

SUSTAINABILITY REPORT 2024



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To our Stakeholders

To our Stakeholders

CEO Message

ILPEA's 2024 Key Sustainability
Achievements

CEO Message to the Stakeholders



To our Stakeholders

CEO Message to the Stakeholders

ILPEA's 2024 Key Sustainability Achievements

CEO Message to the Stakeholders

Our mission is to design, develop, produce and deliver valuable components for our stakeholders while preserving the environment in which we operate and live.

Product innovation, the replacement of disposable components with recyclable ones, advanced technology across all operations and process efficiency are the keys to operating sustainably in our world.

Therefore, sustainability is fully integrated into ILPEA's strategy.

In response to market dynamics and energy challenges, ILPEA improves its environmental impact by reducing emissions and energy consumption through investments in energy efficiency, heat recovery, process optimization and renewable energy, both purchased and self-generated through photovoltaic systems.

New components must be environmentally friendly, meeting the criteria of circularity and health compliance.

The replacement of thermosetting materials with thermoplastic materials is key to recycling all components at the end of their life, thus minimizing the use of raw materials, which will be preserved for the benefit of future generations and the planet. Strong attention is paid to scrap recycling in our production processes through in-house recovery technologies or by redirecting materials externally as

secondary inputs for other purposes. In this way, in addition to being an environmentally friendly enterprise, we can more easily achieve cost-effectiveness, which is key to winning in the market, together with perfect quality and innovation perceived by our stakeholders.

Looking ahead, ILPEA is committed to maintaining leadership in its core markets by combining industrial performance, technological advancement and sustainability, in order to better meet current market demands, anticipate future developments and generate long-term returns for customers, employees and shareholders.

Paolo Ciffadini
Chairman & C.E.O.



To our Stakeholders

CEO Message

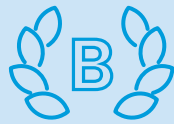
ILPEA's 2024 Key Sustainability
Achievements

ILPEA's 2024 Key Sustainability Achievements



ILPEA's 2024 Key Sustainability Achievements

Governance



Achieved **B Rating** in CDP
(Carbon Disclosure Project)



Awarded **Bronze Medal**
in Global EcoVadis Rating

People



Launched **Group-wide Workplace Satisfaction Survey**, covering all sites

Planet



-30%

Absolute Scope 1-2 CO₂e
emissions vs 2021



-35%

Landfilled waste vs 2021

Product



Advancing replacement of
non-recyclable products with
recyclable alternatives,
increasing the use of post-
industrial and post-consumer
recycled materials



Launched **Global Packaging Program**
to increase packaging
efficiency, reusable
solutions, and CO₂ reduction



57%

of waste recovered and
recycled instead of disposed



-21%

Water withdrawals vs 2021

Achieved

100%

**recyclable
packaging**

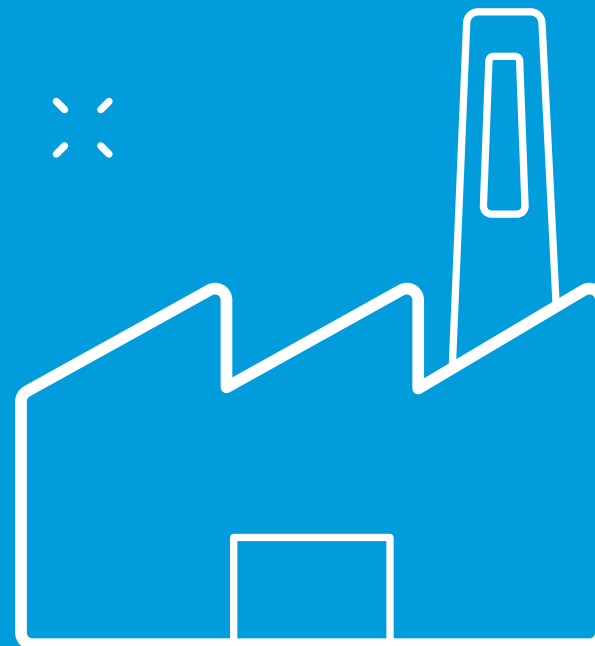
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ILPEA Group Profile



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Company History

Founded in 1960 and headquartered in Malgesso, Italy, ILPEA is a global leader in the design and manufacture of plastic, rubber, and magnetic products serving the home appliance, automotive, and building sectors. Over six decades, the company has expanded worldwide, establishing production sites across Europe, the Americas, Africa, and Asia to ensure proximity to clients, deliver high-quality service, and maintain consistent standards globally.

ILPEA combines precision engineering, innovative design, and sustainability, continuously investing in research and development to advance materials, product design, and manufacturing processes. Our laboratories and engineering teams develop hundreds of new products annually, ensuring rapid time-to-market and robust technical support. The company holds over 300 patents and 10 international trademarks, underscoring its commitment to technological leadership and innovation.

With over 60 years of experience, ILPEA continues to combine technological excellence, customer-focused service, operational agility, and sustainability, remaining the partner of choice for businesses worldwide.

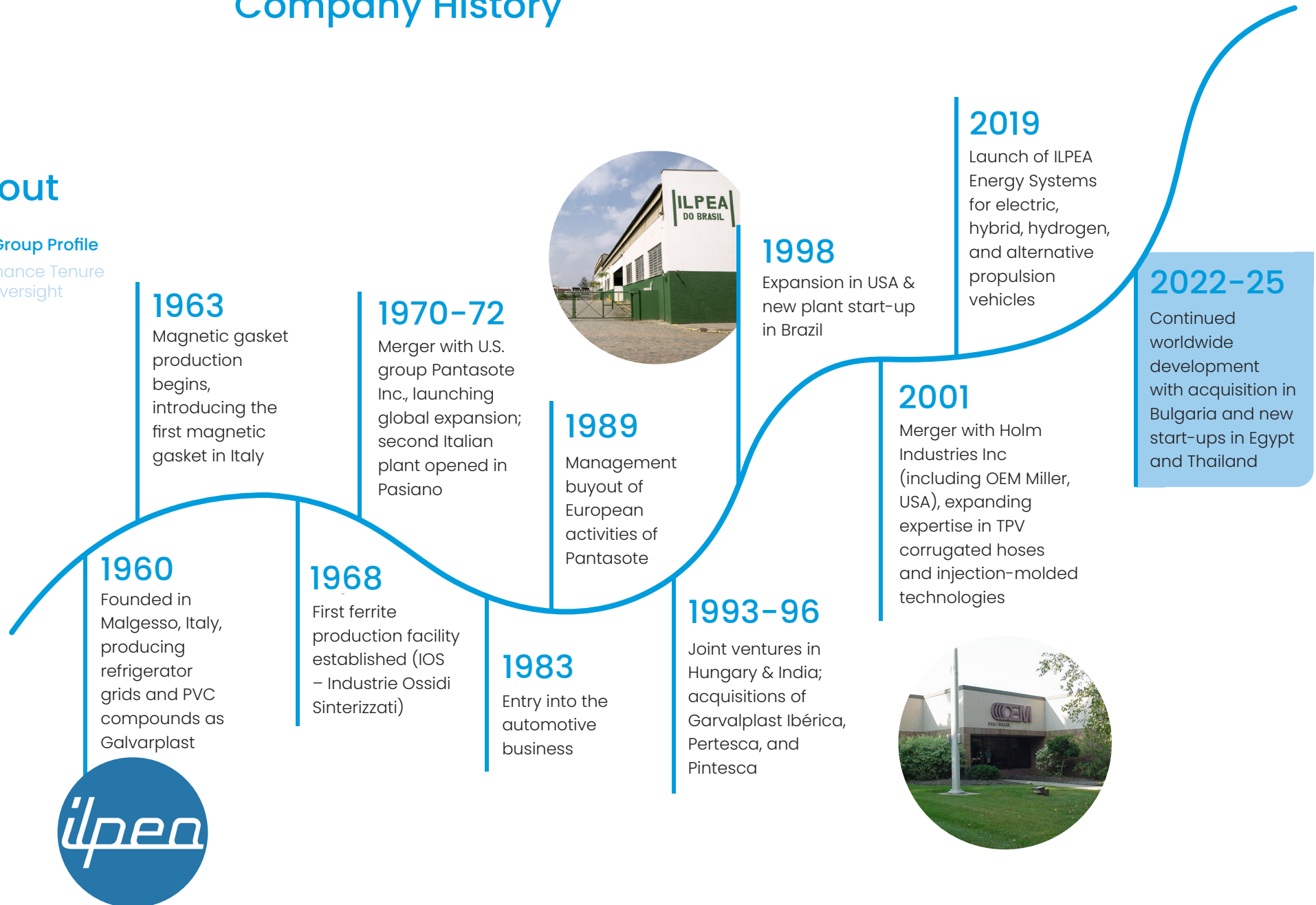


Company History

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Business Model

The company operates through three specialized divisions:

- **Plastic Products Division:** Focuses on extruded and injected components for appliances, automotive, windows & doors, and residential construction. Production spans all ILPEA sites worldwide, ensuring flexible and high-quality output.
- **Rubber Products Division:** Offers technical rubber solutions for automotive, construction, and road infrastructure sectors. Advanced manufacturing technologies include microwave and molten salt vulcanization, injection, and compression molding, with key production hubs in Italy, Poland, and Mexico.
- **Magnetic Products Division:** Produces ferrite-based and flexible magnetic products for industrial and automotive applications. Fully vertically integrated, with production in Italy, Poland, Brazil, and the USA, enabling rapid development from compounds to finished products.

ILPEA's production network is strategically located to provide just-in-time service, optimize logistics, and guarantee consistent quality across continents. The company delivers innovative, high-quality products at competitive costs, combining flexibility, reliability, and a strong focus on sustainability and ethical practices.

