



coesia

# Climate Transition Plan

Edition 2025 rev. 1

## Foreword

Climate change is one of the most defining challenges of our time, and we recognize our responsibility to act decisively.

Coesia develops the carbon transition plan outlining its commitment to achieving net-zero emissions, aligning its operations with the goals of the Paris Agreement, and building resilience across its value chain.

## Overall mission around sustainability:

Coesia is facing a rapidly changing operating environment, one in which stakeholder expectations have shifted, regulatory compliance requirements have become more stringent, and traditional corporate social responsibility engagement approaches are inadequate. In particular:

- policymakers are targeting GHG emissions issues for regulation;
- customers demand insights into their upstream Scope 3 emissions and start engaging with their supply chain to set emission targets;
- customers set requirements for purchased products' energy demand to ensure they will achieve their Scope 1 and 2 emission targets, without compromising their activities;
- investors request GHG data looking to account for climate risks and opportunities into their investment decisions;
- new generations of employees are seeking work environments where climate performance and sustainable governance are integrated into the business culture.



All that makes the climate transition within the business a requirement for Coesia, enabling the company to continue delivering on the three strategic pillars of its business model:

- 1. grow in traditional markets:** accelerate growth and strengthen our leadership position in the sectors traditionally served by Coesia companies, through continuous innovation, a solutions-oriented approach and enhancement of the services and support offered to customers;
- 2. develop new and expanding markets:** seize business opportunities in new markets with increasing automation needs and significant growth prospects, leveraging the technologies and expertise developed in our core markets;
- 3. strengthen the operational model:** enhance our capabilities and key processes while seeking best advantage from the digital and sustainability trends. Reinforce our culture and values, promoting integration and synergies at all levels within the Group.

In 2024, Coesia publicly committed to setting both near- and long-term targets based on the Science Based Targets initiative (SBTi) Corporate Net-Zero Standard. The targets have been validated by SBTi and represent the Group's commitment to decarbonize by at least 90% across all scopes until 2040, to be able to claim that we are a net-zero organization. In parallel, Coesia started developing a decarbonization roadmap and an overall strategy for its transition to a net-zero organization: this strategy is described in this Climate Transition Plan.

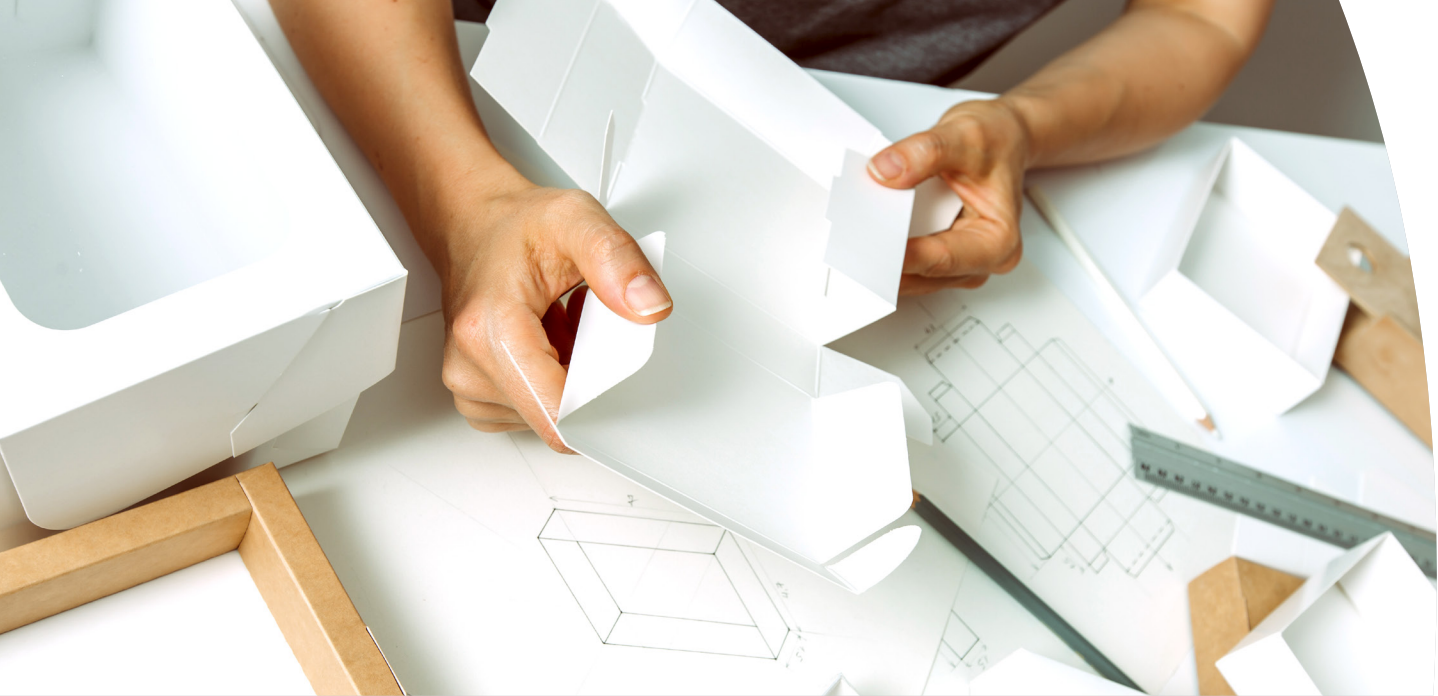
Coesia will review and update the Climate Transition Plan in 2026, and at least every five years thereafter, following CDP's recommendations to ensure ongoing relevance and effectiveness. At the same time, Coesia will continue providing updates on an annual basis through its existing climate-related disclosure in Coesia's sustainability report and CDP reporting.

In developing the first version of the Climate Transition Plan, the CDP framework has been adopted as guiding structure. CDP is recognized globally for promoting transparent, comparable and comprehensive environmental disclosure. Aligning with CDP ensures that the Group's transition strategy is scientifically grounded, structured and holistic – covering governance, strategy, risk management, metrics and targets. Coesia aims to continuously improve the information included and build on this transition plan year by year.

Based on Coesia's GHG inventory for 2023, emission hotspots have been identified and an action plan has been developed, alongside a governance structure to ensure implementation, monitoring and continuous improvement.

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<sup>1</sup> Carbon Disclosure Project



## **Coesia transition plan at a glance**

### **Ambition**

Complete the transition to net-zero while delivering long-term value for our customers, employees, shareholder and the communities we operate in.

- Emissions accounting, SBTs & other climate-related targets
- Long-term resilience through identification and development of action plans to manage climate-related risks and opportunities
- Integration of sustainability considerations in strategic planning, investment decisions and innovation priorities

