

SUSTAINABILITY REPORT 2024

Published in MAY 2025

SHORT VERSION



PASSION IN SUSTAINABLE BUSINESS AND TRUST IN OUR ABILITIES

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SUSTAINABILITY
Report **FULL VERSION**



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Introduction

In the light of the current global trends, and recognizing its responsibility as an international economic actor, Agrati has chosen to adopt sustainability as a guiding pillar in its business model and approach.

Inspired by its commitment “passion in sustainable business and trust in our abilities”, Agrati intends to adopt innovati-

ve economic, social and environmental business practices to deliver long-term value to shareholders, customers, partners, communities, employees and the environment.

Ensuring transparency and alignment of interests among the various Stakeholders, Agrati drafts the annual Sustainabi-

Sustainability in Agrati - 2024 HIGHLIGHTS

lity Report compliant with the recognised GRI Standards and assured by KPMG.

The information in this document represents Agrati’s commitment on ESG topics, the practices rooted in the corporate culture and the goals that were placed in order to confirm its place as a forward-looking leader in the integration of sustainability within business models.



ENVIRONMENT

- 1 Carbon Neutrality
- 2 Responsible Sourcing
- 3 Circular Economy
- 4 Sustainable Solutions

7

7 AFFORDABLE AND CLEAN ENERGY

12

12 RESPONSIBLE CONSUMPTION AND RESPONSIBLE PRODUCTION

13

13 CLIMATE ACTION

15

15 LIFE ON LAND

-33% CO2 emitted vs 2019

-17% Emission Intensity vs 2019

+13.513 MWh Electricity

from renewable sources

5.819 GJ saved

through focused energy efficiency initiatives

Certified green electricity: purchase 13.482 MWh

of Guarantee of Origin for Italian plant

79% Recycled input materials

86% Raw material from scrap (EAF)



SOCIAL

- 5 Human Rights
- 6 Development of all Agrati employees
- 7 Health and Safety of all employees
- 8 Product quality and relationships with clients

3

3 GOOD HEALTH AND WELL-BEING

4

4 QUALITY EDUCATION

10

10 REDUCED INEQUALITIES

11

11 SUSTAINABLE CITIES AND COMMUNITIES

27 Hours of training per employee

7,8 Injury Frequency Rate

Agrati Volunteering program

extended

Sustainability weeks in all Agrati sites

All sites covered by ISO 45001 certification

61% of purchases from local suppliers



GOVERNANCE

- 9 A specific focus on compliance and a strong business ethic Governance
- 10 Long term value creation and resilience

8

8 DECENT WORK AND ECONOMIC GROWTH

9

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16

16 PAID, JUSTICE AND STRONG INSTITUTIONS

Supplier Sustainability Assessment in action

TISAX certification obtained for Veduggio, Trezzo, Verona plants

670 Million €

of economic value generated

365 Million €

of economic value distributed

Agrati supports

WE SUPPORT



Contribution to 12 key UN SUSTAINABLE DEVELOPMENT GOALS through our ESG strategy

SUSTAINABILITY REPORT 2024 - Short Version



Certifications achieved

ISO 14001

Environmental Management System

CERTIFICATION FOR ALL SITES

ISO 50001

Energy Management System

CERTIFICATION FOR ALL FRENCH SITES

ISO 9001

Quality Management System

CERTIFICATION FOR ALL SITES

ISO 14067

Integration of environmental aspects into product design and development

CERTIFICATION FOR ITALIAN SITES

ISO 45001

Occupational Health and Safety Management Systems

CERTIFICATION FOR ALL SITES

TISAX

Trusted Information Security Assessment eXchange

ACHIEVED for VEDUGGIO, TREZZO and FSP

IATF 16949

CERTIFICATION FOR ALL SITES

Internationally recognised ratings



The assessment is based on 4 pillars: environment, labor&human rights, ethics and sustainable procurement

SILVER MEDAL
AT GROUP LEVEL



Sustainability Assessment questionnaire which covers the sections: Company Management, Human Rights and Working Conditions, Health and Safety, Business Ethics, Environment, Responsible Supply Chain Management and Responsible Sourcing of Raw Materials

SCORE B FOR
ALL PLANTS



CDP is an international not-for-profit charity that provides disclosure systems on environmental information, in the categories of Climate Change and Water Security.

SCORE C
(climate and water)
AT GROUP LEVEL



SUSTAINABLE CORPORATE GOVERNANCE

ERM & Sustainability function and the sustainability team

The ERM & Sustainability function, supervised by the Executive Vice President, is responsible for the integrated management approach of ESG risks and related opportunities. Involving the management of the Group, the ERM & Sustainability function coordinates the implementation and update of the ESG integrated Enterprise Risk Model (ERM), monitor sustainability linked risks and evaluate the Group's ability to mitigate possible impacts in a timely manner.

Under the coordination of the ERM & Sustainability function, the Sustainability Team is in charge for proposing, coordinating and launching projects and initiatives in the area of environmental and social responsibility. It monitors the action plans of the various organizational

units, also considering the external best practices and examining stakeholder information and stakeholders' requests on sustainability issues. Agrati's Sustainability Team is responsible for: (i) the analysis of the material topics for the Company, based on an internal evaluation involving top management, trying to combine both the internal view and the stakeholders' expectations; (ii) the definition of the relevant KPIs that help monitoring and fostering the management of the Company's most relevant topics; (iii) the collection of the updated KPIs, performed on a yearly basis in the first quarter of the fiscal year.

The sustainability Team:

Position	Member	Role in the Sustainability Team
Executive Vice-president	Andrea Costantini	Project responsible
Group APS Leader & HSE Manager	Julien Errera	Responsible of HSQE data management and production contact person
Group Human Resources Director	Gianluca Bella	Responsible for social data and policies
Group General Counsel	Francesco Arlati	Responsible for governance and anti-corruption data
ERM & Sustainability Leader	Marco Zanfrini	ESG projects coordinator

Sustainability ambassadors

Sustainability is collaborative by nature. When all gathered at one table, different backgrounds, perspectives, knowledge, expertise and approaches to problem solving can bring human creativity and innovation to the next level.