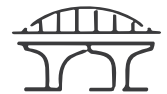
3
markets



household
appliances



automotive



building

About

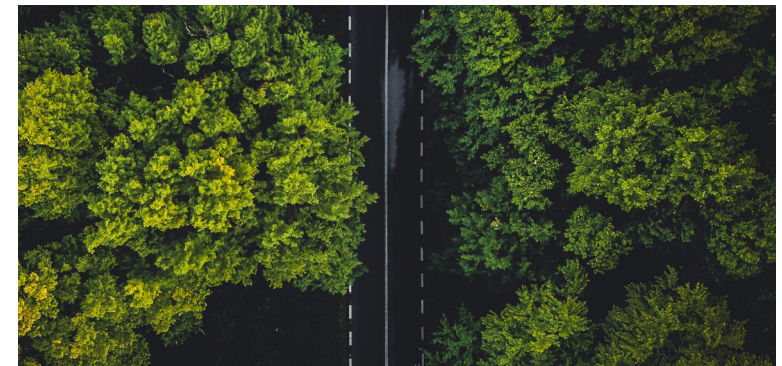
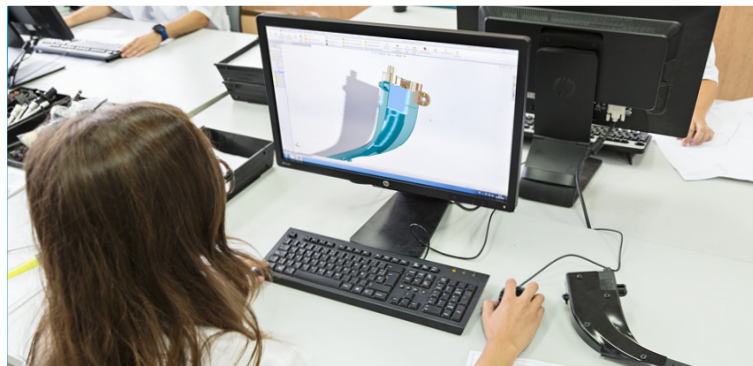
ILPEA Group Profile

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Business Model

Our Values – Guiding Every Decision

- **Innovation:** Continuous innovation drives every project and strategy, transforming complex challenges into high-performance solutions; evidenced by numerous registered patents.
- **Global Reach:** A worldwide presence embraces cultural diversity and collaboration, building lasting, meaningful relationships across all markets.
- **Trust:** Built on transparency, responsiveness, and consistency; ILPEA delivers reliable solutions that clients can always count on.
- **Sustainability:** ESG principles guide decisions; focus on reducing environmental impact, optimizing resources, embracing renewable energy, and investing in people through inclusion, equity, and personal growth.



Organizational Structure

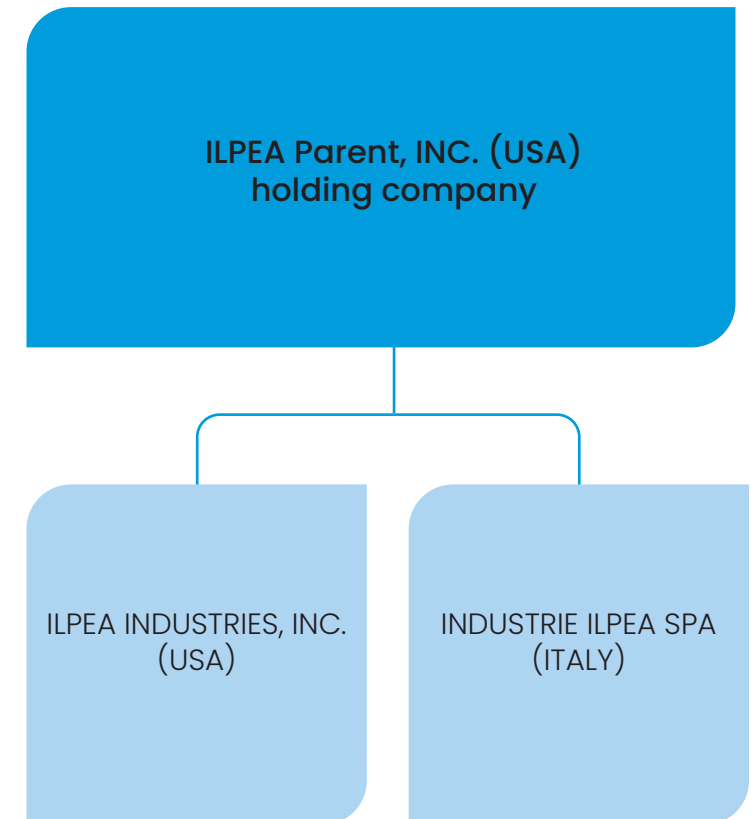
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The ILPEA Group is composed of the parent company ILPEA Parent Inc. and two major holding companies: ILPEA Industries Inc., based in the USA, and Industrie ILPEA SpA, incorporated in Italy. Collectively referred to as “Material Subsidiaries” in this report, these entities oversee a network of subsidiaries across different regions, either directly or indirectly.

In this report, the terms “ILPEA Group” or “ILPEA” refer to all the companies mentioned above, including their respective subsidiaries. When discussing specific aspects related to a particular company or subsidiary, the exact name is used. For more details, please refer to the Methodological Note of this Sustainability Report. As illustrated in the map below, ILPEA operates globally through 32 production plants across 14 countries and 5 continents, with each plant specializing in one or more of the Group’s production lines. This extensive international presence provides significant advantages, allowing ILPEA to maintain close proximity to customers’ production facilities, support efficient and cost-effective delivery, and tailor solutions to meet local market and customer needs, all enabled by a “just-in-time” logistics approach.



Organizational Structure



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Financial Performance

On October 31, 2024, ILPEA Group reported consolidated revenues of approximately 480 millions of euros, showing stable performance compared to 484 millions of euros recorded as of October 31, 2023).¹

The largest share of Euro sales was achieved in the appliance sector, followed by automotive, and then construction.

Overall, this solid financial performance reflects the Group's competitive positioning, built over time through its international footprint, continuous product and process innovation, significant investments in research and development, and the establishment of long-term, strategic partnerships with customers.



The Group's solid financial performance reflects its strong competitive positioning, built over time through its international footprint.

¹ ILPEA's fiscal year ranges from November 1st to October 31st. For further details, please refer to the methodological note.

Sustainability Management

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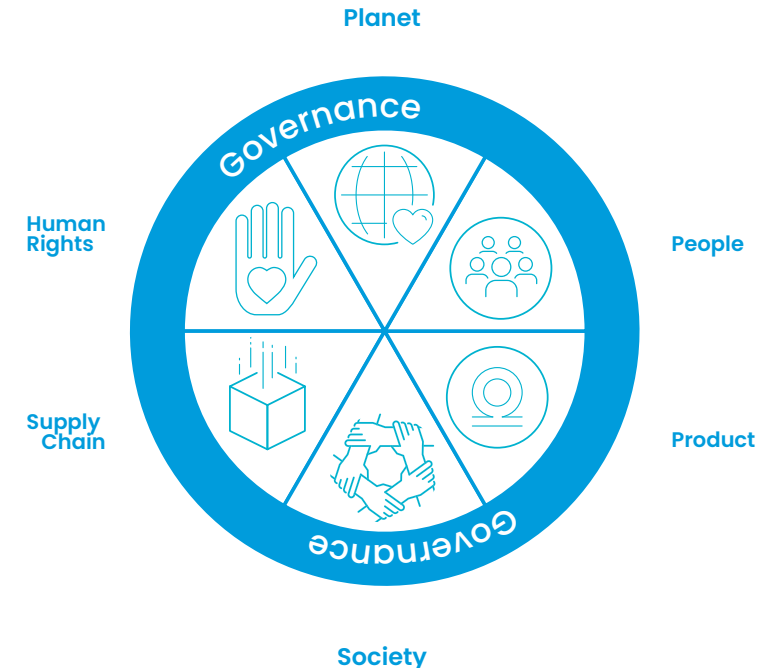
ILPEA's current Sustainability Plan and ESG Strategy, approved by the Board of Directors in 2022, is based on baseline data from 2021. The strategy provides a structured framework for defining key ESG focus areas, setting short-, medium-, and long-term targets, and monitoring the Group's ESG performance on an annual basis.

The ILPEA Group's ESG strategy is fully aligned with the United Nations 2030 Agenda for Sustainable Development, supporting the 17 Sustainable Development Goals (SDGs) aimed at eradicating poverty, reducing inequalities, fostering sustainable economic growth, and addressing climate change. Through this strategy, ILPEA contributes to global sustainability objectives while creating lasting value and ensuring the resilience and continuity of its core operations.

ILPEA's sustainability approach is structured around seven key focus areas, each representing a strategic pillar for advancing its ESG agenda and embedding sustainability into operational, social, and environmental practices across the Group.

• Governance

Establishing robust policies and practices to ensure ethical leadership and accountability in all aspects of the Group's operations.



• Planet

Emphasizing environmental stewardship, resource management, and addressing climate change impacts.

• People

Prioritizing employee well-being, development, and safety.

• Product

Enhancing product quality and innovation.

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Sustainability Management

- **Society**

Engaging with and supporting local communities and customers.

- **Supply Chain**

Ensuring responsible practices throughout the supply chain.

- **Human Rights**

Upholding and promoting human rights across all operations.

ILPEA tracks progress on these focus areas through a set of quantitative and qualitative KPIs, updated annually, allowing the Board of Directors to evaluate performance against the ESG targets and identify areas for continuous improvement.

This structured, data-driven approach ensures that ILPEA integrates sustainability across all operations, maintains technical and operational excellence, and continues to position itself as a responsible global leader in innovation, production, and ESG performance.



The ILPEA Group's ESG Business Strategy aligns with the United Nations' 2030 Agenda for Sustainable Development, which encompasses 17 Sustainable Development Goals (SDGs).