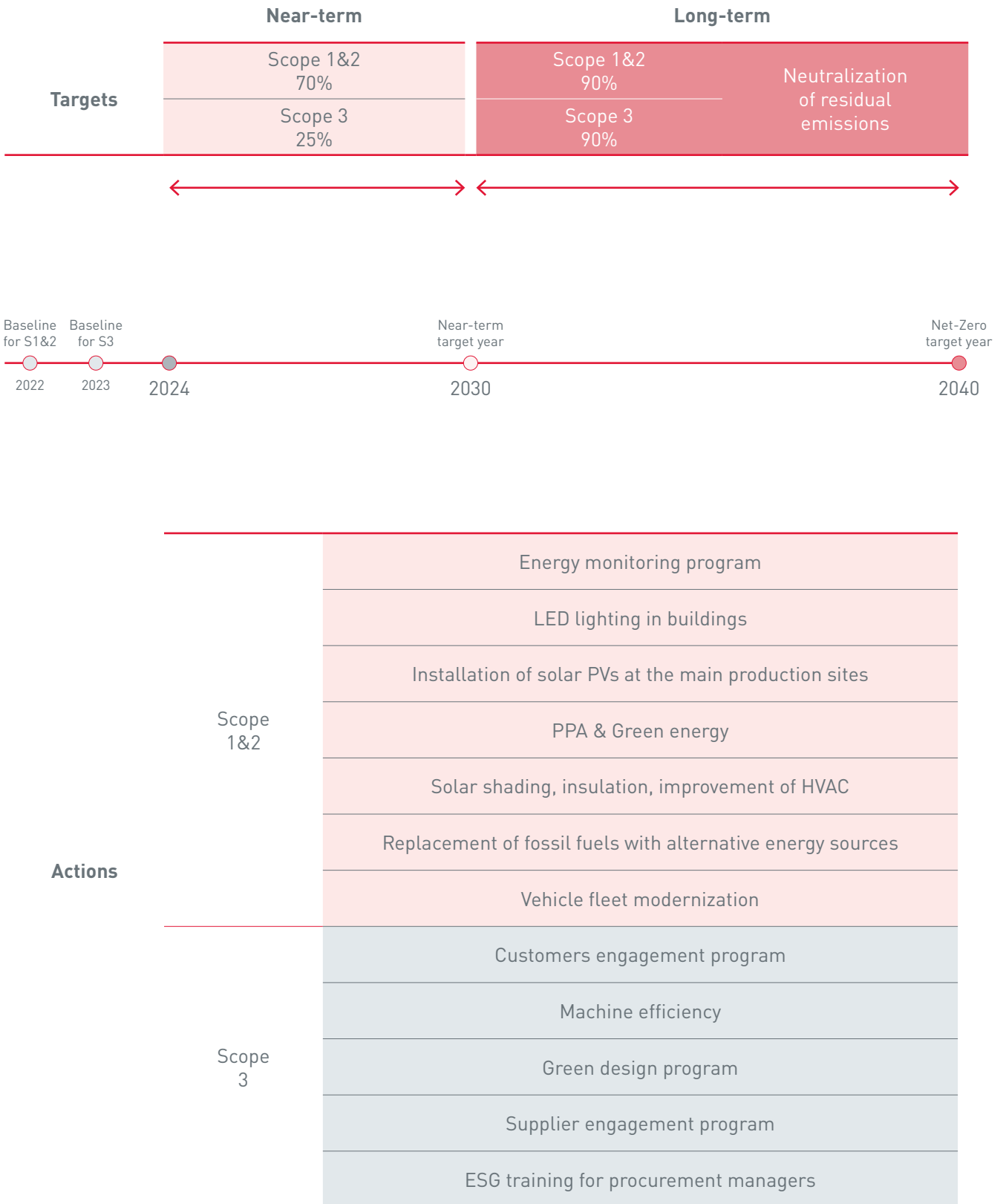
### **Action plan**

- Managing the carbon footprint from own operations (Scope 1&2)
- Impact across value chains and beyond (Scope 3)

### **Accountability & Reporting**

- Structured and multi-tiered governance model with clear key committees and roles to provide leadership, operational support and accountability for achieving the Group's net-zero and sustainability goals
- Board and Executive members updates and trainings, annual evaluation of capabilities and identification of skill gaps
- Monitoring of progress towards climate transition and transparent reporting
- Integration of climate goals into pay and incentive structures

# Timeline of SBTs and reduction actions





## **Ambition**

### **Overall vision**

Complete the transition to net-zero while delivering long-term value for our customers, employees, shareholder and the communities we operate in.

As a globally represented organization, Coesia's operations span regions with varying levels of electricity grid decarbonization and renewable energy market maturity. While this contributes to a diverse and more complex carbon footprint, it also presents opportunities to mitigate emissions by leveraging local low-carbon energy sources, optimizing energy procurement strategies, prioritizing investment in renewable energy where market conditions allow, adopting low-carbon technologies across Coesia's sites and engaging with the Group's value chain on initiatives in line with the decarbonization strategy.

## Aligning business strategy & climate ambitions

### Emissions accounting and GHG reduction targets

Coesia has established a robust methodology for conducting its GHG inventory across all three scopes, in alignment with the GHG Protocol guidelines. Since 2024, the organization's total emissions have been independently verified by a third party in accordance with DNV's VeriSustain Protocol.

In addition, since 2022, the Group has reported its full inventory of greenhouse gas emissions in the CDP disclosure on an annual basis. In 2024, the Group achieved an A-rating from CDP.

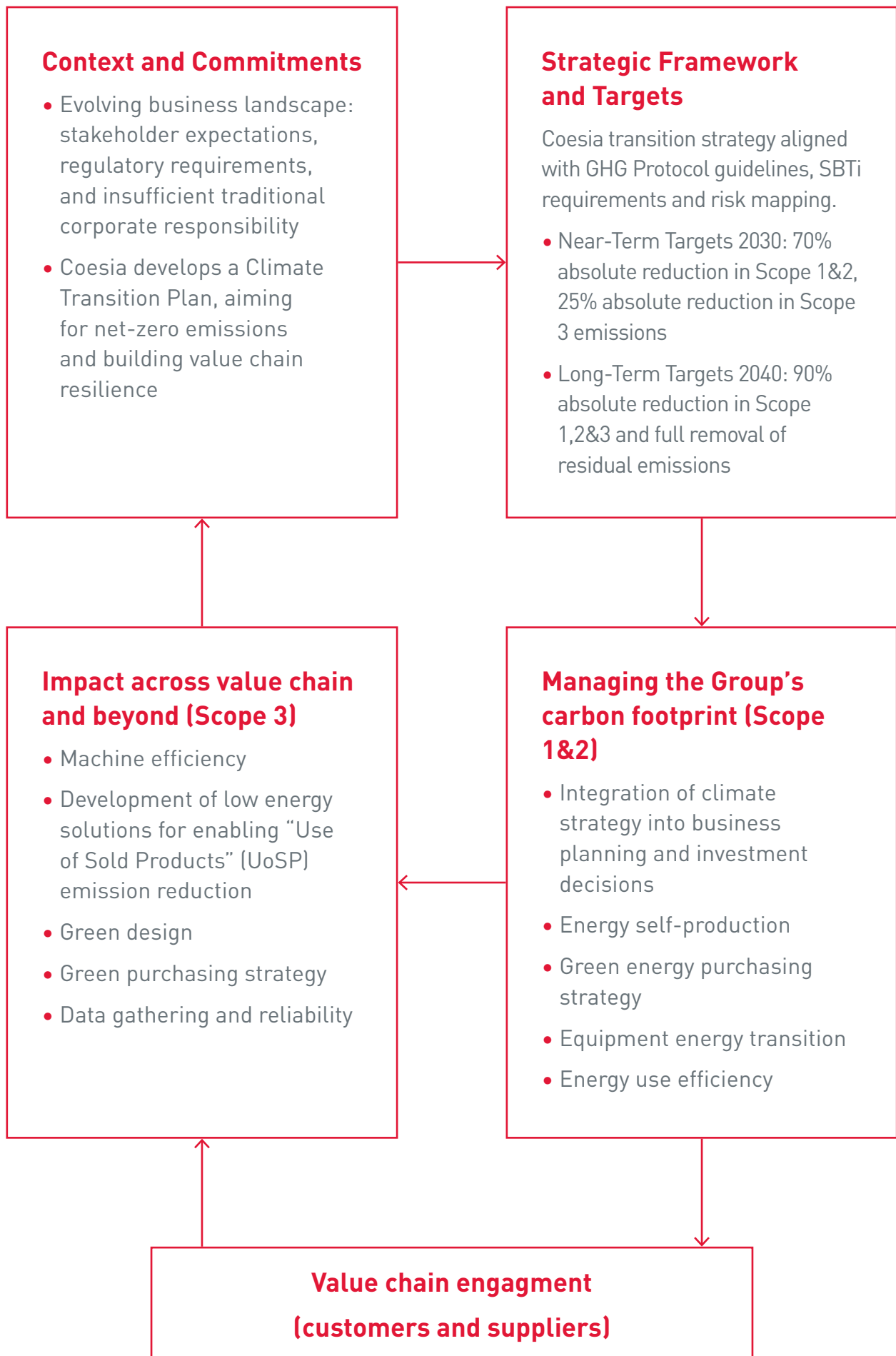
Furthermore, in 2024, Coesia reinforced its commitment by setting more ambitious targets, advancing its decarbonization goals across the entire value chain by advancing the net-zero target from 2050 to 2040, according to the following path:

**Near-Term Targets:** Coesia commits to reduce absolute Scope 1 and 2 GHG emissions by 70% by 2030 from a 2022 base year. Coesia S.p.A. also commits to reduce absolute Scope 3 GHG emissions by 25% by 2030 from a 2023 base year.