This is even more important when working toward goals that are applicable to so many different interest groups and are as complex and vast as sustainability. For this reason Agrati has developed the Sustainability Ambassadors project: Su-

stainability Ambassadors are sustainability-minded Agrati employees who work to amplify companywide efforts at group and local level. Ambassadors support the Sustainability team investigating areas of improvement on ESG topics, sharing and propose vision/ideas and creating engagement to inspire Agrati's employees.

The program also serves as a community for sharing best practices among teams in different settings and locations.

Member	Position
Francesco Bossi	Strategy & Planning
Valentina Mapelli	HR Manager Italy
Gabriele Riva	Industrial Engineering Manager Europe
Muriel Alagapin	HR Director France
Michela Petrillo	Group Communication Manager
Ilaria Piatti	Senior Communication Specialist
Valentina Corbetta	Executive Assistant
Walter Mauri	Group Innovation Officer
Costanza Colombo	Innovation Metallurgy Specialist
Letizia Egger	Buyer
Monica Basso	RSPP
Graciela Lepore	Key Account Manager
Oliver Knoebl	Key Account Manager

Agrati endorses the United Nations Global Compact

As part of our commitment to sustainable and responsible business practices, Agrati has embedded the Ten Principles of the United Nations Global Compact into strategies and operations, and committed to respecting human and labour rights, safeguarding the environment, and working against corruption in all its forms.



Agrati decided to endorse the 2030 Agenda, supporting the Sustainable Development Goals (SDGs). Agrati has identified the links between the priorities defined in the materiality matrix and analysed their impact on each of the Global Agenda's goals. SDGs was rooted in Agrati Sustainability Policy and its business model.





AGRATI'S PEOPLE

Being an Agrati employee

AGRATI CARE

Our employee's safety is the starting point of our well-being idea, the concept that Agrati Group enlarges to all stakeholders.

Main effort aims to:

- Reduce our accident rate
- Reduce gravity of accident
- Understand and improve physical and psychological well-being of employees, extending this concept even to their families

Our Employees satisfaction is our final target. Agrati Care concept is our way to extend the welfare of our employees to keep them on board with the right level of motivation.

With around 2.300 employees on three continents, Agrati workforce is of special significance with respect to sustainability. Healthy, motivated and well-trained employees are the key to succeed. Responsibility for labor practices lies with the HR Manager of each company who reports to the Group HR director. There is a functional connection with Regional COOs.

Agrati is fully committed to offer its employees the ideal workplace, that is why

EMPOWERMENT

We promote entrepreneurship in our company by supporting people's ideas and creativity and providing each of them skills and competence to innovate and improve our daily and future activities.



every two years it conducts an engagement survey which is based on voluntary participation by the employees.

The 2024 results of the survey showed a satisfaction indicator of 81%.

This result proves the Agrati's ability to maintain employee wellbeing as a priority, especially in difficult periods. As planned, the new survey is going to be carried out during 2026.

Occupational Health and Safety

The protection of the health and safety at work is a pivotal feature that meets the needs of Agrati Group to ensure a sustainable and durable business growth.

Therefore, the Company drafted several important documents, which are common to Environment and Health and Safety management, namely the EHS Corporate strategy and the Group's policies and Ethical Code.

These documents are periodically reviewed and approved by the top management: all the plants receive specific instructions on a country basis to draft policies and objectives at local level.

The final document set consists of procedures, operating instructions and forms that supports the EHS Management Systems, with the purpose of ensuring process repeatability, providing support and tools for monitoring and performing a continuous improvement. In addition, medical and healthcare services are in-

cluded in two main programs, the employee benefits plan (insurance plan managed by global broker) and collective agreement (Italy and France).

Agrati first deployed a health and safety management system in accordance with the OHSAS 18001 standard before switching to ISO 45001 in all its plants. In terms of injuries, Agrati reached an Injury frequency rate of 7,8.

During 2024, as well as during 2023 and 2022, 100% of employees were covered by an occupational health and safety management system.

Agrati Group also pays constant attention to the health and safety of all those people who, despite not being Group employees, operate in the company plants or office facilities providing 100% of them with occupational health and safety management system's cover.




7,8
Injury frequency
rate



Welfare and diversity

The Ethical Code encloses the social values of the Group, in particular those concerning welfare, inclusion and diversity. Considering the market in which Agrati operates, the number of employees and the Group's global presence, attention towards inclusion and diversity is a fundamental aspect.

These values, whilst already applied daily, will be further consolidated in a

formalized group policy.

Furthermore, some companies of the Agrati Group promote wellbeing programs and initiatives which include medical visits, tobacco free areas, fitness activities and improved work environment conditions.

Agrati Volunteering Program



AGRATI VOLUNTEERING

A **sustainable** deed.

As part of Agrati's sustainability commitment, societal engagement is an important pillar that contributes to the solution of relevant societal challenges for communities surrounding its sites and vulnerable communities worldwide. A vivid society with high social cohesion needs voluntary engagement. Therefore, Agrati is determined to contribute to a sustainable society and supports its employees to engage in local volunteering options. Volunteering is a unique and virtuous experience that can bring tangible benefits to everyone: to the workers, to the non-profit organizations, to their charitable activities, to the company itself and to the territory to which all this returns. It is a tangible sign of active citizenship and inclusion in the productive sphere.

In a world where sustainability and social responsibility are increasingly crucial, Agrati is actively engaged in making a difference. In 2024, we organized three volunteer days focused on environmental and social/relational issues, demonstrating our tangible commitment to creating a positive impact in the community.