Targets – Governance

Business Ethics & Integrity



target	base year	target year
Publish an updated Code of Ethics	2021	2022
Increase the awareness by training 100% of employees on ILPEA's Code of Ethics	2021	2024
Ensure that all employees know where to find the reporting mechanism, including ESG issues, via whistleblowing email	2021	2025

Data Protection & Cybersecurity



target	base year	target year
Provide annual training on our data protection & cybersecurity practices for 100% of employees who work with our systems (reaching the milestone of 50% by 2023)	2021	2025
Define a set of controls aligned with TISAX (aligned with ISO 27001) at HQ and automotive sites	2021	2024

Targets – Planet

Energy & Emissions



target	base year	target year
Improve energy efficiency at our manufacturing sites, warehouse and offices by 20%	2021	2030
Increase the portion of renewable energy for our operations to 20%	2021	2030
Reduce carbon emissions by 30% (scope 1, 2)	2021	2030
30% of the plants to have a certified environmental management system (ISO 14001)	2021	2025

Climate Change



target	base year	target year
Implement a pilot project to mitigate the effects of climate change	2021	2025

Targets – Planet

Sustainable Logistics



target	base year	target year
Set up a logistics platform and start monitoring transport emissions	2021	2025

Waste Management



target	base year	target year
Reduce the proportion of waste to landfill in all manufacturing sites, warehouse and offices by 10%	2021	2025
Reduce the portion of hazardous waste by 10%	2021	2025
Implement scrap recycling by reaching 90% for magnetic products and 70% for plastic materials	2021	2025

Targets – Planet

Water Management



target	base year	target year
Reduce water withdrawals at our manufacturing sites by 15%	2021	2027
Monitor water discharge at all manufacturing sites, both from qualitative and quantitative perspectives	2021	2027

Targets – People

Diversity, Equity & Inclusion



target	base year	target year
Increase the proportion of women in the first level of management by 10%	2021	2027
100% of employees to have completed a training on diversity, equity, and inclusion	2021	2025

Workplace Health & Safety



target	base year	target year
Zero fatalities and serious accidents in all manufacturing sites	2021	2025
Reduce employee accident frequency rate by 15%	2021	2025

Targets – People

Employee Wellbeing & Engagement



target	base year	target year
Implement an annual engagement survey for the whole ILPEA Group	2021	2025
Reduce the absenteeism (sick level) by 10% vs 2021	2021	2025

Talent Attraction and Development



target	base year	target year
Promote career development programs globally for the whole ILPEA Group	2021	2025

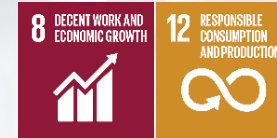
Targets – Product

Circular Economy



target	base year	target year
Implement a pilot project to evaluate relevant circular business models that can be scaled up (e.g. take back scheme of ILPEA products)	2021	2025

Innovation & Sustainable Product Development



target	base year	target year
Promote the replacement of non-recyclable products with recyclable ones (e.g. replacement of rubber with thermoplastic elastomers)	2021	2025

Targets – Product

Sustainable Packaging



target

	base year	target year
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100% of packaging to be reusable, recyclable or compostable	2021	2025
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Targets – Society

Community Impact & Development



target	base year	target year
Introduce the opportunity of taking part to sustainable initiatives for employees / local communities	2021	2025
Partner with schools and universities to attract students in all countries in which ILPEA operates	2021	2025

Targets – Supply Chain

Responsible Sourcing



target	base year	target year
Ensure transparency in mineral and material supply chains from high-risk areas, working toward a conflict-free supply chain	2021	2025
Publish a Supplier Code of Conduct	2021	2025
Supplier Code of Conduct signed by -100% new suppliers -70% current suppliers	2021	2025
Tier 1 suppliers involved in self-assessments including sustainability criteria: -100% new suppliers -70% current suppliers	2021	2025

Targets– Human Rights

Human Rights



target	base year	target year
Publish a Human Rights policy	2021	2022

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Governance Tenure and Oversight



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Corporate Governance

The ILPEA Group has established a robust corporate governance framework designed to ensure effective management, strategic alignment, and sustainable value creation for shareholders and stakeholders.

The governance of ILPEA Parent Inc. is overseen by its Board of Directors, which is responsible for:

- Setting and steering the strategic direction of the Group
- Overseeing corporate performance and operational excellence across all subsidiaries
- Approving key policies and strategic initiatives to drive sustainable growth

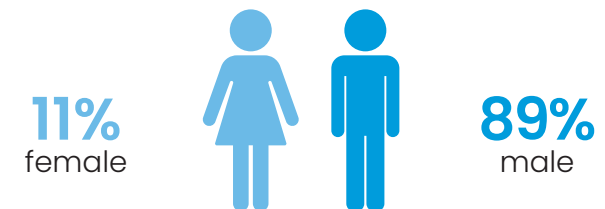
As of October 31, 2024, the Board of Directors of ILPEA Parent comprises 9 members, including the Chairman, who also serves as CEO of the ILPEA Group. The Board includes 7 executive Directors (including the CEO) and 2 non-executive, independent Directors, ensuring a balance between operational oversight and independent judgment.

The Group's two Material Subsidiaries – ILPEA Industries Inc. and Industrie ILPEA S.p.A. – each have a Board of Directors consisting of 9 members. Local subsidiaries are governed by either a Board of Directors or a sole Director, depending on the size, scope, and strategic importance of the entity.

This governance structure provides strong oversight,

strategic guidance, and accountability, enabling ILPEA to maintain operational integrity, transparency, and long-term sustainable performance across all markets and operations.

Composition of the Board of Directors by gender



Members of the highest governance body at ILPEA serve a renewable three-year term, ensuring continuity and periodic renewal of expertise. The ultimate parent company, ILPEA Equity LLC, is responsible for appointing the governance bodies of ILPEA Parent Inc. and its Material Subsidiaries, following a selection and nomination process that emphasizes professionalism, independence, experience, ethics, and diversity.

Where legally required, Group companies are also overseen by Statutory or Surveillance bodies. For example, the Board of Directors of Industrie ILPEA S.p.A. is supported by a Board of Statutory Auditors composed of

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Corporate Governance

three non-executive, independent auditors. Additionally, Industrie ILPEA S.p.A. has established a Supervisory Body ("Organismo di Vigilanza") to monitor adherence to internal conduct codes and manage reports from the Group's Whistleblowing system.

The auditing of ILPEA Group's consolidated financial statements is conducted by KPMG S.p.A., while KPMG S.p.A. audits the statutory and consolidated financial statements of Industrie ILPEA S.p.A., and KPMG LLP USA performs the audit for ILPEA Industries Inc.

ILPEA prioritizes the independence of its governance bodies. Potential conflicts of interest are assessed prior to appointment and on an annual basis or as required, with Board members, Statutory Auditors, and Directors required to periodically disclose any circumstances that could create conflicts. Identified conflicts are promptly addressed and mitigated to maintain integrity and transparency.

The Group's remuneration policy for directors and managers is defined by the Board of Directors. This includes the CEO's remuneration and the framework for the variable pay system, which incorporates Management by Objectives (MBO) targets. Importantly, the MBO system integrates sustainability-related objectives, aligning performance incentives with the Group's ESG priorities.



A Supervisory Body ("Organismo di Vigilanza") has been established to oversee compliance with internal conduct codes and to manage reports submitted through the Group's Whistleblowing system.

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ESG Governance

The Board of Directors of ILPEA Parent Inc. is fully committed to developing and implementing strategies, policies, targets, and activities related to sustainable development. To ensure effective oversight, a Board Member has been designated as the ESG Board Member Delegate, responsible for supervising the progress of the ESG strategy, aligning it with business objectives, and providing regular updates to the Board on key ESG programs and milestones.

The Board actively recognizes both current and potential impacts—positive and negative—on the economy, environment, and society arising from ILPEA's activities and value chain. It is committed to thoroughly evaluating decisions to support the sustainable growth of the Group. The Board regularly reviews the Group's ESG performance, management of sustainability issues, and outcomes of implemented processes, taking into account external requirements, regulatory developments, and stakeholder expectations.

The ESG Delegate provides periodic reports on the progress and status of ESG initiatives, while the Board examines and approves the materiality analysis, prioritizes topics, and assesses their direct and indirect impacts on the economy, environment, and society. Furthermore, the Board is responsible for reviewing and approving the Group's ESG targets and the information disclosed in the Sustainability Report.

At the corporate level, ILPEA has established a dedicated ESG Department that reports directly to the ESG Board Member Delegate and the Board of Directors.

The ESG Department translates the Group's sustainability commitments into actionable initiatives and ensures alignment with business strategy. Its key responsibilities include:

- Setting and endorsing ESG objectives across short-, medium-, and long-term horizons, aligned with the Group's strategic goals
- Translating the ESG strategy into global projects that foster sustainability and business growth across all operations
- Driving environmental and social improvements, while optimizing costs through efficiency, innovation, and circularity projects in collaboration with leaders from all business functions
- Monitoring and assessing ESG performance against established targets, ensuring ongoing progress and regulatory compliance
- Continuously developing and updating ESG policies and initiatives in line with evolving environmental, social, and governance standards
- Coordinating with local facility leaders to implement

ESG Governance

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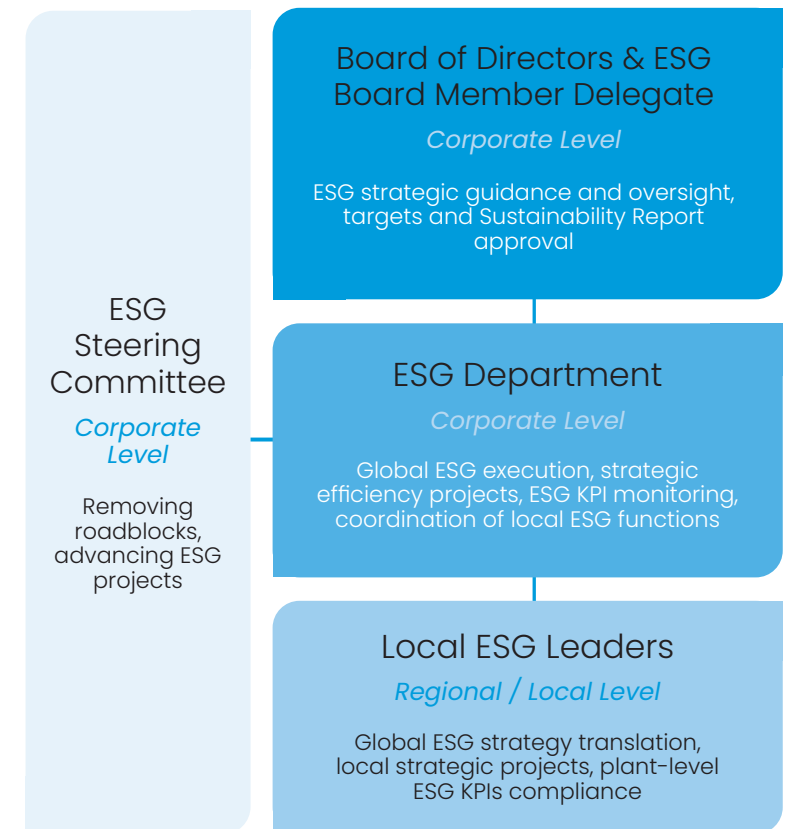
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ESG projects that align with the Group's global strategy responsibilities include:

Supporting this structure, the ESG Steering Committee has been established to ensure effective implementation of sustainability initiatives and to address potential challenges. Comprising C-level executives and senior Board members, including the ESG Board Member Delegate, the Committee acts as a key sponsor of ILPEA's sustainability strategy. It is responsible for identifying and mitigating roadblocks, facilitating the execution of ESG projects, and providing strategic oversight for the ESG roadmap across all global subsidiaries.