**Long-Term Targets:** Coesia commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2022 base year. Coesia also commits to reduce absolute Scope 3 GHG emissions by 90% by 2040 from a 2023 base year. Furthermore, Coesia commits to neutralize any residual emissions to achieve net-zero.

To ensure transparency and consistency, Coesia has joined the Science-Based Targets initiative (SBTi), the leading global framework for ambitious climate action in the private sector, which enables enterprises to establish emissions reduction objectives in a scientific manner, consistent with the Paris Agreement. The above targets have been verified and validated by SBTi.





## Other climate-related targets

Other climate-related targets include ISO 14001 and ISO 50001 certifications, generation of on-site renewable energy, 100% renewable electricity sourcing, vehicle fleet modernization, and supply chain engagement (see the following table).

	Target	Target year	Progress to date
<b>ISO 14001</b>	Committed to certify Coesia sites (at least 80% of the workforce)	2028	29 certified sites (48.9% workforce coverage)
<b>ISO 50001</b>	Committed to certify Coesia sites (at least 50% of the workforce)	2030	4 certified sites (7.2% workforce coverage)
<b>Generation of on-site renewable energy</b>	Total renewable power installation of 20 MW	2030	14 MW
<b>Energy procurement plan</b>	Total Group electricity consumption from 100% renewable sources	2030	61%
<b>Modernization of vehicle fleet</b>	Achieve average emission of 145 gCO <sub>2</sub> /km for cars of company fleet	2026	2024: 65%
<b>Use of sold products emissions</b>	Target to cut the Group's emissions due to use of sold products by 25% by 2030, from a 2023 baseline	2030	2024: -51%
<b>Electrification</b>	Target to replace 30% of fossil fuel consumption with electricity for heating purposes	2030	5%
<b>Supply chain</b>	Target to engage at least 40% of suppliers by spend in the EcoVadis reporting and sustainability program by 2025, with an extended goal of 70% coverage by 2026	2025 & 2026	5%
<b>Monitoring system</b>	Target to develop a robust energy monitoring system covering all Coesia operational sites worldwide	2027	15% of the Group's sites covered
<b>Client engagement program</b>	Target to engage customers on Scope 3 category "Use of Sold Products" (UoSP) covering at least 40% of Scope 3 UoSP emissions	2030	10%

## Process for identifying climate related risks and opportunities

Coesia manages risks and opportunities through an integrated strategy embedded within its operational model, which applies across all Group Companies. This comprehensive approach ensures that the impact of all types of risks—both internal and external—is effectively identified, assessed, and mitigated.

In managing sustainability-related matters, Coesia evaluates risks and opportunities across several dimensions, including the business environment, global trends, financial and reputational factors, social impacts, and natural hazard-related external risks.

Each year, Coesia conducts a climate risk assessment covering short-, medium-, and long-term horizons. Up to the 2024 disclosure, the risk management process incorporated several methodologies, including ISO 14001 (Environmental Management System), Life Cycle Assessment (LCA), double materiality analysis, stakeholder engagement, and scenario analysis. The latter considered both physical climate scenarios (based on RCP and SSP models) and transition scenarios using the NGFS framework.

In the 2024 assessment, Coesia evaluated a wide range of risks and opportunities across its operations, supply chain, and commercial activities. These included chronic physical risks such as heat stress, as well as transition risks related to regulation (e.g., compliance, carbon pricing), reputation, and market shifts (e.g., changes in customer behavior). Opportunities were also assessed, particularly those tied to low-carbon energy sources and the development of low-carbon products and services. Notably, evolving packaging regulations and shifting customer expectations emerged as significant areas that pose both risks and opportunities.

To respond to potential demand-side risks, Coesia is investing in R&D to enhance the efficiency of its machines and improve their adaptability to new packaging materials. This strategy not only mitigates risk but also fosters innovation, supports the low-carbon transition, and creates new avenues for revenue growth and market expansion.

Emerging regulations, such as the EU's Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading System (ETS), present additional risks related to indirect costs and raw material price volatility. To address these, Coesia is ensuring full regulatory compliance, setting emissions reduction targets, and investing in initiatives to minimize exposure.



Since 2023, Coesia has also been embedding ESG criteria into its procurement strategy, with a strong emphasis on supplier sustainability performance and risk assessment. This initiative targets one of the company's largest sources of climate impact: purchased goods and services.

In parallel, Coesia has made significant investments in on-site renewable energy generation, which allows the Group to seize opportunities to reduce energy costs—especially in anticipation of future energy price increases.

Currently, Coesia is working to update and enhance its risk assessment methodology in preparation for the 2025 disclosure. A structured methodology has been developed and is being implemented to identify and assess physical risks, transition risks and climate-related opportunities, following the guidelines and requirements of TCFD, IFRS S2 and ESRS E1 under the CSRD. Screening of physical and transition risks has already been performed, using IPCC and NGFS scenarios, while the main internal and external dependencies (such as energy, water, raw materials, logistics, workforce) have been identified, to understand the Group's exposure and vulnerability to climate-related impacts. The comprehensive list of identified risks across direct and indirect operations has then been condensed to prioritize the most significant risks, based on likelihood and impact severity.

The company is currently advancing to the next phase, which involves a detailed assessment of the prioritized risks and opportunities, focusing on three key areas:

- resilience of the Group's strategy and governance under different climate scenarios and time horizons (short-, medium-, or long-term);
- identification and quantification (where possible) of potential financial impacts;
- development of a concrete action plan to mitigate risks and seize opportunities. The action plan will include the strategic response to the prioritized risks and opportunities, as well as an indicative estimate of the cost of response to each risk or opportunity. While formulating this plan, the company will ensure that appropriate mechanisms are in place to integrate these risks and opportunities into its overall climate strategy, assessing how they affect the business model, financial exposure, and response costs.

The outputs of the risk assessment will include both qualitative and quantitative results, which will be integrated into the revised Transition Plan, to be released in 2026.

## **Aligning business strategy & climate ambitions**

The Group is actively working to align its business strategy with its climate ambitions, ensuring that sustainability considerations are increasingly integrated into strategic planning, investment decisions, and innovation priorities. While this alignment is still in progress, it reflects a clear commitment to embedding climate considerations at the core of long-term business value, including product portfolio development over the short, medium, and long term.

# Action Plan

## Ambition for our action plan

Coesia has a strategy in place to both manage its footprint and impact across and beyond its value chain.

An initial action plan has been developed that identifies activities contributing to the net-zero ambition by 2040, covering short-, medium- and long-term horizons. The next step will be to enhance this plan by incorporating detailed financial estimations, including the anticipated financial impact should identified climate-related risks materialize, the expected costs of implementing risk mitigation measures, as well as the potential financial gains and investment needs associated with climate-related opportunities.