In 2024 Agrati took to the field, partnering with Plastic Free during two environmental clean-up appointments. The first

took place on Friday, April 19, 2024 with some colleagues from the Tronzano Vercellese plant at a blighted area in Santhià (VC). There our volunteers cleaned up the sides of a suburban road, collecting a total of 134 bags weighing 1,250 kg of plastic and trash. The second event took place at the urban center of Santa Margherita (MB) on Saturday, April 20, 2024. Agrati, as the sponsor of the clean up, rolled up its sleeves by helping to collect about 10 additional bags weighing parts to 250 kilograms of garbage, consisting mainly of cigarette butts. What was most astounding to the participants was the amount of waste that could be identified and collected, as well as the carelessness of the people who helped generate it, polluting the environment. Sometimes a small gesture, such as throwing one's garbage in the first available trash can or going to the ecological island to dispose of specific items can really make a difference, contributing to the cleanliness, not pollution, of our planet.

The Sustainability team of Yantai Agrati Fastener Co., Ltd. organized an environment protection activity of "Care for the earth, Protect the ocean - Hand in hand to create a clean blue ocean" on October 26. The activity was divided into two



main parts.

The theoretical discussion part comprehensively introduced to the participants the importance of the ocean for human beings, the current situation of ocean pollution, the protection of ocean resources in China, and how each of us should protect the ocean in our daily life. As part of the practical activity, a total of 18 supporters including our colleagues and their family cleaned up the beach garbage in Yantai Tianyue Bay and put the collected garbage into the garbage station designated by the Environmental Sanitation Department. What was most astounding to the participants was the amount of waste that could be identified and collected, especially the amount of plastic. Sometimes a small gesture, such as throwing one's garbage in the trash can or using as few plastic bags as possible will contribute to the cleanliness of our planet.

We thank all the volunteers who took part in this activity, for the notions provided and for allowing us to contribute to environmental protection. To build an Ocean ecological civilization and jointly protect the environment requires the efforts of everyone. We hope that more colleagues and their families will join our volunteer team in the future and work together to protect our planet.

The results of the volunteer days have been remarkable. Besides the visible improvement of the environmental areas involved, we have also strengthened the bonds between our employees and the community.

These experiences have raised awareness about sustainability and social responsibility, turning individual actions into a positive collective impact.

Agrati University: 'We learn by doing'



Our Knowledge. Our Excellence.

Agrati University is a learning center composed by a group of skilled trainers that teach to Agrati employees the best way to perform a core job. All the courses organized by the University have been defined to improve the skills and competences of Agrati employees, with the declared aim to reach excellence. Our knowledge is a dynamic factor, continuously shared and enhanced through learning.



63.322

Hours of training



27

Hours for each employee

All Agrati's employees must attend training courses on all processes where the product life cycle is concerned. Agrati manages its internal core competences thanks to its internal University, a learning centre composed of skilled trainers that teach Agrati Employees the best way to perform jobs.

An important element is continuous training offered to Agrati employees: in 2024, 63.322 hours of training were

provided, reaching an average of 27 hours for each employee. The training courses consisted of mainly Professional Training (59%) and Health & Safety training (21%). Furthermore, each local company has identified specific managerial courses addressed to their managers. These courses are mainly related to people management, leadership, negotiation or coaching programs held by internal certified coaches.

Sustainability Weeks



During 2024, Agrati organised the Sustainability Weeks in all plants, reaching all Agrati's employees, in order to spread the value of sustainability in our business and daily lives.

With the Sustainability Week, Agrati wants to draw attention to sustainability within the whole Group. The aim is to bring sustainability out of the bubble, making it universally interesting and

highly visible, making everyone in the group not only aware of the projects we are managing, but also make employees promoters of the change. Sustainability is not a centralised project with a 'top-down' approach. It is necessary to involve the regions: the more opinions we collect, the more complete will be our perception of stakeholders' needs, in order to align our priorities, and where possible, anticipate their needs.





ENVIRONMENTAL SUSTAINABILITY

The Agrati Group is constantly trying to reduce the Company's environmental footprint and to lower its energy consumption; in doing this, the development of new technologies is pivotal to reach the goals, being them a main part of the Agrati business results. The protection of the environment as well as sustainability are essential values that help and facilitate the Company business growth. These principles are at the very base of the EHS Corporate strategy, as well as the Group's Policies and Code of Ethics; which in 2021 were consolidated in the Group Climate Strategy, which sets out a roadmap and strategy to reach Carbon Neutrality in all operations by 2039.

Agrati Carbon Neutrality 2039 - Decarbonization Strategy

In light of the clear current global trends, and recognizing its responsibility as an economic actor, Agrati has chosen to adopt sustainability as a guiding pillar in its business model and approach. The impacts of Agrati both on social and environmental sustainability are clear and on this front the Group wants to turn them into an opportunity to rethink its strategy and shift towards a long-term value creation approach.

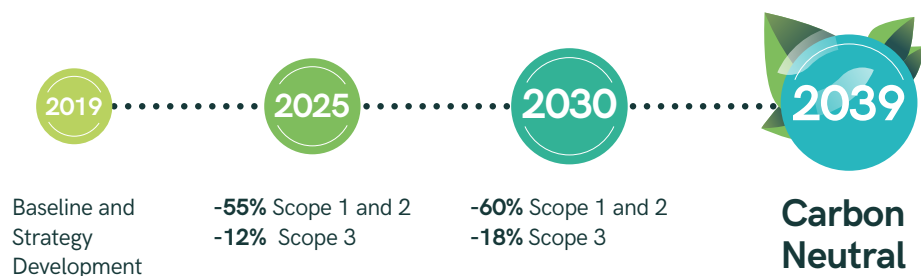
To this end Agrati has developed a Decarbonization Strategy, with the ambition of reaching Carbon Neutrality by 2039.

The strategy, developed by the ERM-Sustainability function, aims to define a clear trajectory, following the clear decarbonization and electrification trend of the automotive industry. The goal of the strategy is to align the Group's activities with the main international Pacts and strategies such as the Paris Agreement and the European

Various countries where Agrati operates guarantees a conscious and aware business development; for this reason, Agrati pays attention to the implementation and maintenance of certifications compliant to the schemes of the international EHS standards (ISO 14001 and ISO 50001). Through these instruments, the Group is on the pursuit of continuous improvement and amelioration of performance.