At the local level, dedicated ESG team leaders report functionally to the ESG Department and are tasked with translating global sustainability policies into practical local projects. They ensure compliance with sustainability regulations and standards, monitor plant performance and key performance indicators, and provide comprehensive oversight to guarantee that sustainability goals are achieved and continuously improved.

Through this integrated governance structure, ILPEA ensures that sustainability is fully embedded across strategic, operational, and local levels, enabling measurable ESG progress, operational efficiency, and long-term value creation across the Group's global operations.



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Stakeholder Engagement

ILPEA is committed to maintaining a continuous and constructive dialogue with its stakeholders, defined as all parties who influence or are influenced by the Group's activities. The company values these interactions as opportunities to understand stakeholder needs, address concerns, and foster ongoing collaboration.

ILPEA systematically identifies key stakeholders, both internal and external, assessing their expectations and managing relevant issues proactively. This ensures the development of transparent and effective communication channels tailored to each stakeholder group.

Primary Stakeholder Categories

Internal Stakeholders

Employees, trade unions, management, and the Board of Directors

External Stakeholders

Customers, suppliers, contractors, business partners, local communities, regulatory bodies, and financial institutions.

Engagement Approaches

- Employees: Skills development, open communication, feedback collection through surveys, and regular events.
- Trade Unions: Scheduled meetings and collective bargaining to discuss and negotiate labor-related matters.
- Customers: Regular meetings, on-site audits, direct contact with Sales, and email updates to address inquiries and ensure satisfaction.
- Suppliers, Contractors, and Business Partners: Periodic meetings, audits, and ongoing correspondence to maintain compliance and collaboration.
- Local Communities: Sponsorship of local initiatives, partnerships with schools, contributions to community projects, and meetings with local representatives
- Institutions and Authorities: Participation in regulatory meetings to remain informed and compliant with local requirements.
- Financial Community: Surveys and questionnaires to provide transparency on ESG performance, financial health, and sustainability practices.

Stakeholder Engagement

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To enhance transparency and accountability, ILPEA participates in international ESG ratings.

In 2024, the Group received:

- B Rating in the CDP Climate Change Questionnaire
- B Rating in the CDP Water Security Questionnaire
- EcoVadis Assessment: Score of 61/100, earning a Bronze Medal, evaluating environmental impact, labor and human rights, ethics, and sustainable procurement.

Through this structured and multi-faceted approach, ILPEA ensures that stakeholder relationships are effectively managed, ESG performance is transparent, and continuous improvement is fostered across the Group's operations.



Completed the EcoVadis sustainability assessment, receiving a score of 61/100 and a Bronze Medal.



Achieved strong CDP ratings, receiving a B for both Climate Change and Water.

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Risk Assessment

ILPEA conducts regular risk assessments to evaluate compliance with regulatory requirements and assess potential exposures related to legal compliance, anti-competitive practices, corruption, business ethics, and climate- and water-related risks. These assessments aim to understand the likelihood and impact of risks on the Group's operations in both the short and long term. The most recent ESG Risk Assessment was conducted in 2022, identifying the Group's most critical environmental, social, and governance risks. The process involved direct engagement with all ILPEA locations, including surveys completed by key local leaders, ensuring a pragmatic and inclusive approach that reflects the operational realities across the Group.

ESG risk assessments are performed globally across all subsidiaries, while local-level assessments focus on site-specific risks and provide detailed analysis on ESG topics such as workplace safety, environmental impact, and compliance with local regulations.

Following both corporate and local ESG Risk Assessments, ILPEA implements targeted mitigation actions designed to drive continuous improvement. Responsibilities are clearly allocated across internal functions, ensuring that risk management measures are effectively applied across all operations, reinforcing compliance, operational resilience, and sustainable performance.

Business Ethics and Integrity

ILPEA places the highest importance on conducting business with integrity, fairness, and compliance. The principles guiding ILPEA's operations are outlined in the Code of Ethics and associated corporate policies, which form a core part of the Group's governance framework. These policies are applied across all ILPEA companies and global locations.



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Business Ethics and Integrity

The Code of Ethics and related policies are approved by the Board of Directors, communicated through internal networks to all employees, and made publicly accessible to all stakeholders, including clients and suppliers, via the Group's website. The Code provides a comprehensive framework for ethical conduct, setting expectations for both internal personnel and external partners to ensure alignment throughout the value chain.

ILPEA maintains a strict zero-tolerance approach to corruption, as detailed in the Anti-Bribery Policy, which defines measures to prevent, detect, and address bribery and corruption, in compliance with relevant legislation such as the UK Bribery Act and the US Foreign Corrupt Practices Act.

Complementing the Code of Ethics, ILPEA has implemented an Organization, Management, and Control Model to prevent crimes and unethical practices, including structured procedures and controls for risk management. The Supervisory Body (Organismo di Vigilanza) oversees compliance, ensuring adherence to the Model, evaluating its effectiveness, recommending updates or improvements when needed, and monitoring internal control procedures as well as high-risk areas.

The Supervisory Body regularly reports to the Board of Directors and the Board of Statutory Auditors, ensuring continuous oversight and accountability.

Ethics guidelines and policies are disseminated across the Group and implemented at local facilities under global governance.

Since 2023, ILPEA has transitioned from locally managed ethics courses to a global e-learning program on Ethics and Human Rights through the ILPEA Academy, standardizing training across all locations and employees. This initiative aims to strengthen ethical awareness and ensure a consistent global approach.

Employees who received training on ethics and human rights

	2023		2024	
	n.	%	n.	%
Management	103	52%	29	15%
White collars	638	74%	81	9%
Blue collars	1,716	48%	1,180	30%
Total employees	2,457	53%	1,290	26%

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Business Ethics and Integrity

New employees also receive training on the Code of Ethics as part of onboarding.

ILPEA has established a robust whistleblowing system to address suspected unethical behavior. Stakeholders can submit named or anonymous reports via <https://report.ilpea.com/#/>. During the reporting year, five reports were submitted concerning social issues, all of which were resolved. No critical concerns were reported to the highest governance body.

In 2024, ILPEA recorded zero confirmed incidents of corruption and no legal actions related to anti-competitive behavior, anti-trust, or monopoly legislation. Minor cases of non-compliance with laws or regulations were limited to safety and environmental matters at Brazilian sites and are being promptly addressed at the facility level, with no significant financial impacts.

- Achieved
- WIP
- Not yet begun
- Behind schedule

Business Ethics & Integrity



	base year	target year	status 2024
Publish an updated Code of Ethics <i>Status 2024:</i> <i>Code of Ethics updated and approved by the Board of Directors in December 2022.</i>	2021	2022	●
Increase the awareness by training 100% of employees on ILPEA's Code of Ethics <i>Status 2024:</i> <i>Launched in FY 2023, ILPEA's global training program on the Code of Ethics is on track to be fully completed by all employees by the end of FY 2025, ensuring 100% participation.</i>	2021	2025	●
Ensure that all employees know where to find the reporting mechanism, including ESG issues, via whistleblowing email <i>Status 2024:</i> <i>Implemented communication initiatives and training sessions on whistleblowing.</i>	2021	2025	●

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Data Protection and Cybersecurity

ILPEA upholds a comprehensive Privacy Policy that defines the principles for the protection, collection, processing, management, and storage of personal data. This policy complies with all relevant regulations, including the General Data Protection Regulation (EU 2016/679 – GDPR), ensuring the safeguarding of individual rights and privacy.

To maintain robust data protection, ILPEA implements the following measures:

- All new activities or processes involving personal data undergo thorough assessments to evaluate security measures and identify potential risks.
- A defined privacy organizational structure assigns specific roles and responsibilities to authorized personnel managing personal data.
- Periodic training is provided to all staff involved in data handling to reinforce privacy protocols.
- Comprehensive security measures, including procedures and countermeasures, are in place to prevent unauthorized access, use, modification, or disclosure of personal data. A formal data breach procedure is established to respond effectively to any incidents.

All employees are expected to handle confidential information responsibly and ensure the security of their devices, including PCs, laptops, and workstations. ILPEA actively manages cybersecurity risks through the

implementation of dedicated policies and procedures, deployment of robust IT systems such as web filters and security software, and ongoing training to raise awareness among personnel. Governance measures, including annual supervision, internal audits, and third-party vulnerability assessments, further support the effectiveness and resilience of the company's cybersecurity framework.

In 2024, ILPEA received no complaints regarding data breaches or privacy violations from external parties or regulatory authorities, and no incidents of data breaches, leaks, or thefts of personal data were reported.

Furthermore, ILPEA is committed to maintaining robust information security management systems and has reinforced these practices through the achievement of TISAX certifications, which have been obtained at ILPEA locations in Spain, Brazil, and Poland. These certifications demonstrate the company's adherence to internationally recognized standards for data protection, cybersecurity, and the secure handling of sensitive information across its global operations.



Trusted Information Security
Assessment Exchange

Data Protection and Cybersecurity

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ILPEA Group Profile
Governance Tenure
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Data Protection & Cybersecurity



	base year	target year	status 2024
Provide annual training on our data protection & cybersecurity practices for 100% of employees who work with our systems (reaching the milestone of 50% by 2023) <i>Status 2024:</i> <i>Started development of global training on Data Protection and Cybersecurity.</i>	2021	2025	●
Define a set of controls aligned with TISAX (aligned with ISO 27001) at HQ and automotive sites <i>Status 2024:</i> <i>TISAX Certifications obtained in Spain, Brazil and Poland.</i>	2021	2024	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Energy, Emissions and Climate Change

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ILPEA is committed to reducing its environmental impact by minimizing CO₂ emissions through energy efficiency in direct processes and by addressing emissions in indirect processes such as raw materials and logistics. This approach is fully aligned with the Group's strategy to lower greenhouse gas (GHG) emissions and achieve long-term decarbonization goals.