Strengthening the action plan in this way will support more informed strategic decision-making, enable clearer prioritization of climate initiatives and promote transparency both internally and externally. Quantifiable milestones and economic indicators will improve the ability to track progress, demonstrate the business value of climate initiatives and ensure that the transition delivers both environmental and financial benefits – despite the initial investment costs involved.

Once this is done, and as soon as the risk assessment is complete, Coesia is going to ensure that the overall business strategy is in line with the climate efforts and targets. An updated version of this Climate Transition Plan is aimed to be published in 2026, in which a more detailed description will be provided of how the transition plan is integrated into the business strategy and how the identified climate risks and opportunities are influencing the business model and the transition plan.

Coesia recently completed its double materiality analysis: the following tables summarize the material impacts, risks, and opportunities that emerged from the double materiality analysis, specifying in the “value chain” column whether they are focused on the Group’s own operations or on the upstream or downstream value chain, and indicating the reasonably expected time horizons.

IMPACT	DESCRIPTION	ACTUAL/ POTENTIAL	POSITIVE/ NEGATIVE	VALUE CHAIN	TIME HORIZON
<b>Product innovation for packaging solutions</b>	Innovative product solutions for processing sustainable packaging materials with lower environmental impact (e.g. paper or mono-materials), new packaging formats that optimize material use and logistics costs by reducing volumes, aimed at reducing end-users’ environmental footprint	Actual	Positive	Downstream	Short term

<b>IMPACT</b>	<b>DESCRIPTION</b>	<b>ACTUAL/ POTENTIAL</b>	<b>POSITIVE/ NEGATIVE</b>	<b>VALUE CHAIN</b>	<b>TIME HORIZON</b>
<b>Energy efficiency of assets</b>	Asset-efficiency program (buildings, plants, etc.) focused on reducing energy consumption	Actual	Positive	Own operations	Medium term
<b>Energy efficiency of machinery</b>	Development of solutions to improve machinery energy efficiency and reduce environmental impact	Actual	Positive	Own operations	Medium term
<b>Contribution to the energy transition</b>	Promotion of a sustainable operational model through investments in renewable energy, aimed at reducing GHG emissions	Actual	Positive	Own operations	Medium term
<b>Energy consumption of Coesia's activities</b>	Consumption of energy, both renewable and non-renewable, at the Group's sites, contributing to environmental degradation and energy resource depletion	Actual	Negative	Own operations	Short term
<b>Direct and indirect emissions generation</b>	GHG emissions generated by the Group's operational activities (Scope 1 and Scope 2) contribute to climate change through both direct and energy-related indirect sources	Actual	Negative	Own operations	Short term
<b>Customer satisfaction and meeting expectations</b>	Ability to satisfy customers' needs and expectations in terms of product/service quality, relationship management and information handling	Actual	Positive	Own operations	Medium term
<b>Safeguarding end-user health and safety</b>	Safeguarding end users' health and safety via product innovation and quality controls (e.g. safety photocells, automatic machine shut-off, quieter machinery to reduce prolonged noise exposure, etc.)	Actual	Positive	Own operations	Medium term

IMPACT	DESCRIPTION	ACTUAL/ POTENTIAL	POSITIVE/ NEGATIVE	VALUE CHAIN	TIME HORIZON
<b>Employment stability for Group employees</b>	Low employee turnover and long-term employment supported by permanent contracts, along with additional social protection measures beyond legal requirements, contribute positively to job stability across the Group	Actual	Positive	Own operations	Medium term
<b>Ensuring compliance with statutory and contractual working time requirements across the Group</b>	Compliance with statutory and contractual working hours, with part-time options offered to promote work-life balance and improve the overall well-being and satisfaction of employees	Actual	Positive	Own operations	Short term
<b>Competitive remuneration policies for Group employees</b>	Fair, merit-based and legally compliant compensation system across all countries of operation, positively influencing workplace climate, employee well-being and satisfaction	Actual	Positive	Own operations	Short term
<b>Employee satisfaction &amp; work-life balance</b>	Positive impacts on employees' physical and mental well-being thanks to corporate welfare schemes and initiatives that support work-life balance and talent retention (e.g. parental leave, family-care leave, etc.)	Actual	Positive	Own operations	Short term
<b>Cybersecurity for customers and end users</b>	Deployment of IT-security solutions to protect customers' and end users' sensitive data and respond promptly to any privacy breaches	Actual	Positive	Own operations	Short term

IMPACT	DESCRIPTION	ACTUAL/ POTENTIAL	POSITIVE/ NEGATIVE	VALUE CHAIN	TIME HORIZON
<b>Workplace injuries and occupational illnesses within the Group</b>	Injuries, occupational diseases or other workplace incidents caused by inadequate management systems or violations of health & safety regulations, with negative consequences for employees' health	Potential	Negative	Own operations	Short term
<b>Data management and IT-security for employees</b>	Adoption of IT-security measures to protect Group employees' sensitive data and respond swiftly to any privacy incidents	Actual	Positive	Own operations	Short term
<b>Initiatives for local communities</b>	Support for local development through contributions and donations, and organization of activities directly involving the communities where the Group operates	Actual	Positive	Own operations	Short term
<b>Positive labor relations through ongoing social dialogue between unions and management</b>	Strong relations with social partners, promoting dialogue between unions and management, leading to positive outcomes for employees in terms of working conditions and freedom of association	Actual	Positive	Own operations	Short term
<b>Support for freedom of association rights</b>	Encouraging employees' freedom of association through active involvement of worker associations and representatives in decision-making; verifying respect for human rights (including freedom of association) across all Group companies to ensure compliance in every country of operation	Actual	Positive	Own operations	Short term

<b>IMPACT</b>	<b>DESCRIPTION</b>	<b>ACTUAL/ POTENTIAL</b>	<b>POSITIVE/ NEGATIVE</b>	<b>VALUE CHAIN</b>	<b>TIME HORIZON</b>
<b>Employee training and professional development</b>	Enhancement of employees' skills and performance via professional training and development activities, including general and technical programs linked to growth objectives and personalized career-development plans	Actual	Positive	Own operations	Short term
<b>Discrimination in responsibility, pay and career advancement</b>	Lack of pay equity and promotional opportunities based on gender, negatively affecting employee satisfaction and motivation	Potential	Negative	Own operations	Short term
<b>Promotion of diversity and non-discrimination in the workplace</b>	Fostering inclusive workplace practices that respect diversity (e.g. gender, age, ethnicity, etc.), leading to positive impacts on employee satisfaction and motivation	Actual	Positive	Own operations	Short term
<b>Local procurement</b>	Procurement of local goods and services to support the local economy, create jobs and strengthen communities	Actual	Positive	Own operations	Short term
<b>Improving supplier's ESG performance</b>	Enhancing suppliers' ESG performance and their social/environmental impact in local communities through supply-chain ESG audits	Actual	Positive	Own operations Upstream Downstream	Short term
<b>Payments to suppliers</b>	Poor management of supplier-payment practices, especially late payments to SMEs, leading to negative impacts on SMEs and disruption of commercial relationships	Potential	Negative	Own operations	Short term

IMPACT	DESCRIPTION	ACTUAL/ POTENTIAL	POSITIVE/ NEGATIVE	VALUE CHAIN	TIME HORIZON
<b>Creating a business-ethics culture</b>	Raising awareness and spreading a culture of ethics, fairness, inclusion and respect for human rights among management, employees, commercial partners and other stakeholders	Actual	Positive	Own operations	Short term
<b>Protection of whistle-blowers</b>	Availability of confidential and anonymous internal reporting channels for whistle-blowers	Actual	Positive	Own operations	Short term
<b>Anti-corruption prevention and training</b>	Awareness-raising and preventive training on anti-corruption for Group employees and top management	Actual	Positive	Own operations	Short term
<b>Corruption episodes</b>	Negative impacts from potential corruption incidents within the Group or along the value chain, with social and economic damage	Potential	Negative	Own operations Upstream Downstream	Short term



The material Impacts, Risks, and Opportunities (IROs) identified are closely aligned with the Group’s core business activities and extend throughout the entire value chain. Internally, the most relevant IROs relate to ethical business conduct, workforce management, and environmental matters such as climate change and the circular economy. Throughout the value chain, key focus areas include stakeholder engagement and responsible resource use.