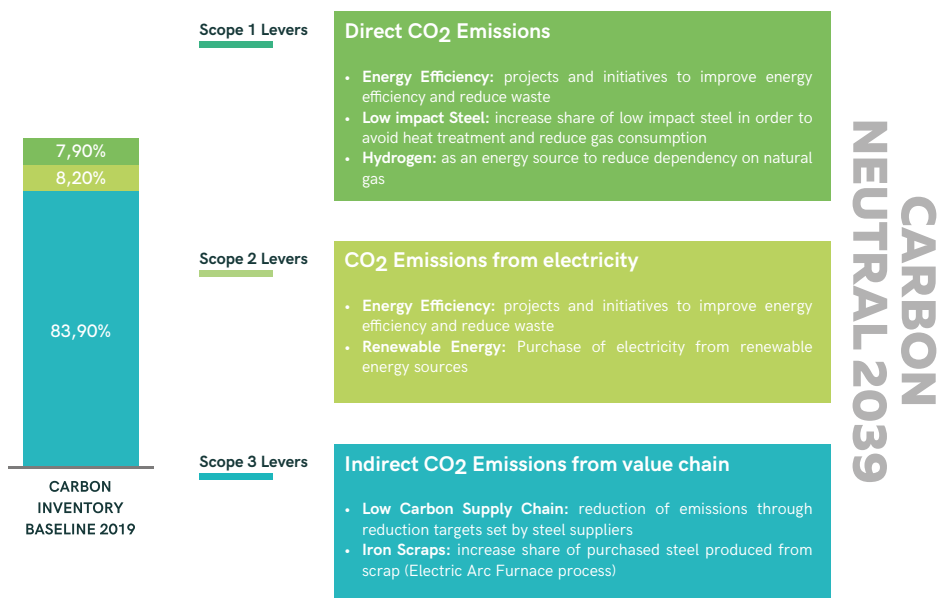


Agrati's decarbonization path to 2039 Carbon Neutrality has set two main milestones, years 2025 and 2030.



In order to reach these ambitious targets Agrati will leverage the following levers in order to reduce its CO₂ emissions: the improvement of energy efficiency in various stages of production, the purchase

and generation of electricity from renewable energy sources, the use of low impact steel, the shift towards Hydrogen, and the purchase of recycled iron scraps as shown below.



Circular economy and circular innovation

Agrati acknowledges the importance of moving towards Circular business Models, in order to reduce the environmental and social impacts of its activities. Agrati wants to face this new challenge as an opportunity to develop new sustainable processes and products and establish collaborative partnerships with both suppliers and clients.

This innovative attitude will be based on three core principles:

1. Eliminate waste and pollution;
2. Circulate products and materials;
3. Regenerate natural systems.



Agrati's circular strategy promotes:



The progressive **integration of a circular economy** in all processes in order to rethink the production in a holistic manner.



An increased **development of ambitious initiatives**, enabling more efficient processes in terms of resource efficiency, and increasing the possibility of recycling materials and components.



A continuous **collaboration with internal and external stakeholders**, accelerating the development of innovative solutions and enhancing synergies to build a circular economy.

Product Carbon Footprint – ISO14067

In order to be able to analytically measure the reduction of the environmental impact of its products and processes, Agrati has implemented a methodology for quantification and reporting of the carbon footprint of a product (CFP), in a manner consistent with International Standards on life cycle assessment (LCA)

(ISO 14040 and ISO 14044). The calculation process is based on a "Systemic approach" and has been certified by a third party body in accordance with ISO 14067, this for A. Agrati S.p.A. (Veduggio, Trezzo and Dolzago plants) and CVB srl (Tronzano Vercellese plant).

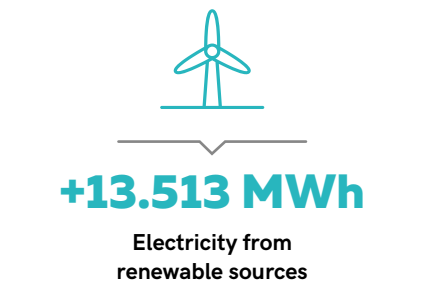
Quantify the CO2e emissions for every product and design a set of solutions for our client to reduce the impact of our product.



Energy efficiency and emissions

Being the CO2 emissions from energy and power generation one of the main contributors to the emission of climate-altering substances, energy efficiency has tremendous impacts to boost economic growth and to lower the carbon footprint. Agrati Group is committed to

increase the rate of progress and to facilitate the transition towards a low carbon economy and production, and the introduction of a certified Energy Management System in line with the ISO 50001 standard is an example of the Company commitment.



Cogenerator in Veduggio con Colzano

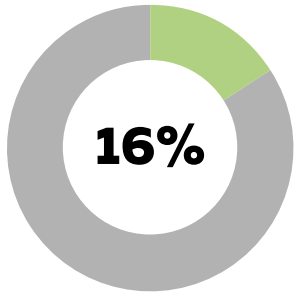
With the aim of optimising energy costs and reducing CO2 emissions compared to traditional solutions, a 3.5 MWh cogenerator was started up at the Veduggio con Colzano site in September 2023, capable of satisfying a large part of the plant's energy demand. In fact, the plant is able to generate electric energy by means of a Rolls-Royce engine fuelled by methane gas and, at the same time, thermal energy by recovering the residual heat resulting from combustion (exhaust fumes, engine cooling, etc.). Since start-

up, the installation has been operating at full capacity and is delivering significant improvements in energy and economic efficiency.

With this technology, the use of the same energy source for both electricity and heat generation has rendered an important energy efficiency effect, which can be seen in the data shown in the next tables.



