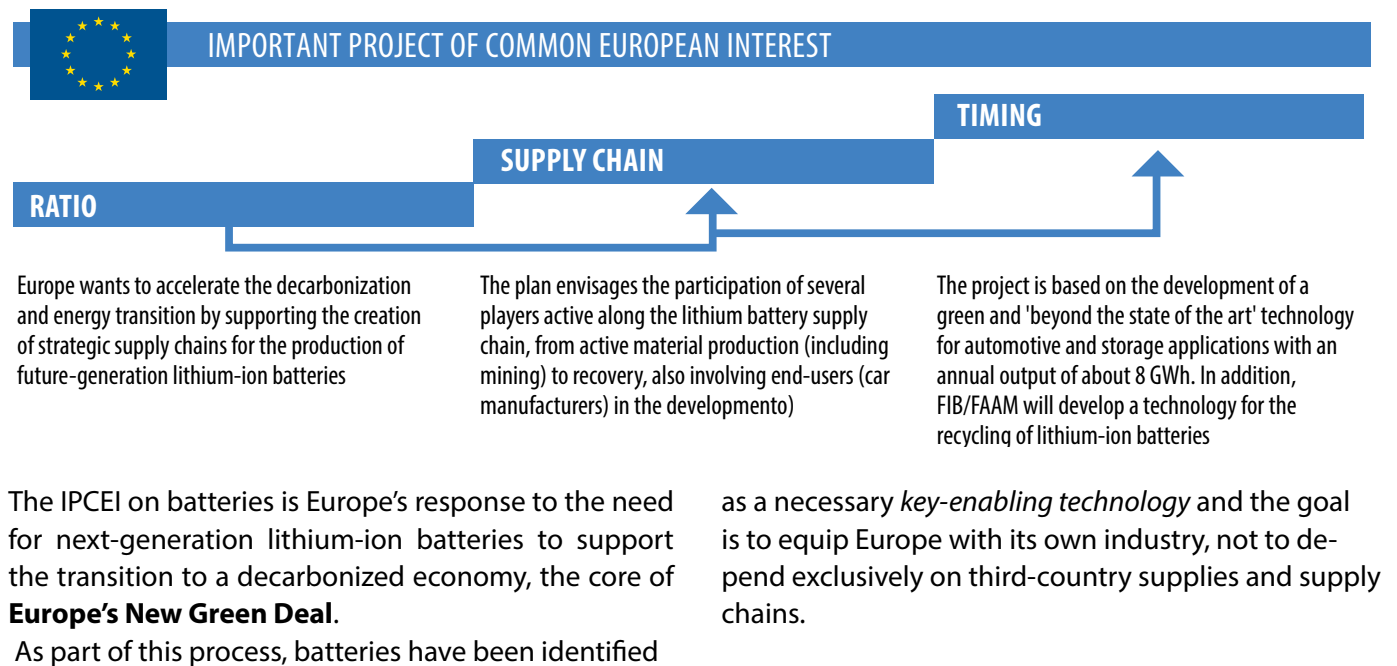
FIB Teverola 2 (IPCEI): during 2019, FIB presented the Project for the industrialization of future-generation lithium-ion cells to the **European Commission** and **MISE**. The European project, named **IPCEI** (*Important Projects of Common European Interest*), aims to support the creation of a European lithium-ion battery supply chain, also involving other companies, including five Italian ones, for a total non-repayable contribution of more than €3.2 billion.

With the IPCEI Project, whose Facilitation Grant Decree was obtained on 08/03/2022, the FIB (FAAM) aims to

create a technological reference centre for the production of lithium batteries, expanding the original site of the first Italian plant for the production of lithium cells and modules, i.e., the Teverola 1 plant. The pole's main production destinations are in the storage, automotive, naval and defence sectors. Today, the project is based on an estimated maximum production capacity of 7-8 GWh. The Gigafactory will also be responsible for research, development and the programme for the recycling of lithium accumulators at the end of their life cycle.



8.1 INTEGRATION OF THE CIRCULAR ECONOMY MODEL IN PLASTICS AND ENERGY STORAGE



Compared to the Teverola Lithium Project, the IPCEI for FAAM is a great industrial challenge.

This Project also represents a great opportunity not only for Seri Industrial, but for the entire Italian state: the presence of a first and only gigafactory will be able to attract not only other possible foreign investors and act as an accelerator for other companies and entities active in the area, but also to meet job requirements.

The final part of FAAM's IPCEI Project envisages the implementation of a technology for the reuse of lithium-ion batteries at the end of their life cycle, based on the processes studied in recent years by our specialists:

with these activities, Seri Industrial intends to replicate the circular economy model, already implemented for lead-acid batteries, also for batteries.