The Group is actively implementing measures to mitigate environmental impact across procurement, production, and distribution. Dedicated engineering teams work in synergy with both corporate and production functions, supported by targeted CAPEX investments aimed at achieving ESG objectives, including energy consumption reduction and associated CO₂ emission decreases. Key initiatives include:

- **Energy Efficiency Improvements:** Optimization of production equipment, conversion of motors to more efficient AC systems, installation of variable frequency drives (VFDs) on compressors, automatic shutdown of idle machinery, and reuse of recovered process heat for manufacturing or heating purposes.
- **Renewable Energy Integration:** Expansion of renewable energy use, including solar installations and other sustainable energy sources.
- **Fleet and Equipment Optimization:** Transition to electric

or hybrid corporate vehicles and forklifts, implementation of energy-efficient heating solutions, and LED lighting upgrades with motion sensors.

- **Monitoring and Process Controls:** Installation of energy meters, monitoring energy consumption per product, and adoption of process control systems to minimize waste and improve operational efficiency.

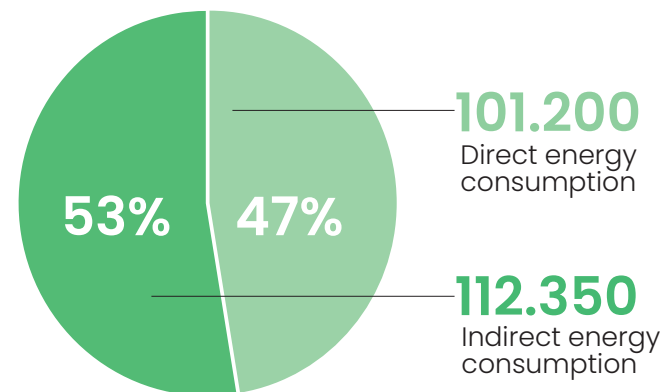


Through these measures, ILPEA addresses both direct and indirect energy consumption in a structured and systematic way, supporting the Group's long-term decarbonization targets and measurable GHG emission reductions.

Energy, Emissions and Climate Change

In the current reporting period, total energy consumption amounts to 213,550 MWh, whereby 101,200 MWh refer to directly consumed energy both from non-renewable sources and company owned vehicles, specifically from natural gas, petrol, diesel, and LPG, and from internally produced renewable energy, and the remaining amount, precisely 112,350 MWh, to indirect energy consumption,

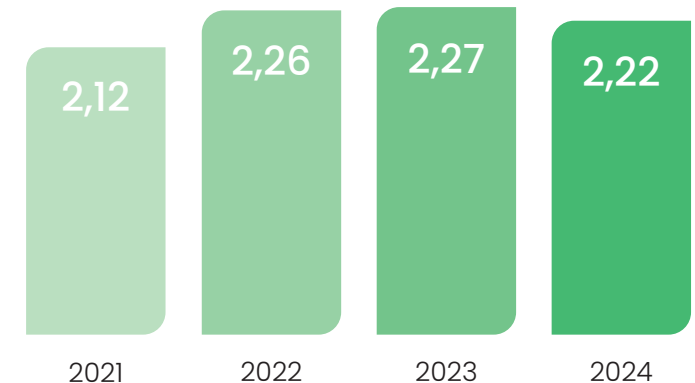
Energy Consumption - 2024 (MWh, %)



deriving from electricity.

Energy consumption has decreased by 17% compared to the 2021 baseline values, dropping from 255,722 MWh to 213,550 MWh. This demonstrates the effectiveness of the

Energy Intensity -2021 to 2024 (MWh/tons of product sold)



company's ongoing investments in energy efficiency. Energy intensity amounts to 2.22 MWh/tons of product sold (compared to 2.12 MWh/tons of product sold in 2021). This indicates a stable performance, although some variability and accuracy in the product mix data may influence the normalized indicators.

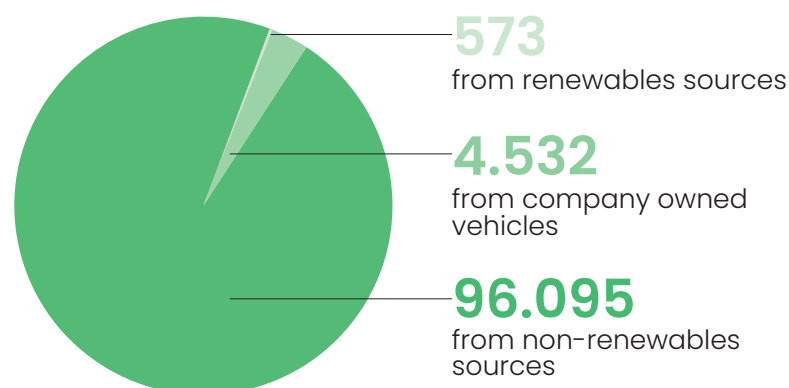
Renewable energy refers to the energy, internally produced by the photovoltaic panels that are present in two of ILPEA's plants, specifically Malgesso in Italy and Polinya in Spain. During the 2024 reporting period, these solar panels have generated renewable energy for a total value of 572,801 kWh, the majority of which (568,630 kWh) has been produced in Malgesso, where additional photovoltaic

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Energy, Emissions and Climate Change

Direct Energy Consumption - 2024 (MWh)



capacity was installed during the reporting year. During the reporting year, the directly consumed energy generated Scope 1 emissions, which amounted to approximately 18,807 tCO₂e, of which 17,787 tCO₂e from non-renewable sources and the remaining portion, 1,020 tCO₂e, from company-owned vehicles.

Conversely, Scope 2 emissions², location-based and market-based, for the whole Group were equal to respectively 43,204 tCO₂e and 35,748 tCO₂e (44,903 tCO₂e and 51,112 tCO₂e in 2022).

Absolute total CO₂ emissions have decreased by 30%

compared to the 2021 baseline values, dropping from 78,468 tons to 54,556 tons. This highlights the positive impact of the company's ongoing initiatives to reduce its carbon footprint.

Carbon intensity amounts to 0.57 tCO₂e/tons of product sold, showing a significant reduction compared to the 2021 baseline. This improvement is mainly attributable to energy efficiency measures and to the increased share of renewable energy in the company's energy mix, sourced through renewable energy suppliers and on-site photovoltaic generation.

Direct (Scope 1) GHG Emissions

	2021	2022	2023	2024
From non-renewable sources	23,450	22,965	20,023	17,787
Natural gas	22,583	22,172	19,178	16,826
Diesel	28	50	26	30
LPG	839	744	819	931
From company owned vehicles	891	912	990	1,020
Petrol	463	462	520	536
Diesel	389	382	363	333
LPG	39	67	107	152
Total Scope 1 Emissions	24,341	23,877	21,012	18,807

² The sources of conversion and emission factors used for the emissions calculations are DEFRA and, where applicable, emission factors provided directly by local energy suppliers.

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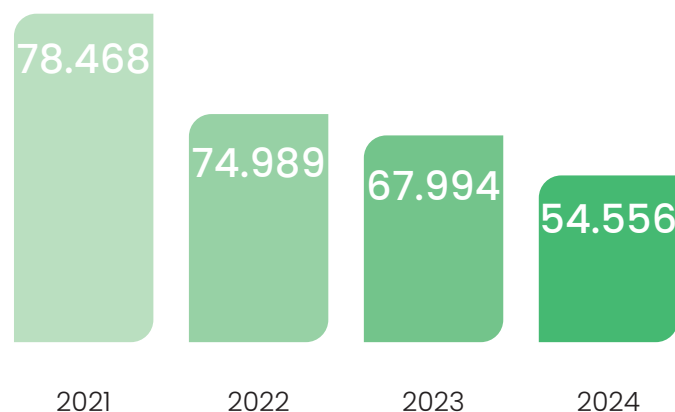
Indirect (Scope 2) GHG Emissions tCO₂e

	2021	2022	2023	2024
Total Scope 2 emissions				
- location based	48,927	44,903	41,643	43,204
Total Scope 2 emissions				
- market based	54,127	51,112	46,981	35,749

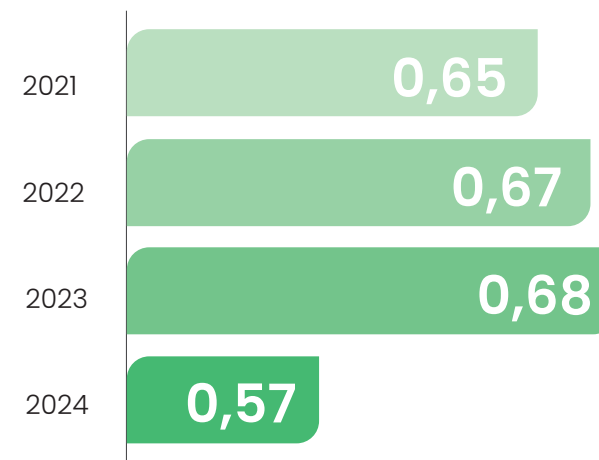
Total Direct (Scope 1) and Indirect (Scope 2) GHG emissions³	78,468	74,989	67,994	54,556
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³ Scope 2 emissions with the market-based method.

Direct (Scope 1) & Indirect (Scope 2) GHG emissions – 2021 to 2024 (tCO₂e)



GHG Emissions Intensity – 2021 to 2024 (tCO₂e/tons of product sold)



With ILPEA's growing expertise in greenhouse gas (GHG) accounting, the Company has recognized that a significant share of emissions originates from activities across its value chain, beyond those included in Scope 1 and Scope 2 reporting. Accordingly, ILPEA calculates its Scope 3 emissions in line with the GHG Protocol, covering all indirect emissions from upstream activities (related to purchased or acquired goods and services) and downstream activities (related to goods and services sold).