Agrati path toward a sustainable future with energy from renewable sources



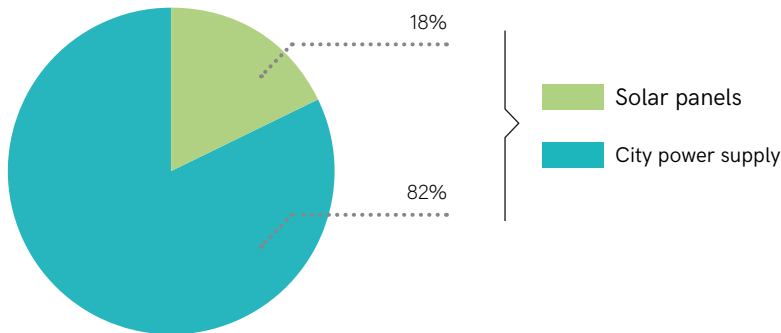
AGRATI GROUP
Green Electricity coverage

Electricity from solar panels in YAF

In line with the Group's objective to increase the use of energy from renewable sources, YAF - YANTAI AGRATI Fasteners Co., Ltd completed the project of installing solar panels on plant roof and on parking lot roof in June 2022. This project greatly decreased Agrati's environmental impact starting from mid-

2022 and from 2023 at full potential. It is an important step towards our 2039 Carbon Neutrality goal. The solar power supply started on 16th July 2022. In 2024 the percentage of electricity used in YAF that came from solar panels was 18,35%.

YAF electricity consumption by source



Purchase of Guarantees of Origin for Electricity at Italian Sites

In 2024, Agrati took an important step in its sustainability journey by purchasing Guarantees of Origin (GOs) to cover the electricity consumption at its Italian production sites. This initiative was designed to offset the CO2 emissions associated with the energy used in the company's operations, contributing significantly to reducing the overall environmental impact of Agrati.

For the year 2024, Agrati purchased a total of 13.482 MWh of GOs. These certificates were aimed at compensating the emissions produced by the electricity consumed across two of the company's Italian entities: CVB Srl and A.Agrati Spa.

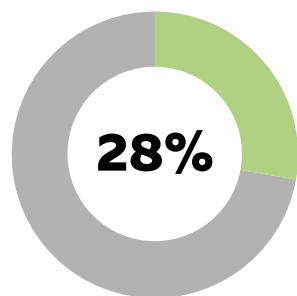
At CVB Srl, Agrati achieved a full offset of the site's CO2 emissions. Thanks to the purchase of the GOs, 100% of the emissions linked to the electricity consumed were neutralized, highlighting Agrati's commitment to sustainable energy practices at this site. Meanwhile,

at A.Agrati Spa, the company offset 28% of the site's CO2 emissions through the purchase of GOs. While this represents a significant step forward, Agrati continues to work towards further increasing the share of its emissions covered by renewable energy sources, in line with its long-term sustainability objectives.

This decision to purchase GOs underscores Agrati's dedication to integrating environmental responsibility into its business practices. By ensuring that its energy consumption is offset by renewable sources, Agrati is actively contributing to the global effort to combat climate change and furthering its mission to operate in a more sustainable and responsible manner.

13.482 MWh
Green Electricity
through GO purchase
for Italian Sites

3.560 tCO2
SAVED



A.AGRATI spa
Green Electricity coverage



CVB srl
Green Electricity coverage

Green electricity from PPA for French Sites – starting from 2025

In line with its sustainability objectives, Agrati France has taken a major leap forward by signing a landmark agreement with Iberdrola, one of the world's largest electricity producers and a global leader in renewable energy. This 5-year agreement, based on an Off-Site Power Purchase Agreement (PPA) complemented by a green power purchase agreement, ensures that Agrati France's operations are powered by green electricity, derived from renewable sources.

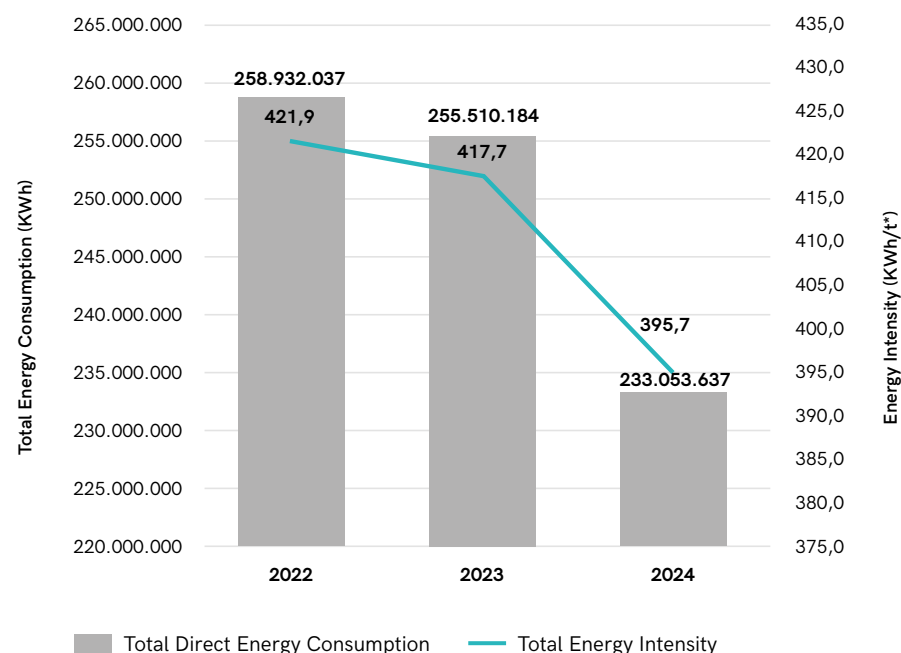
Under this agreement, the electricity supplied starting from 2025 will come from a wind farm located in Florembeau, which generates an average of 21 GWh per year. This clean energy will cover 53% of Agrati France's total annual electricity consumption. To meet the remaining energy needs, Agrati France will purchase electricity from the market, always ensuring that the electricity is sourced from renewable generation by purchasing Guarantees of Origin (GOs). This shift to renewable energy will result in a significant reduction of approximately 2,200 tonnes of CO₂ emissions annually,

contributing to Agrati's commitment to mitigating climate change. To put this into perspective, this reduction is equivalent to the energy consumed by 2,200 60-watt light bulbs for an entire year or the emissions produced by an average car traveling over 9,000,000 kilometers.