<b>RISK</b>	<b>DESCRIPTION</b>	<b>VALUE CHAIN</b>	<b>TIME HORIZON</b>
<b>Risk concerning the capacity to manage CO<sub>2</sub> emission reductions and offsets throughout the supply chain</b>	Risk associated with potential difficulties in collecting information related to CO <sub>2</sub> emissions throughout the supply chain, as well as in implementing reduction and/or offsetting actions in line with international industry standards, considering the complexity of procurement and production flows	Upstream Downstream	Medium term
<b>Risk of customer data breaches due to potential cybersecurity incidents</b>	Possible cybersecurity breaches that compromise the sensitive data of customers and end users, with potential consequences on customer trust, information integrity, and the Group’s reputation, resulting in economic impacts	Downstream	Medium term
<b>OPPORTUNITY</b>	<b>DESCRIPTION</b>	<b>VALUE CHAIN</b>	<b>TIME HORIZON</b>
<b>Design and development of products that optimize raw material processing efficiency</b>	Development of products capable of efficiently processing raw materials to optimize resource consumption and minimize waste, creating market opportunities	Own operations	Short term
<b>Development of an energy transition plan</b>	Implementation of a sustainable energy transition plan to support adaptation to climate change by improving the resilience of energy systems, while also optimizing energy costs, reducing GHG emissions, and improving efficiency and market competitiveness through green and innovative practices	Own operations	Medium term
<b>Sustainable sourcing practices</b>	Adoption of responsible sourcing practices, including supplier evaluation based on ESG criteria, promotes a more sustainable supply chain with lower environmental impact and ethical business relationships	Upstream	Short term
<b>Opportunity to invest in local sustainability projects</b>	Collaboration with communities to invest in sustainability projects that improve local quality of life, contributing to a positive reputation	Upstream Downstream	Medium term
<b>Green innovation</b>	Investments in the research, production, and offering of green and competitive products on market, leading to better positioning of the Group in the industry, with positive effects on customer satisfaction and revenue	Own operations	Medium term

Currently identified impacts are expected to have short-term effects, whereas potential impacts are considered over the medium to long term.

At this stage, the Group has not identified any financial amounts directly attributable to the sustainability risks deemed material in this plan.

As part of its ongoing commitment to developing an increasingly structured and integrated sustainability approach, Coesia aims to continue enhancing and refining its assessment of relevant Impacts, Risks, and Opportunities and they will be integrated in the updated Transition Plan by 2026.



## Managing the Group's carbon footprint (Scope 1&2)

The 2024 GHG footprint indicates that 1.3% of Coesia's total operations emissions fall within Scopes 1 and 2.

In 2024, Scope 1 emissions decreased by 6% and Scope 2 emissions by 11% compared to 2023, according to the market-based approach. The primary sources of emissions within Scopes 1 and 2 were electricity consumption (43%), natural gas consumption (41%), and fuels used in vehicles (10%).

For further details and a comparison with 2023, see the table below.

Scope 1&2 emissions sources (market-based)	2023 (tCO <sub>2</sub> e)	2024 (tCO <sub>2</sub> e)	2024 (%)	Δ 2023-2024 (%)
Electricity	8,995	7,954	43%	-12%
Natural gas	8,190	7,590	41%	-7%
Car Fleet - Fuels	2,064	1,918	10%	-7%
Refrigerant gasses	185	368	2%	99%
District Heat and Steam	316	339	2%	7%
Liquid fuels	274	227	1%	-17%
Car Fleet - Electricity	-	19	0%	0%
Gaseous fuels	5	4	0%	-28%
Wood pellets	3	2	0%	-36%
Renewable energy	-	-	0%	0%
<b>TOTAL</b>	<b>20,033</b>	<b>18,420</b>	<b>100%</b>	<b>-8%</b>

To support decarbonization and build long-term resilience, the Group has a strategy in place that is currently being further developed to include timebound actions, specific metrics, interim targets and a decarbonization model. This enhanced strategy builds on both already identified and newly developed initiatives that are planned for implementation across the organization.

The decarbonization plan is based on a structured program focusing on improving energy efficiency, electrifying building services, transitioning to renewable energy sources, and maximizing on-site green energy production. These initiatives are expected to allow Coesia to achieve 70% absolute reduction in Scope 1 and 2 emissions by 2030, while applying carbon offsets to address the remaining 30%. Already in 2022, prior to the adoption of the action plan, renewable electricity was procured for all Italian sites, resulting in a significant reduction in Scope 2 emissions compared to 2021. Other implemented initiatives, such as on-site solar production and plug-in hybrid vehicles, also contributed to emissions savings starting from 2022. In 2023, Coesia launched the implementation of priority actions included in the plan alongside continued solar PV installations and adoption of renewable energy. Electrification of heat generation, previously fueled by natural gas, was also initiated in 2024.



The following table details the specific actions, their expected impact, and implementation time horizons.

Scope 1&2 Action	Category within Scope 1&2	Time horizon (short/medium/long-term)	Metrics to follow up on progress	Resources required (CAPEX/OPEX or qualitative description)
<b>Energy monitoring program</b>	Electricity, heating: installation of a remote monitoring system for electricity and natural gas at the production sites	Short term	Coverage of remote monitoring as % of total consumption	30 k€/yearly
<b>Installation of LED lighting in buildings</b>	Electricity: emissions reduction through reduced electricity consumption (energy efficiency). Estimated effect: 600 tCO <sub>2</sub> e emissions reduction per year	Short term	Lighting energy consumption reduction	The activity is managed as extraordinary maintenance. No long-term CAPEX
<b>Solar shading and insulation initiatives, as well as improvement of HVAC systems</b>	Heating/cooling: emissions reduction through reduced natural gas and other energy consumption (energy efficiency)	Medium term	Heating and cooling consumption reduction	This activity is part of good operational practices in facility and utilities management, following specific guidelines. No long-term CAPEX
<b>On-site electricity generation through installation of solar PVs, at the main production sites</b>	Electricity: replacement of fossil fuel consumption or use of electricity from the local grid, with renewable electricity generated on-site. Estimated effect: 7000-7500 tCO <sub>2</sub> e emissions reduction per year	Short to medium term	Percentage of electricity demand covered by on-site generation	€11 million of CAPEX by 2040
<b>Purchase agreements and green energy contracts (PPA &amp; Green energy)</b>	Electricity: emissions reduction under the market-based approach, ensured by dedicated green electricity contracts	Short term	Proportion of grid electricity consumption from renewable sources	Regarding the PPA, the expectation is a saving on electricity costs. OPEX for EAC procurement is strongly influenced by market trends; current expectations are €100-150k per year