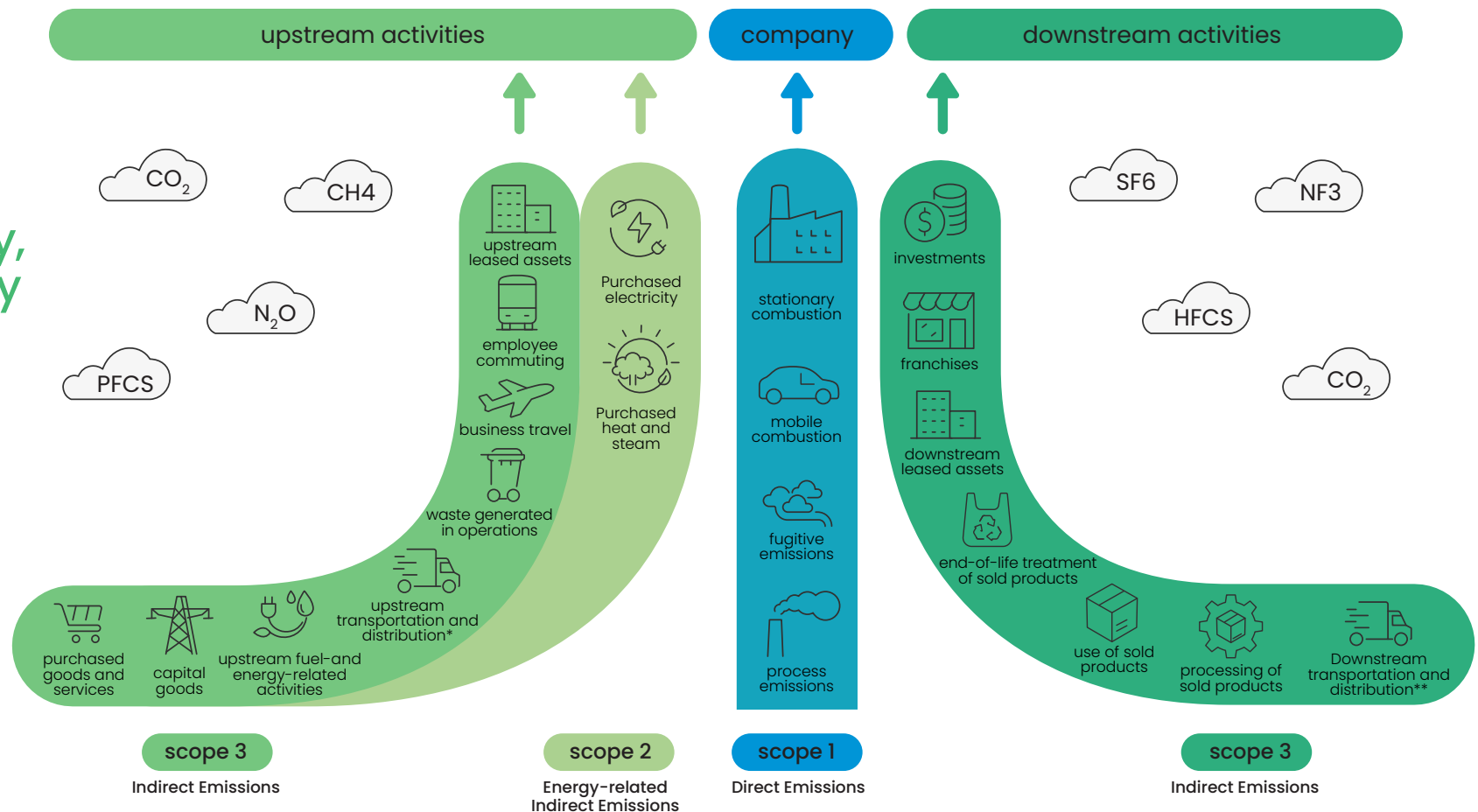
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ILPEA has established a structured process to analyze all potential Scope 3 emission sources, focusing on tracking and monitoring the most relevant categories that have the greatest impact on the Group's overall carbon footprint.



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The three Scope 3 categories identified as most relevant and impactful for the Group's total carbon footprint are:

Category 1: Purchased Goods and Services

Category 3: Fuel- and Energy-Related Activities

Category 4: Upstream Transportation and Distribution

This prioritization is based on a comprehensive mapping and analysis of all Scope 3 categories, taking into account the Group's specific operational profile and fully aligned with the GHG Protocol guidance for Scope 3 emissions assessment.

For the fiscal year 2024, the Group's total Scope 3 emissions amounted to 178,003 tCO₂e, slightly higher than the 170,524 tCO₂e recorded in the previous year. This increase is primarily attributable to a rise in raw material procurement (Category 1: Purchased Goods and Services), while emissions in other categories, such as Category 3: Fuel- and Energy-Related Activities and Category 4: Upstream Transportation and Distribution, decreased.

Scope 3 emissions – 2024 (tCO₂e)

160.980

Purchased Goods and Services

8.702

Fuel- and Energy-Related Activities

8.321

Upstream Transportation

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Energy, Emissions and Climate Change

2024 Highlights

• Italy – Orcenico:

Energy efficiency initiatives included the installation of LED lighting, replacement of the industrial boiler with a more efficient model, introduction of hot air barriers at forklift entrances to reduce heat loss, and optimization of steam and high-pressure piping throughout the plant.

• Italy – Malgesso:

Furnace upgrades were carried out to improve energy efficiency and overall productivity.

• Turkey – Manisa, Velimese, Eskisehir:

The Turkey plants implemented measures to enhance energy efficiency and ESG management. At Manisa, extruder lines were optimized, idle grinders automatically shut down, and air leak detection protocols were introduced. At Velimese, extruder motors were converted from DC to AC, significantly reducing electricity consumption, the main contributor to carbon emissions.

• Spain – Polinyà & Aoiz:

Waste heat recovery initiatives and installation of high-efficiency pumps and insulated curtains were implemented to reduce energy consumption in production processes.

• Morocco – Tangier:

Energy conservation measures included automatic shutdown of non-essential equipment during non-working hours, LED lighting upgrades, installation of presence detectors, and ongoing energy audits to identify further improvement opportunities.

• Mexico – Monterrey, Celaya, Ciudad Juárez:

Transitioned all Mexican plants to 100% renewable electricity, contributing to sustainable energy sourcing and a reduction of the overall carbon footprint.

• Poland – Twardogóra:

Installation of a heat recovery system on the compressor reduced natural gas consumption for heating halls, offices, and social areas

• United States:

Multiple sites upgraded operational efficiency through maintenance of HVAC systems, LED lighting, automated splicing cells with infrared heater bars, transitioning from DC to AC motors, installing Variable Frequency Drives on air compressors, and replacing gas forklifts with electric ones.

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Progress Towards Targets

Business Ethics & Integrity



	base year	target year	status 2024
Improve energy efficiency at our manufacturing sites, warehouses, and offices by 20% <i>Status 2024:</i> <i>Continue directing CAPEX investments toward energy efficiency projects.</i>	2021	2030	●
Increase the proportion of renewable energy for our operations to 20% <i>Status 2024:</i> <i>Continue self-generating renewable energy. Analysis for purchasing renewable energy is ongoing.</i>	2021	2030	●
Reduce carbon emissions by 30% (scope 1, 2) <i>Status 2024:</i> <i>CO2 reduction is directly linked to the actions outlined above.</i>	2021	2030	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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	base year	target year	status 2024
30% of the plants to have a certified environmental management system (ISO 14001) <i>Status 2024:</i> <i>Target exceeded, moving from 6% to 40% of sites ISO 14001 certified in 2023.</i>	2021	2025	●

Climate Change



	base year	target year	status 2024
Implement a pilot project to mitigate the effects of climate change <i>Status 2024:</i> <i>Photovoltaic systems installed at the Polinyà plant (ES) and Malgesso plant (IT).</i>	2021	2025	●

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Sustainable Logistics

A key aspect of ILPEA's sustainable development strategy, which significantly affects Scope 3 emissions, is logistics. The Group's logistics function is managed both at the HQ level, which coordinates group-wide logistics activities, and at the local level, where site-based logistics teams handle daily operations.

ILPEA's Just-in-Time (JIT) service ensures efficiency and reliability through the strategic positioning of plants close to key customers. This proximity reduces transportation costs, enables fast JIT deliveries, and allows for quick adaptation of components and services to specific customer needs, ensuring timely and personalized deliveries. Continuous monitoring and immediate feedback enhance production accuracy, reduce defects, and facilitate the introduction of new products or variants through lean and flexible processes.

The Group actively works to minimize the environmental impact of goods distribution by sea, air, and land, in collaboration with its suppliers. By strategically locating production facilities near customers' manufacturing plants, ILPEA achieves multiple benefits, including:

- Lowest freight cost
- Just-in-time deliveries
- Reduced CO₂ emissions from transportation

These measures, combined with continuous monitoring and collaboration with suppliers, allow ILPEA to optimize

logistics efficiency while minimizing the environmental impact of transportation across its value chain.

2024 Highlights

• HQ – Transportation Management:

The Transportation Management System (TMS) is being upgraded to integrate, by the end of 2025, CO₂ emissions calculations for each transport and product moved, enabling full incorporation of local CO₂ data into global logistics management tools.

• Europe:

A portion of over-the-road freight is increasingly being converted to intermodal transportation, with Green Certificates ensuring transparent tracking of environmental performance and CO₂ savings.

Sustainable Logistics

Progress Towards Targets

Sustainable Logistics



	base year	target year	status 2024
Set up a logistics platform and start monitoring transport emissions <i>Status 2024:</i> <i>TMS Platform went live in 2023; CO2 calculations integration in progress.</i>	2021	2025	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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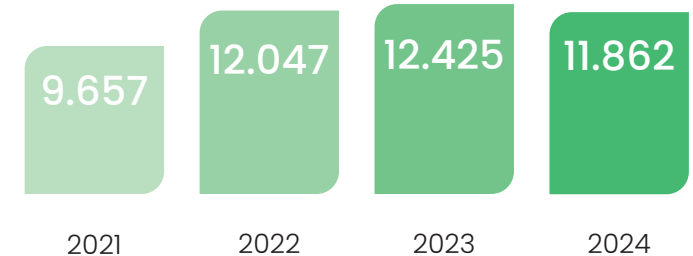
Waste Management

ILPEA promotes a production and consumption model focused on reuse and recycling, extending product life cycles, reducing waste, and minimizing environmental impacts. ILPEA treats both hazardous and non-hazardous waste; while hazardous waste consists primarily of contaminated materials, lubricant filters, electronic waste, oil, and containers containing hazardous substances, non-hazardous waste refers to plastic, cardboard, wooden, PVC, metal, rubber, and magnetic strip waste. Where possible, the company favors the recovery of the materials rather than the disposal of industrial waste.

Where feasible, ILPEA prioritizes material recovery over disposal, implementing recycling processes to return materials to their original use ("preparation for reuse"). PVC and magnetic scrap are also processed internally, ensuring that valuable materials are recovered within the production cycle rather than disposed of as waste.

ILPEA emphasizes employee awareness and engagement through targeted training on proper waste segregation, the introduction of dedicated recycling bins, and tailored communication campaigns to promote separate waste collection across all sites. During 2024, the Group generated approximately 11,862 tons of waste, of which 88% as non-hazardous waste and the remaining amount as hazardous waste.