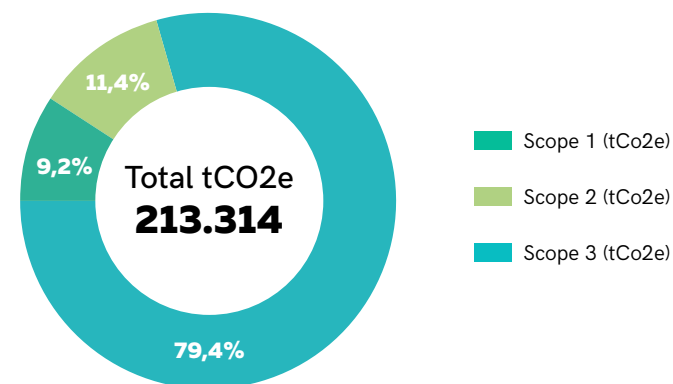
This agreement with Iberdrola is a key milestone in Agrati France's ongoing journey towards sustainability. It highlights the company's dedication to reducing its carbon footprint and supports its broader efforts to transition to renewable energy sources. Agrati remains steadfast in its commitment to achieving its long-term sustainability goals, actively contributing to a cleaner, more sustainable future for all.

Energy Intensity is showing a slight decrease during last years. This decrease was achieved thanks to the energy efficiency actions performed, in line with our objectives and the targets stated in the Decarbonization Strategy.

Energy Consumption and Intensity



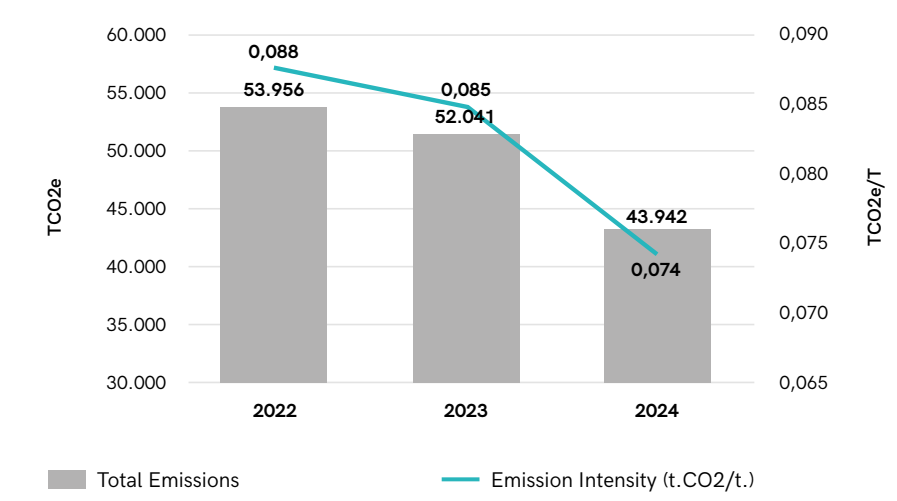
Agrati's Emissions



* The organisation specific metric chosen to calculate the energy intensity indicator is the over cumulative production of each step of production process, of all workshops expressed in tons. The type of energy included in the intensity ratio are electricity, diesel, LPG and natural gas.



Scope 1 & 2 CO2 Emissions

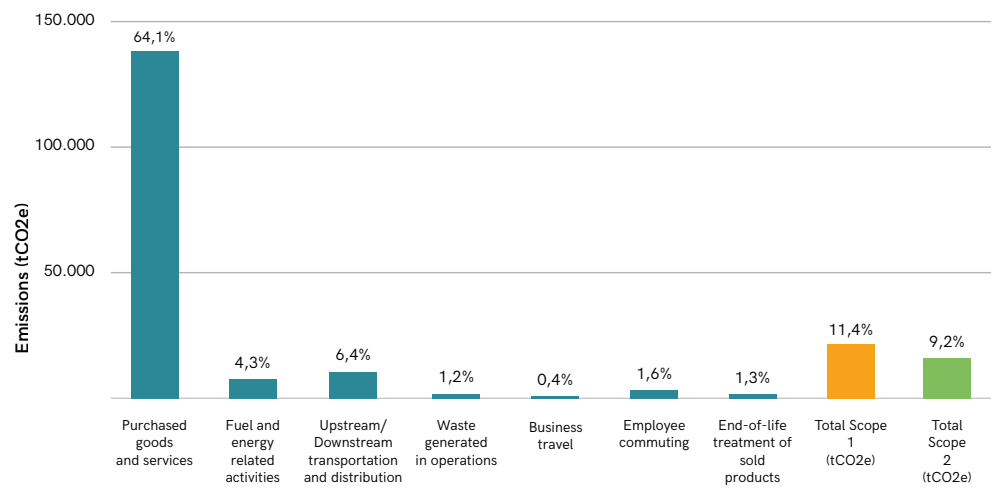


Agrati has managed to reduce its Scope 1 and 2 Emissions by 33% compared to 2019, the Baseline of its Decarbonization Strategy, and by 16% compared to 2023.

Whilst also reducing its Emission Intensity (the CO2 emitted per Tonne of product produced) by 17% compared to 2019 and by 12% compared to 2023.

The Group have expanded its carbon inventory including Scope 3 emissions deriving from upstream and downstream activities. The Group carried out a relevance analysis and identified eight key Scope 3 categories to monitor.

Agrati CO2 Emissions 2024 (Scope 1, 2 & 3)



-33% CO2e Emissions
vs 2019
(Scope 1 and 2)

-17% Emission Intensity
vs 2019



PRODUCT EXCELLENCE AND INNOVATION

Product's quality and security

Agrati is dedicated to establishing the necessary organization and allocating resources to achieve our objectives while embracing continuous improvement, in strict adherence to the highest ethical and quality standards.

By doing so, we aim to ensure the satisfaction of our customers, employees, and shareholders. This commitment is reinforced by our Group Quality Manual written to satisfy the IATF16949 standard, with the comprehensively outlines the company's internal processes.