In this way, the long-term strategy based on the concept of sustainability can be pursued, with the aim of contributing to the reduction of GHG emissions: This includes the adoption of a local collection process for batteries that will involve all stakeholders, including

8.1 INTEGRATION OF THE CIRCULAR ECONOMY MODEL IN PLASTICS AND ENERGY STORAGE

the subsidiary Repiombo, with the aim of collecting the products efficiently and thus reaching the European target (Directive 2006/66/EC) of 45% collection of the input, rising to 65% in 2025, while reducing the impact of logistics, with clear improvements from an environmental (and economic if one considers the circular economy process) point of view.

FAAM's Project for the IPCEI also addresses the concept of battery eco-design, with practical recommendations for manufacturers to improve battery and BMS durability and reusability by the end of the Project.

FAAM has designed its own BMS architecture in-house to be adapted to the lithium-electric accumulator; the FAAM BMS has already been tested in several applications (traction, energy storage and military) and has proven to be reliable and durable (more than 10 years of continuous use without failure in the city of Turin on small electric buses, for example).

The IPCEI Project will also support the Renewable Energy Directive with high-performance stationary energy storage systems; special attention is paid to the production and saving of resources through the use of renewable energy.

In addition, the FIB/FAAM will consider on the one hand energy supply contracts only with certified "green" and "renewable" energy producers and on the other hand the possibility of building a solar park (directly or by subcontracting it to an energy service company) to partially supply the energy needed for the production line.

In this way, FIB/FAAM will support the sustainability of the industry with a very low environmental impact, minimising CO₂ emissions and ensuring cost-effective end-of-life battery reuse, and will also support the adoption of active materials with a low environmental impact (waste, energy consumption and CO₂).

With the **IPCEI Project**, Seri Industrial goes beyond the concept of reindustrialisation and aims at the creation of a technology cluster, planning to set up the first and only gigafactory in Italy and Southern Europe for the production of lithium batteries.

The aim is to improve current technologies and transfer knowledge and technical skills, attract new talent from all over Europe and promote the system of cooperation between companies.

TEVEROLA 2

With the start-up of operations in Teverola, one of the main objectives is certainly to implement a 'green footprint' of production processes, eliminating toxic solvents and reducing the atmospheric emission of CO₂ during the production of lithium cells and modules. Furthermore, Seri industrial's business model is totally focused on the circular economy.

The project will reduce the energy required for these processes and, in cooperation with its industrial equipment manufacturer partners, adopt more efficient solutions. The project aims to develop water-based formulations for both electrodes (cathode and anode), increasing safety and reducing the environmental impact of production processes.

Although the technology for water-based anode formulations is currently rarely used but is now a target for sustainability, its application to cathode materials



still presents several challenges due to the instability of most of these products in an aqueous environment. FAAM is already engaged in the production of the latest generation of lithium-ion cells and batteries and the aim is to continue this through its new plant in Teverola.

FAAM wants to develop new, more environmentally friendly and advanced lithium-ion technology for next-generation battery production and applications. Therefore, the following aspects will be considered:

- production of high-performance lithium-ion electrodes based on new and innovative active materials;
- scale-up of polymer electrolyte membranes.

In addition to the above-mentioned project, there are further specific projects in which the Seri Industrial Group is involved:

- in collaboration with the Italian Navy and the Ministry of Defence - Land Armaments Directorate and Iveco Defence Vehicles, for the application of lithium technology both on submarines with a specific **battery management system**;
- revamping of thermal engine vehicles, conversion of old public vehicles, powered by diesel fuel, into a 100% electric vehicle using lithium batteries.



still presents several challenges due to the instability of most of these products in an aqueous environment.

FAAM, which is a member of the EBA (**European Battery Alliance**), the European alliance aimed at developing a continent-wide battery supply chain and at the same time promoting the recycling and reuse of accumulators in a circular economy logic capable of fostering employment in several states, intends to industrialise both on a pilot and larger scale a solid-state lithium-ion cell with generation 3b or higher using innovative active materials and silicon-carbon composites, improving the per-

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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of 18 January 2018 (Translation from the original Italian text)

To the Board of Directors of
Seri Industrial S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Seri Industrial S.p.A. and its subsidiaries (hereinafter "Group") for the year ended on 31st December 2022 in accordance with article 4 of the Decree, presented in the specific section of the Director's Report of the Group's consolidated financial statements and approved by the Board of Directors on 22nd March 2023 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "*Seri Industrial and the European Taxonomy approach*" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by *International Ethics Standards Board for Accountants*, based on fundamental

principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Seri Industrial Group's consolidated financial statements;
4. understanding of the following aspects:
 - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
 - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
 - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Seri

Industrial S.p.A. and with the personnel of FIB S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for FIB S.p.A. (Teverola plant), that we have selected based on its activities, relevance to the consolidated performance indicators and location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Seri Industrial Group for the year ended on 31st December 2022 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the DNF of the Seri Industrial Group do not refer to the information included in the paragraph "*Seri Industrial and the European Taxonomy approach*" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Rome, 13 April 2023

EY S.p.A.

Signed by: Alessandro Fischetti, Auditor

This report has been translated into the English language solely for the convenience of international readers.