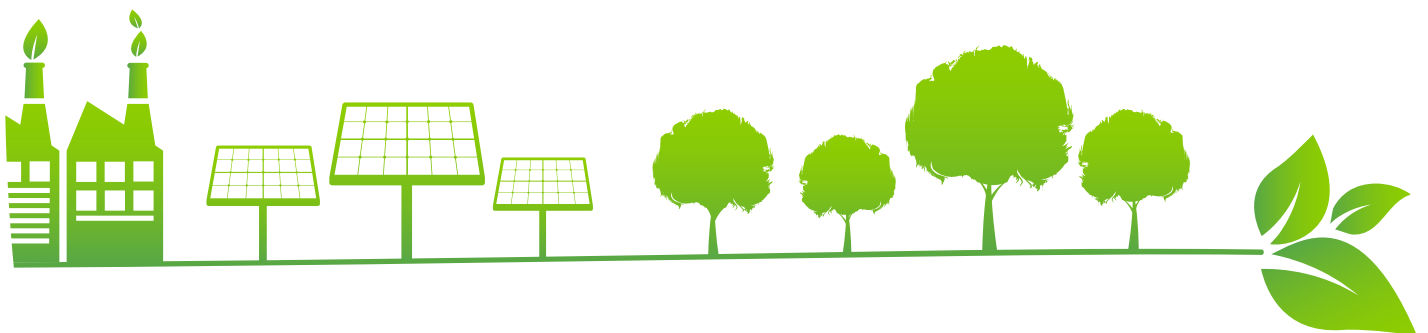
<b>Replacement of fossil fuels with alternative energy sources (energy efficiency program)</b>	Heating: emissions reduction through replacement of fossil fuels used for heating with electricity or other energy systems (e.g., heat pump systems)	Medium to long term	Reduction in consumption of fossil fuels used for heating	€12.4 million by 2040
<b>Vehicle fleet modernization</b>	Car-fleet: emissions reduction achieved by setting fuel consumption requirements for vehicles and by transitioning to electric vehicles	Medium term	Emission intensity per km traveled	Resources included in the annual budget for car fleet

### Impact across value chain and beyond (Scope 3)

The 2024 GHG footprint indicates that 98.7% of Coesia’s total emissions are attributable to its value chain, predominantly within the following Scope 3 categories:

- Use of Sold Products (UoSP): 80% of total Scope 3 emissions. UoSP emissions for Coesia are the emissions generated when customers use machines supplied by Coesia (energy consumed by machines during their lifetime).
- Purchased Goods and Services (PGS): 15% of total Scope 3 emissions. This category includes emissions associated with the extraction and production of materials, components and services purchased from suppliers.

Regarding emissions in the UoSP category, Coesia achieved a 51% reduction in 2024, compared to 2023. For further details and full comparison with 2023, please refer to the table on the following page.



Scope 3 emission category	2023 (tCO <sub>2</sub> e)	2024 (tCO <sub>2</sub> e)	2024 (%)	Δ 2023-2024 (%)
<b>Purchased Goods &amp; Services</b>	283,831	214,192	15%	-25%
<b>Capital Goods</b>	17,562	15,338	1%	-13%
<b>Fuel &amp; Energy Related Activities</b>	6,330	5,798	0%	-8%
<b>Upstream Transportation &amp; Distribution</b>	30,663	29,647	2%	-3%
<b>Waste</b>	1,081	999	0%	-8%
<b>Business Travel</b>	18,078	18,370	1%	2%
<b>Employee Commuting</b>	6,549	6,528	0%	0%
<b>Upstream Leased Assets</b>	-	-	0%	-
<b>Downstream Transportation &amp; Distribution<sup>2</sup></b>	-	-	0%	-
<b>Processing of Sold Products</b>	-	-	0%	-
<b>Use of Sold Products</b>	2,301,984	1,135,065	80%	-51%
<b>End of Life</b>	396	105	0%	-74%
<b>Downstream Leased Assets</b>	-	-	0%	-
<b>Franchises</b>	-	-	0%	-
<b>Investments</b>	2,014	71	0%	-96%
<b>TOTAL</b>	<b>2,668,489</b>	<b>1,426,112</b>	<b>100%</b>	<b>-47%</b>

In 2024, Coesia achieved a significant reduction in Scope 3 emissions related to the Use of Sold Products (UoSP), driven by several factors. These included a greater proportion of machines with lower power consumption and a decrease in the production of fossil fuel-powered equipment due to reduced market demand. Additionally, a key contributor was the shift in the geographical distribution of customers purchasing energy-intensive machines; in 2024, these customers were primarily located in countries with substantially lower grid emission intensities compared to 2023.

<sup>2</sup> The Downstream Transportation & Distribution emissions are included in the Upstream Transportation & Distribution category.

Coesia's climate strategy includes the adoption of innovative technologies and enhanced machinery designs to improve energy efficiency and reduce emissions. Additionally, strategic collaborations with customers are being developed to support the decarbonization of energy use in their direct operations. These measures are expected to lead to a 25% reduction in Scope 3 emissions by 2030, with the ultimate objective of reaching net-zero emissions by 2040.

Regarding Purchased Goods and Services (PGS), Coesia achieved a 25% emissions reduction in 2024 compared to 2023, mainly as a result of a revised purchasing strategy. The Group's climate strategy includes strengthening collaboration with suppliers and conducting more comprehensive assessments of their ESG maturity.

To this end, Coesia has launched a supplier engagement program in partnership with EcoVadis, aimed at raising awareness of ESG issues, mapping potential risks, and supporting suppliers in their improvement efforts. ESG evaluations are now integrated into supplier qualification process, and a dedicated ESG training program is being rolled out for procurement managers. Further measures will be implemented through an enhanced procurement strategy, with the goal of reducing the climate impact of the supply chain.

The following tables outline the key actions undertaken, their expected impact, and related implementation timelines. A primary focus continues to be the ongoing enhancement of GHG emissions data accuracy and quality, ensuring the reliability of Coesia's climate reporting year after year.

Scope 3 Use of Sold Products Action	Description and qualitative effects	Time horizon (short/medium/ long-term)	Metrics to follow up on progress	Resources required (CAPEX/ OPEX or qualitative description)
<b>Customers engagement program</b>	<ul style="list-style-type: none"> <li>• Promote renewable energy in customer base</li> <li>• Electrification of steam production</li> <li>• Program to collect energy data from customers and engage with them to enter into a PPA program/adopt fossil-free energy contracts</li> </ul>	Short to medium term	Average emission intensity of the overall customer demand	Activity will be integrated in the relationship processes with customers
<b>Machine efficiency</b>	R&D and design activities focused on improving energy efficiency (lower energy consumption per unit produced) and reducing the rate of rejected products	Short term	Energy demand of the machines	Resources included in Engineering and R&D Investments



Scope 3 Purchased Goods and Services Action	Description and qualitative effects	Time horizon (short/medium/ long-term)	Metrics to follow up on progress	Resources required (CAPEX/ OPEX or qualitative description)
<b>Green design program</b>	<ul style="list-style-type: none"> <li>• Increase resource efficiency and shift to low-carbon materials</li> <li>• Tool to calculate the GWP of Coesia machines, according to ISO14040/44</li> </ul>	Medium term	CO <sub>2</sub> reduction on material categories  Number of LCA studies	Resources included in Engineering and R&D Investments
<b>Supplier engagement program</b>	<ul style="list-style-type: none"> <li>• Supplier engagement prioritization, determined by a combination of scorecard results and ESG risk assessments</li> <li>• Prioritised suppliers have to disclose their GHG emissions across all 3 scopes and share their GHG data, thus improving data accuracy</li> </ul>	Short term	Coverage of disclosing suppliers  Emissions intensity	€100k/yearly
<b>ESG training for procurement managers</b>	ESG training plan for the Coesia Group's procurement managers, to promote sustainable procurement, thus reducing emissions from purchased goods and services	Short term	Coverage of supplier engagement	Included in the company yearly training program

## Policy, community and employee engagement

### Policy and community engagement

Coesia collaborates with customers and local communities to ensure responsible management of the waste generated by our machines and packaging solutions.

In 2023, Coesia joined EUROOPEN, an international NGO based in Brussels that represents the packaging industry and its value chain and promotes the following objectives:

1. improve continuously the environmental performance of packaging and packaged products throughout the supply chain;
2. promote the role, characteristics and benefits of packaging within all relevant EU policies;
3. create a harmonized policy framework and a functioning EU single market for packaging and packaged products.