Moreover, the Group collaborates with leading certification bodies in the indu-

stry to define quality and sustainability criteria that govern the industry itself.

Each corporate procedure mandates the appointment of a Process Manager responsible for delegating tasks to department personnel.

However, this responsibility cannot be delegated.

Agrati has implemented a quality management system covering all its plants, compliant with ISO 9001 and IATF 16949 standards, validated by an independent third-party Certification Body.

100%
Plants with
IATF 16949
Quality Certification



Agrati's strength: continuous innovation

Agrati continues its effort towards product innovation, following the automotive trends that are driving the industry into the new era of mobility. The Group spent many efforts concerning electrification, developing products with specific properties like electrical conductivity, voltage and heat resistance. Agrati continued the development of competencies in plastics and overmolding process, as weight reduction is another important element that is required to all the automotive players.

The use of special materials, like aluminium, microalloy / alloyed steel as well as titanium, is a further stream of product development that Agrati pursued during the year.

Environmental Sustainability through product innovation

Product Innovation is an embedded process in Agrati's mission to reduce the environmental impacts. Sustainable product innovation aims to design products that deliver environmental benefits to the Company and customers, such as CO2 emission reductions, improved recyclability of products, and energy savings.

Furthermore, the shift towards vehicle electrification is transforming the demands of clients and subsequently Agrati has put in place in several innovative projects in order to keep up with this quickly evolving market.



PRODUCTS INNOVATION



NEW MATERIALS

- Advanced thermoplastic for over moulded products
- Add new properties using technical polymers
- New coatings for disruptive performance



EV BATTERIES

- Innovative cell to cell mechanical joining solutions
- Control & reliability of electrical contacts
- Embedded sensors for battery maintenance



SMART FASTENERS

- Connect the smart fasteners to the vehicle or the infrastructure through an IoT layer

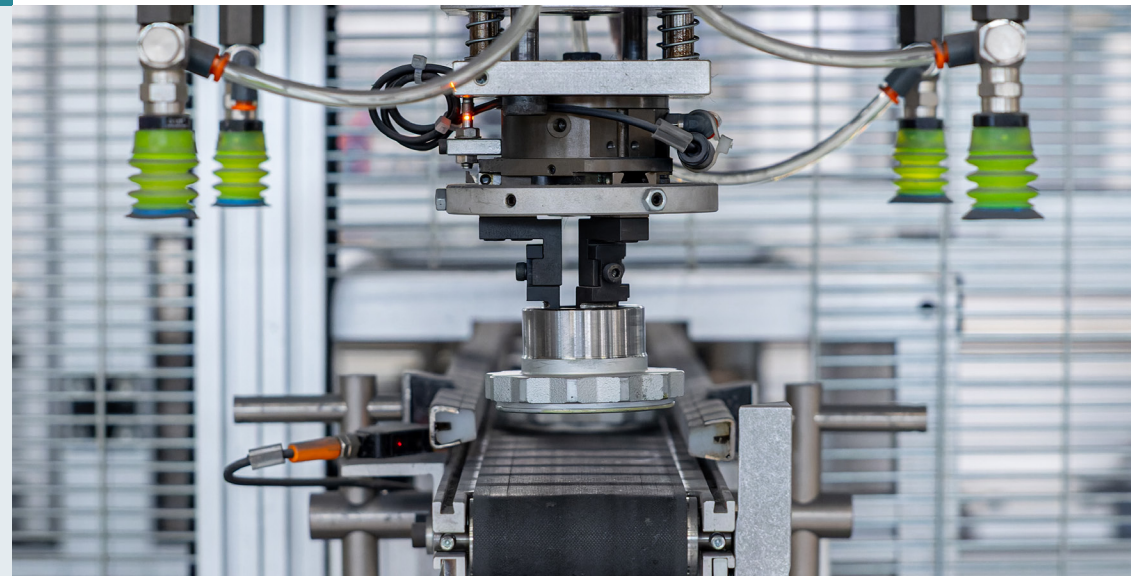
PROCESS INNOVATION

DIGITAL
TRANSFORMATION

PROCESS
CONTROL

NEW
TECHNOLOGIES

PROCESS
AUTOMATION



RESPONSIBLE VALUE CHAIN

Agrati Group takes good care of its supply chain dynamics, as the Company has its plants spread throughout the globe, it employs people from all over the world, it purchases raw materials and products from suppliers having their production plants far away from the Company's headquarters and supplying, on its turn, customers on different markets.

SUPPLY CHAIN EXCELLENCE

The supply chain function is focused to serve customers with the best service level reducing total logistic costs.

Supply chain is aimed to drive superior performance through vendors management and manufacturing plant management.

Kanban is a part of supply chain and is a planning concept to streamline operations and improve efficiency throughout the value chain.

As Agrati is manufacturing today in 12 sites in 4 Countries on 3 continents, the supply chain shows a strategy of international development centred upon the local area. This is proved by the high percentage of purchases received from local suppliers, equal to 61% of purchases.

Agrati always tries to keep up to date the reports on the renewable and non-renewable materials used to manufacture their products, as reported in the table below. The material that is being



OPERATIONAL EXCELLENCE

Operational Excellence resumes our aim to be a benchmark in our industrial sector.

Improve efficiency, productivity, maintenance.

These are among our targets in each plant, to reach top class manufacturing worldwide.