Waste generated - 2021 to 2024 (tons)



As far as waste recovery and disposal is concerned, during the reporting period, ILPEA recovered 6,785 tons of generated waste, and disposed 5,077 tons, mainly through landfilling and incineration. Dynamic changes in production processes over the years have resulted in an increase in hazardous waste generation, rising from 5% in 2021 to 12% in 2024.



Waste Management

Waste generated (t)	2021	2022	2023	2024
Hazardous Waste	517	1,080	1,290	1,414
Non-Hazardous Waste	9,140	10,967	11,135	10,448
Total Waste	9,657	12,047	12,425	11,862

Waste diverted from disposal RECOVERED (t)	2021	2022	2023	2024
Hazardous Waste	15	546	1,061	892
Non-Hazardous Waste	3,600	5,035	6,114	5,893
Total Waste	3,615	5,581	7,175	6,785

Waste directed to disposal DISPOSED (t)	2021	2022	2023	2024
Hazardous Waste	502	533	229	522
Non-Hazardous Waste	5,540	5,933	5,021	4,555
Total Waste	6,042	6,466	5,250	5,077

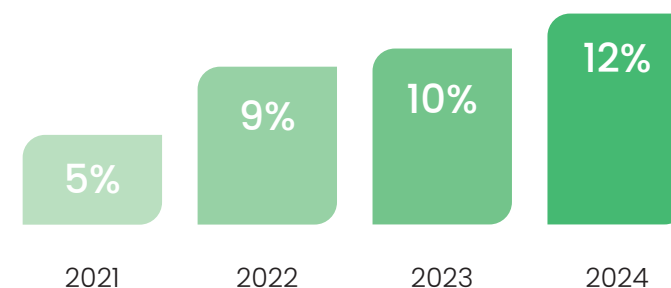
Compared to the 2021 baseline, ILPEA is making progress toward its target of reducing the proportion of waste sent to landfill. Since 2021, this proportion of waste sent to landfill has decreased by approximately 35%, dropping from 58% to 38%.

This improvement is attributed to the numerous initiatives implemented at the plant level to enhance waste separation and the identification of new partners for recycling rather than disposal.

As illustrated by the data, the recovery rates consistently exceed 50% and are steadily increasing.

This trend underscores ILPEA's commitment to enhancing waste recycling practices, significantly improving the reduction of virgin raw material waste.

Hazardous Waste - 2021 to 2024 (%)



Waste recovery
rates consistently
exceed

50%

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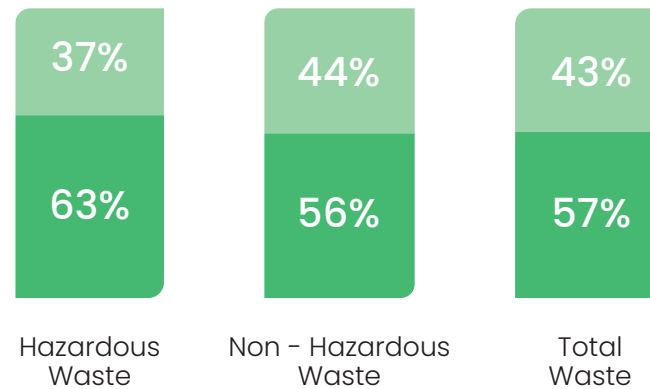
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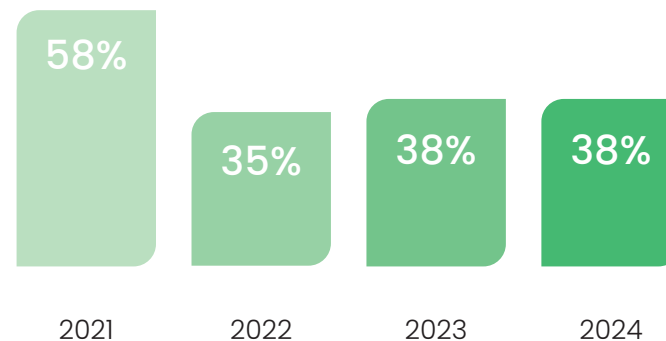
Waste Management

2024 Recovery and Disposal Rates (%)

- Waste directed to disposal - DISPOSED
- Waste diverted from disposal - RECOVERED



Waste to landfill - 2021 to 2024 (%)



2024 Highlights

• Italy - Malgesso & Orcenico:

Waste sent to disposal has been reduced through the use of recycling facilities for materials such as PP, PE, and packaging. Waste sorting has been enhanced with dedicated containers for industrial plastics and compactors to reduce volume. Wooden pallets in good condition are resold to suppliers, supporting recycling and the circular economy.

• Mexico - Celaya:

Plastic films and bags are segregated for recycling. Chemical usage is controlled to minimize waste, and consumables are optimized. Centralized management of personal protective equipment supports reuse and waste reduction.

• Turkey - Manisa, Velimese & Eskisehir:

All plants have obtained Zero Waste certification. Employees receive comprehensive training on waste segregation. Initiatives include donation of surplus meals to support local communities and continuous environmental audits to ensure compliance with Group standards.

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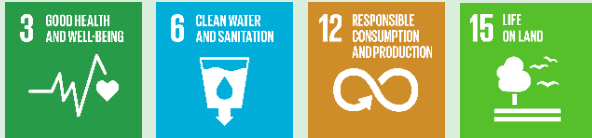
Waste Management

- South Africa – Ishitebe:**
PVC scrap and magnetic strips are systematically recovered and reused. Cardboard and plastic are collected for resale or recycling. Employee engagement programs promote the reuse of materials and reduce disposal volumes.
- Brazil – Joinville:** Production scrap is either reprocessed or sold as raw material. Disposable cups were replaced with reusable alternatives, and paper consumption in administrative processes has been reduced. Optimized scrap suction from production lines enhances recycling rates while improving workplace safety.
- United States:** At several facilities, production scrap is re-ground for internal use or sold to external processors. Cardboard, paper, aluminum, plastics, and waste oil are systematically recycled. Pallets are reused where possible. The introduction of returnable packaging and targeted process improvements have further reduced material waste and enhanced environmental performance.

- Achieved
- WIP
- Not yet begun
- Behind schedule

Progress Towards Targets

Waste Management



	base year	target year	status 2024
Reduce the proportion of waste to landfill in all manufacturing sites, warehouses, and offices by 10% <i>Status 2024:</i> In 2024, achieved a 35% reduction in landfill waste.	2021	2025	Achieved
Reduce the proportion of hazardous waste by 10% <i>Status 2024:</i> Proportions increased due to additional production processes compared to the 2021 baseline. Continuous analysis and actions are being implemented to reduce hazardous waste generation.	2021	2025	WIP
Implement scrap recycling by reaching 90% for magnetic products and 70% for plastic materials <i>Status 2024:</i> Target achieved through internal recycling of industrial scraps from all production processes and subsidiaries (e.g., reprocessed PVC scraps, ferrous materials, etc.).	2021	2025	Achieved

Water Management

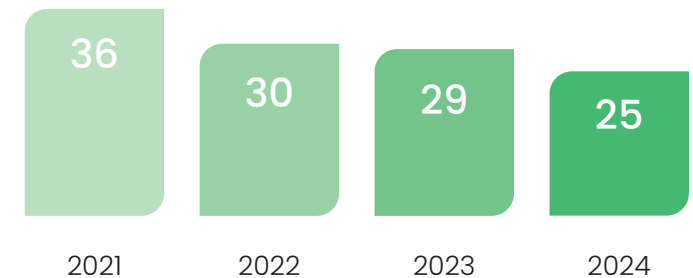
ILPEA recognizes the environmental impact of its production activities and the critical importance of water resources across all industrial processes. This awareness is particularly relevant in the context of climate change, including increased risks of drought and desertification, and the dependence of operational sites on local water sources.

Water for operational sites is sourced from surface water (rivers), groundwater, and local water service providers. Wherever feasible, internal water reuse and recycling practices are implemented, with particular focus on plants located in water-stressed regions.

During 2024, water consumption amounted to around 25 megaliters, whereby water withdrawals, under the form of fresh surface water, ground water and water derived from a third party, were equal to 853 megaliters and water discharges, mainly fresh water, and third-party water, reached 828 megaliters.

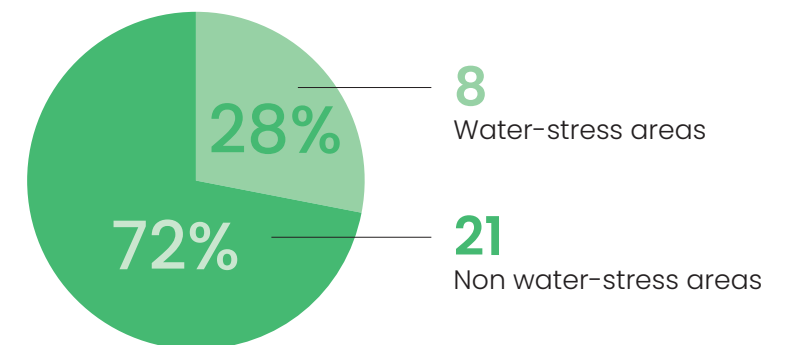
ILPEA continues to focus on strategic investments to enhance water efficiency, aiming to reduce withdrawals, especially in sites with higher water usage and regions experiencing water stress.

Water Consumption - 2021 to 2024 (ML)



Among the total 853 megaliters of water withdrawals, 38 megaliters, representing 4%, come from water-stress areas. Approximately 8 production plants across the ILPEA Group are located in these Regions. Water stress identification and evaluation are conducted using the Aqeduct Global Water Risk Atlas (WRI).