This involvement enables Coesia to remain updated on the latest European legislation and regulations, as well as to share crucial knowledge about and guidelines for recycling in the packaging sector.

### Employee engagement

Coesia is actively empowering employees to adopt more sustainable lifestyles during office hours by promoting sustainable mobility and reducing single-use plastic consumption. To support sustainable mobility, several departments have implemented a “bike to work” initiative during the spring and summer months, with plans to extend this program to additional sites.

In countries like Italy, where commuting distances are manageable, employees are incentivized to utilize public transportation or car-sharing options. Additionally, incentives are provided for renting bikes or transitioning to vehicles with lower emissions.

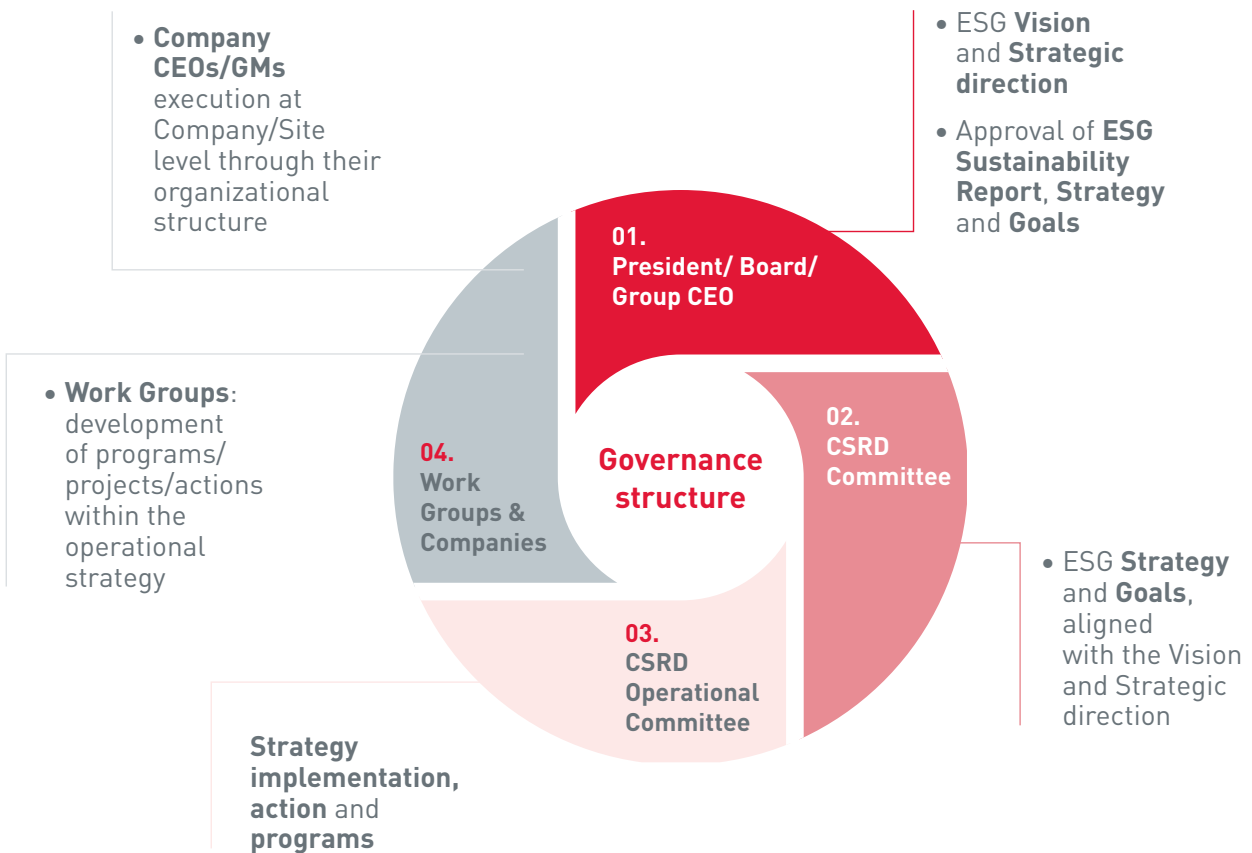


# Accountability & Reporting

## Climate governance and capabilities

Coesia has established a structured and multi-tiered governance model to oversee the development, approval, and implementation of its sustainability and climate transition strategies. This structure ensures strategic alignment across its three Divisions and fosters cross-functional collaboration throughout the organization. Governance of the Climate Transition Plan is embedded within the broader ESG governance framework. Key committees and roles are clearly defined to provide leadership, operational support, and accountability for achieving the Coesia Group's net-zero and sustainability goals.

Coesia's Governance model is outlined in the chart below, followed by a table matrix presenting the different roles and responsibilities. Given the complexity and cross-functional nature of climate transition efforts, it is essential that the individuals involved possess and continuously develop the required knowledge and skills to drive meaningful change.



In short, the below table presents the key roles together with their key responsibilities and competences for ensuring that climate governance is embedded in the organization, with clear responsibilities and regular oversight mechanisms.

	Description	Composition/ members	Role within sustainability and climate governance	Key competencies that deliver the sustainability strategy
<b>President/ Board of Directors/ CEO</b>	The BoD is the highest governing body, after the President, and holds ultimate accountability for the company's sustainability strategy and its alignment with corporate objectives	Isabella Seràgnoli Alessandro Parimbelli Aldo Bisio Francesco Gatti Lorenza Guerra Seràgnoli Maurizio Petta Stefano Proverbio Marcus Weldon	<ul style="list-style-type: none"> <li>• Approves Coesia Group's sustainability reporting, in the annual Sustainability report, CDP reporting and Climate Transition Plan</li> <li>• Validates ESG targets and strategic direction</li> <li>• Oversees sustainability matters, through one delegated member, ensuring that ESG remains a board-level priority</li> <li>• Makes strategic business decisions, factoring in environmental due diligence results and any relevant environmental dependencies, risks, or opportunities</li> </ul>	Understanding of ESG and climate-related disclosures, ability to interpret sustainability risks and opportunities in strategic decisions, awareness of regulatory frameworks (CSRD, etc.)
<b>CSRD Committee</b>	The CSRD committee identifies and proposes sustainability strategies and objectives, ensuring that they are consistent with the values, vision and strategic guidelines of the organization	Group CEO, Business Division CEOs, CFO, General Counsel, HR, Corporate Identity & Communication, Digital Operations, CSRD office and CSRD Secretary	<ul style="list-style-type: none"> <li>• Proposes sustainability strategies and targets</li> <li>• Ensures strategic consistency with the Group's values and vision</li> <li>• Approves decarbonization targets and supports the drafting of the transition plan</li> </ul>	Familiarity with materiality assessments, regulatory frameworks and climate reporting standards (e.g. ESRS, GHG Protocol), as well as the effect of climate risks and opportunities, double materiality, etc.