61%

**of purchases from
local suppliers**

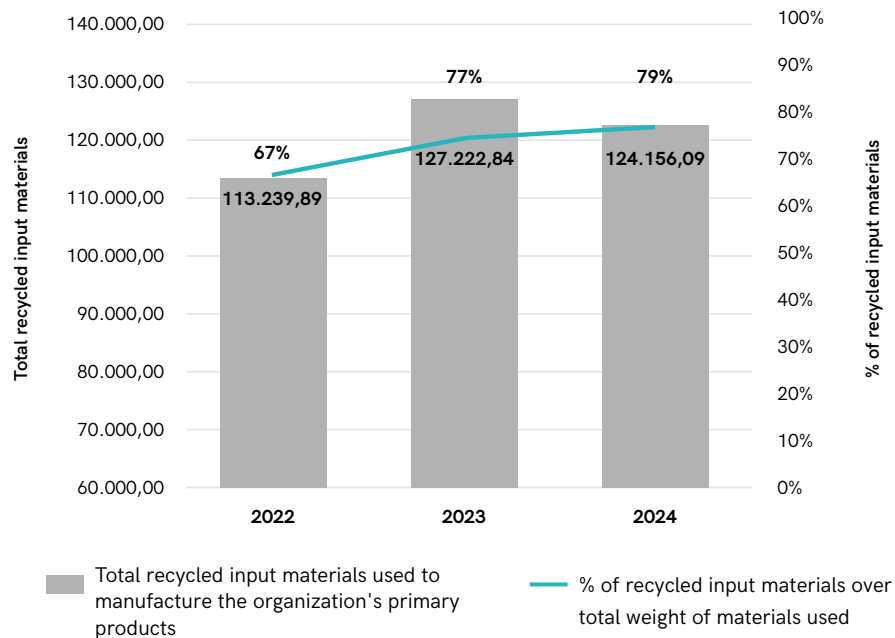
recycled the most is steel: in fact, the Electric Arc Furnace (EAF) uses scrap steel which is re-melted and finally chemically corrected to ensure the adequate chemical and mechanical characteristi-

cs. In general, using EAF material allows to avoid the use of the Basic Oxygen Furnace (BOF) material: this latter implies the use of natural resources like iron ore and carbon coke which are extracted from mines, and consequently allows to avoid major transportation activities, as the vast majority of iron ore and carbon coke are coming from mines located in

Australia and Brazil. The percentage of steel from scrap increased in the last years: further increase is limited mainly by the customers' requirements, which sometimes are imposing BOF steel, and technical requirements, since BOF material can be easily used for more complicated parts.



Recycled Input Materials



Agrati Responsible Supply Chain Model

In June 2022 the Supplier Code of Conduct was published and in May 2023 was updated integrating additional requirements. This document is the pillar of Agrati's Responsible Supply Chain model. This Code is drawn up in line with and, as a strengthening of the principles outlined in the company's Code of Ethics and internal policies, includes the guidelines to be followed by suppliers to ensure compliance with international regulations, standards and guidelines on ESG topics. The adherence of our suppliers to these principles is essential to achieving our objectives and meeting the explicit and implicit needs of our clients. It is an essential condition for our success and our common development, which guarantees the sustainability of our entire value chain.

In order to monitor and ensure that sustainability standards and principles are respected amongst all Suppliers, Agrati has adopted an external evaluation system (NQC questionnaire), which measures supplier performance against key global standards in each area of suitability.

The Evaluation process, which consists of an assessment questionnaire, covers the following aspects:

- Company Management
- Working Conditions
- Human Rights
- Health & Safety
- Business Ethics
- Environment
- Supplier Management
- Responsible Sourcing of Raw Materials

These results and evaluations will be integrated in the Supplier evaluation - the so-called Vendor Rating - starting from 2024, making ESG and Sustainability Principles key elements of Supplier evaluation and selection criteria.



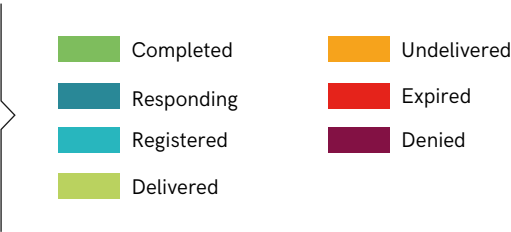
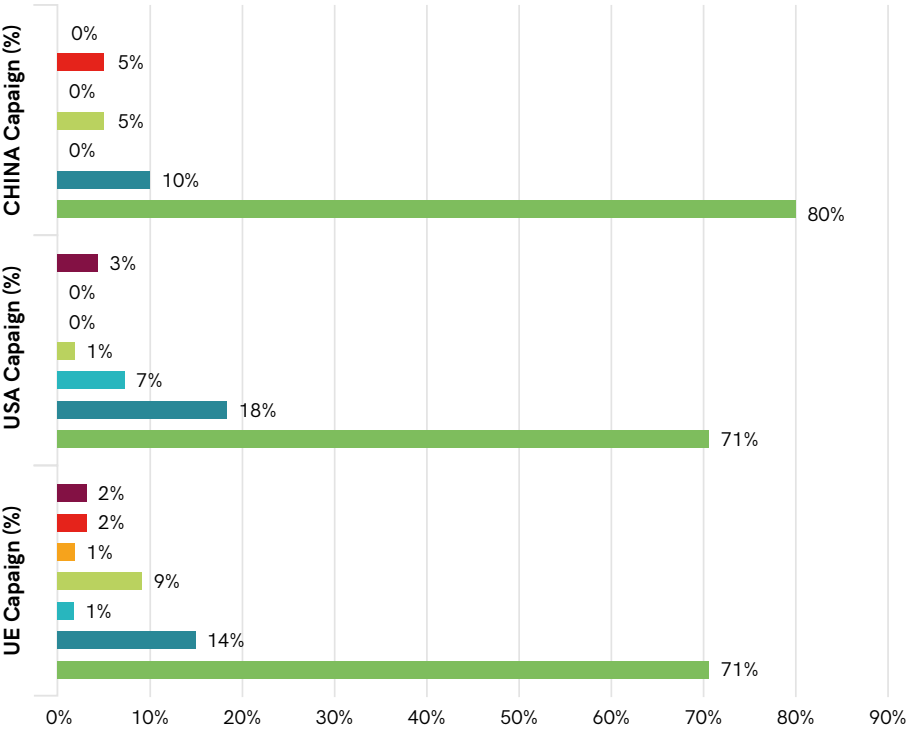
**Supplier Sustainability
Assessment
in Action**



ESG evaluation process – NQC supplier assurance

Three campaigns have been launched in July-Aug 2022, asking suppliers to complete the NQC SAQ (Self Assessment Questionnaire).

In total 330 suppliers have been involved:





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