	Description	Composition / members	Role within sustainability and climate governance	Key competencies that deliver the sustainability strategy
<b>CSRD Operational Coordination Group</b>	The CSRD Operational Coordination team supports the CSRD Committee in implementing strategies by identifying and executing the actions and programs to be carried out across the Group	CSRD Office/ HSE, divisional stakeholders, Sales, Finance, Purchasing, General Counsel, HR, CSR, Facility/Asset Management, Energy Management, Marketing Intelligence & Sustainability, Digital Operations and Manufacturing	<ul style="list-style-type: none"> <li>Ensures timely implementation of actions outlined in Coesia's climate strategy and Climate Transition Plan</li> <li>Translates strategic objectives into actionable programs across Companies and Divisions</li> <li>Meets periodically to review, progress and adjust implementation strategies</li> </ul>	Familiarity with sustainability initiatives, data-driven decision-making capabilities
<b>Thematic Working Groups</b>	Cross-functional working groups focused on developing specific programs/ projects/ actions within the operational strategy	Composition varies according to the topics addressed by the working group, to ensure appropriate expertise and understanding	<ul style="list-style-type: none"> <li>Design and develop dedicated projects or action plans to meet climate and sustainability goals</li> <li>Provide insights from subject-matter experts across business functions</li> </ul>	Subject-matter expertise in sustainability and business areas such as circularity, energy efficiency, logistics, and related fields
<b>Decarbonization Committee</b>	Within the thematic working group, the Decarbonization Committee acts as the technical advisory and implementation arm on decarbonization strategy	Composed of a subset of CSRD Committee members, including CTOs and Engineering teams, Sales, HSE, Facility/Asset Management, Energy Management, Marketing, and Purchasing	<ul style="list-style-type: none"> <li>Develops sector-specific emission reduction pathways and technical guidance</li> <li>Collaborates with engineering teams to ensure climate targets are feasible and grounded in operational realities</li> <li>Supports science-based target setting and technical due diligence</li> </ul>	Technical expertise in emissions accounting and mitigation levers' implementation, lifecycle thinking, alignment with science-based targets methodologies
<b>Company/ Site Representatives</b>	Cross-functional working groups focusing on developing specific programs/ projects/ actions within the operational strategy	They are usually the CEOs and General Managers of the Group's Companies/ sites	<ul style="list-style-type: none"> <li>Oversee the execution of programs at local level through their organizational structures</li> <li>Ensure that division-level and company-level activities are aligned with the Group's strategy</li> </ul>	Foundational knowledge of ESG topics and the ability to translate ESG strategies into actionable local plans

## Ensuring competence:

To ensure and continuously improve competence across the governance framework, Coesia Group has adopted a number of initiatives, such as ESG update meetings and trainings for Board and Executive members on climate risks, regulatory changes and sustainability strategy, CSRD training for CSRD Committee and Operational Coordination members and technical workshops for CSRD Committee and Operational Coordination members focused on reporting standards, net-zero target setting and innovation. Competency development is embedded in the governance system through annual governance reviews, including evaluation of capabilities and identification of skill gaps, performance assessments for committee members tied to ESG and climate goals and onboarding programs for new governance participants, tailored to their role in climate transition.

## Monitoring and reporting

Progress on the implementation of the Climate Transition Plan is monitored through:

- CSRD Committee meetings for strategic planning and review every two months;
- operational reviews by CSRD Operational Coordination Group every one and a half months;
- monthly decarbonization Committee updates, focused on technical milestones and emissions data.

Progress toward climate ambitions is reported annually through the Sustainability Report. Reporting on progress covers target status updates, achievements across all Divisions, any necessary roadmap adjustments, and the CDP disclosure.

## Remuneration and incentives

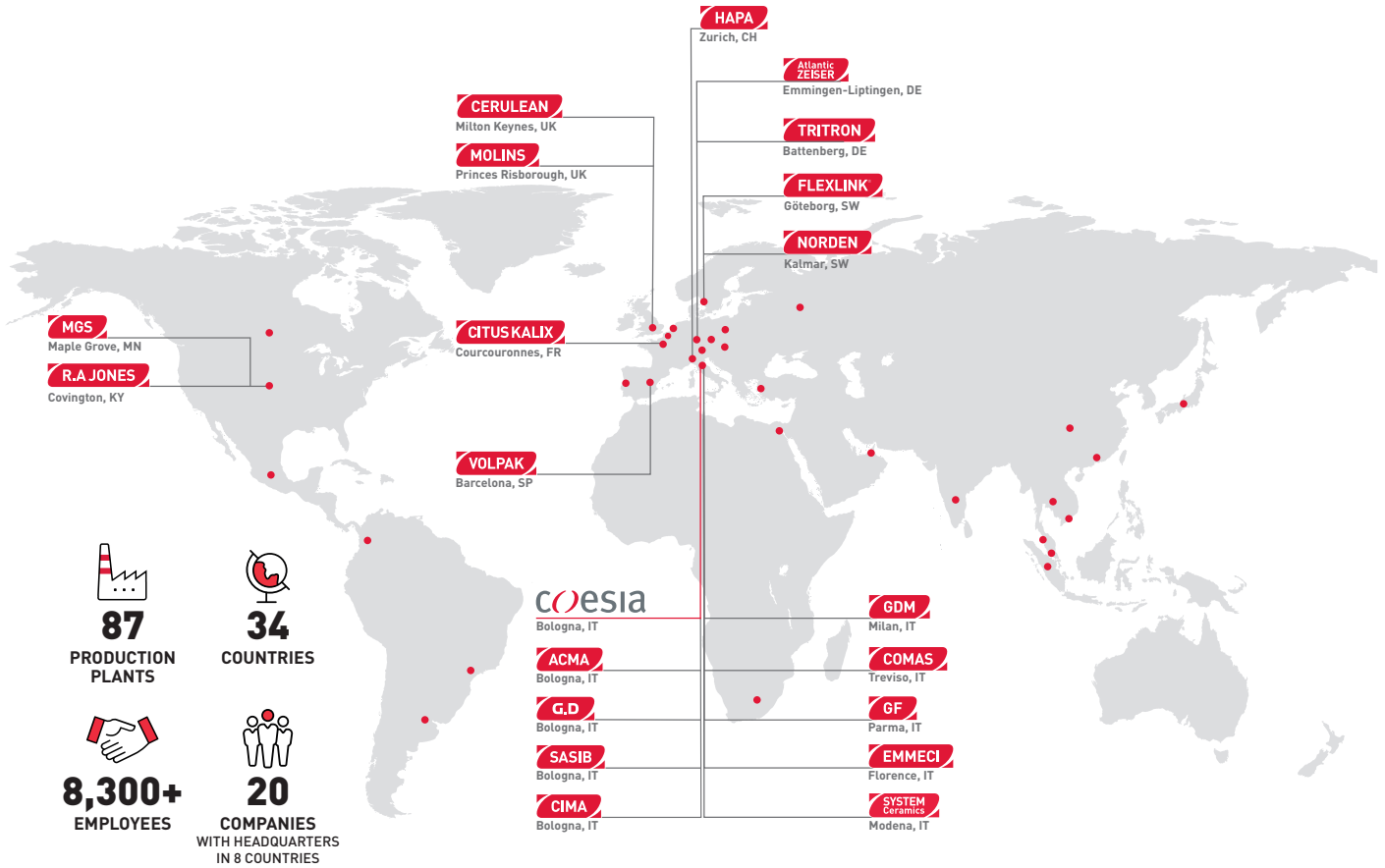
Climate goals are integrated into pay and incentive structures for those roles (e.g. CEO, COO) that can have a relevant impact on the implementation of the climate transition strategy and the achievement of decarbonization targets.

In particular, the level of execution of planned decarbonization actions, along with the achievement of specified ESG maturity rankings (e.g., CDP, EcoVadis), is reflected into executive and managerial compensation, ensuring accountability and supporting climate transition objectives.

The logo for Coesia, featuring the word "ecoesia" in a lowercase, sans-serif font. The "eco" part is in green, and the "esia" part is in black. The "o" in "eco" is stylized with a white outline.

A WORLD OF **SUSTAINABLE** ACTIONS

# Coesia Group in the world



COESIA is a group of innovation-based industrial and packaging solutions companies operating globally, headquartered in Bologna, Italy.

Coesia's companies are leaders in the sectors of:

- **Advanced automated machinery**
- **Industrial process solutions**
- **High-performance transmissions**

Coesia's customers are leading players in a broad range of industries, including Aerospace, Ceramic surfaces, Consumer Goods, Electronics, Energy Storage Systems, Healthcare & Pharma, Luxury Goods, Racing & Automotive, Tobacco.



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