ILPEA plants in regions with water scarcity (n.; %)

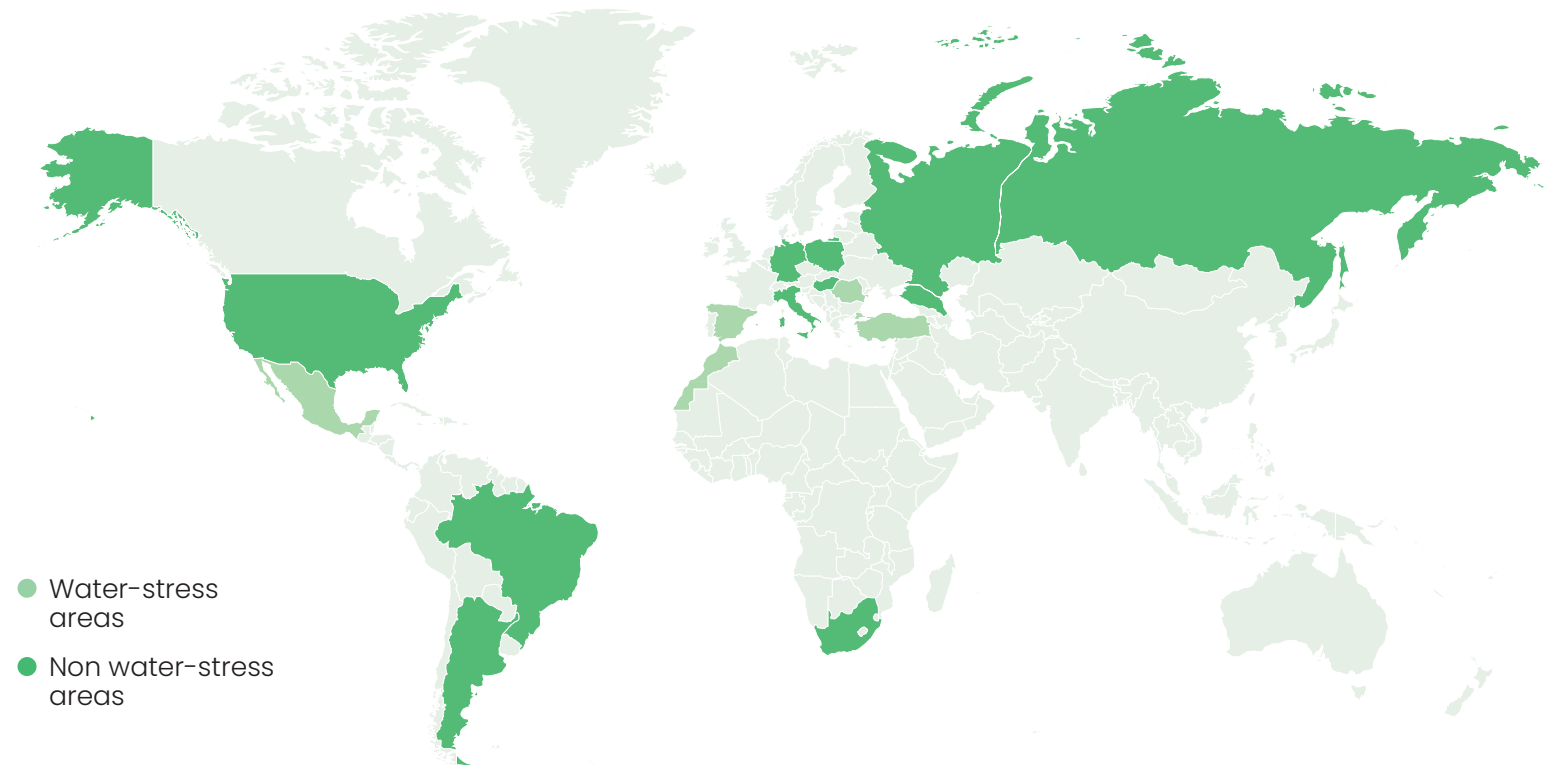


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Water Management

ILPEA plants in regions with water scarcity



ILPEA Plants in water-stress areas:

- | | |
|----------------------|--------------------------|
| 1. Polinyà, Spain | 5. Tanger, Marocco |
| 2. Eskisehir, Turkey | 6. Celaya, Mexico |
| 3. Manisa, Turkey | 7. Monterrey, Mexico |
| 4. Pitesti, Romania | 8. Ciudad Juárez, Mexico |

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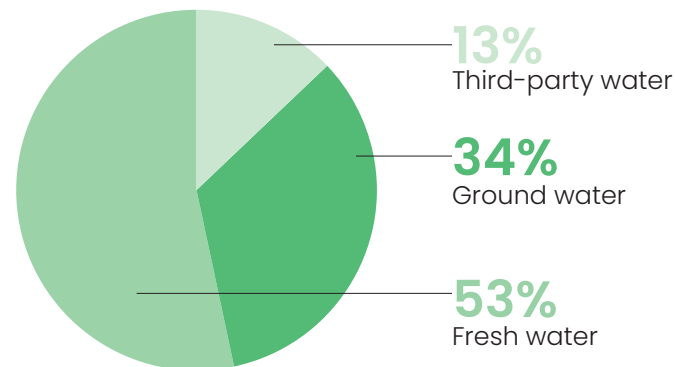
Water Management

The Group's water withdrawals relate primarily to the production process and to sanitation. Indeed, for production processes, water is mainly used for cooling systems. Closed-water cooling systems are mainly used, thus reducing water withdrawals and minimizing wastewater.

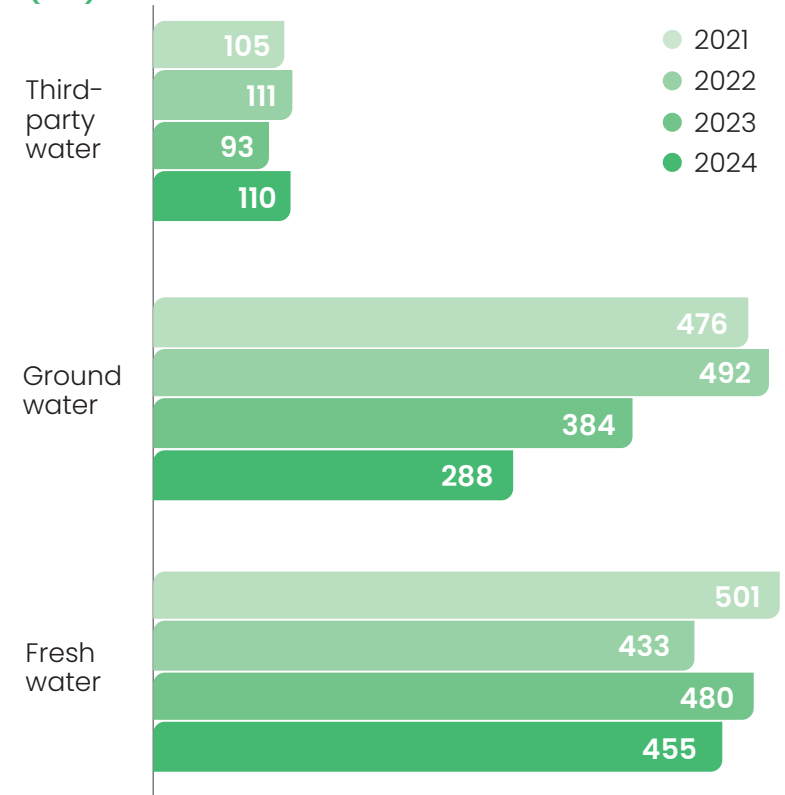
In terms of water withdrawals, the Group primarily withdraws:

- Fresh water (455 ML in 2024);
- Ground water (288 ML in 2024);
- Third-party water (110 ML in 2024)

2024 Water withdrawals by source (%)



Water withdrawals by source - 2021 to 2024 (ML)



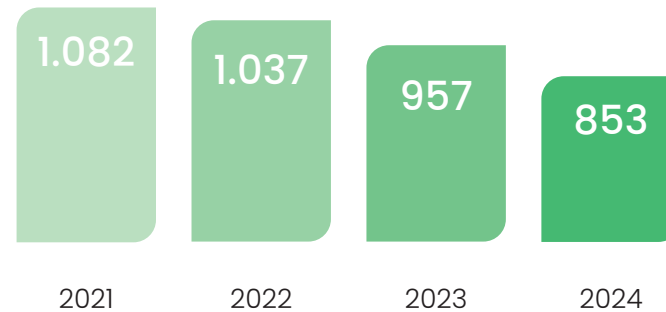
Compared to the 2021 baseline of 1,082 megaliters, water withdrawals decreased to 853 megaliters in 2024, representing a 21% reduction. Water intensity amounts to 8.88 m³/ton of product sold, in line with the improvement in water efficiency recorded compared to the 2021 baseline.

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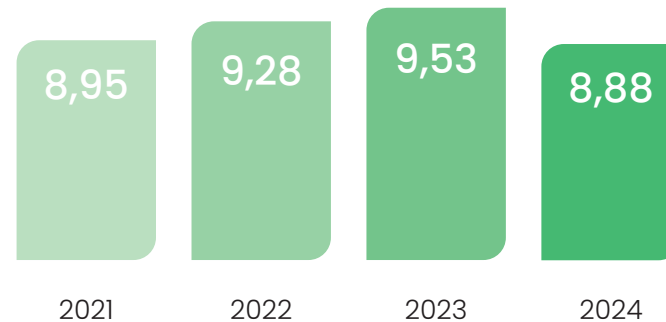
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Water Management

Water Withdrawals – 2021 to 2024 (ML)



Water Intensity – 2021 to 2024 (m³/tons of product sold)



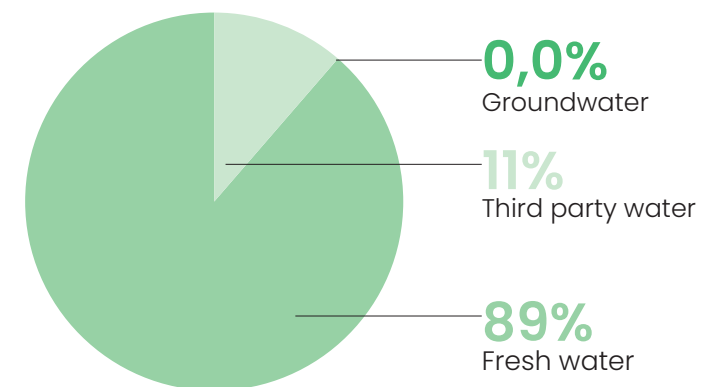
Water is discharged in adherence to relevant regulatory standards at both national and local levels. Water discharges are constantly monitored, both internally, by the designated department, and externally, by external laboratories or appropriate regulatory body.

This monitoring ensures that water quality indicators are strictly maintained within the legal limits. As a result, water undergoes primary, secondary or tertiary treatment before being discharged in the public sewage or into the natural environment.

All the plants, in compliance with the legal requirements, perform periodic checks to verify the absence of contamination.

In the current reporting period, the Group recorded water discharges equal to approximately 828 megaliters, with 35 megaliters discharged to water-risk areas. This represents a significant improvement compared to the baseline of 1.046 megaliters in 2021, indicating a notable enhancement in water performance.

2024 Water discharges by source (ML)



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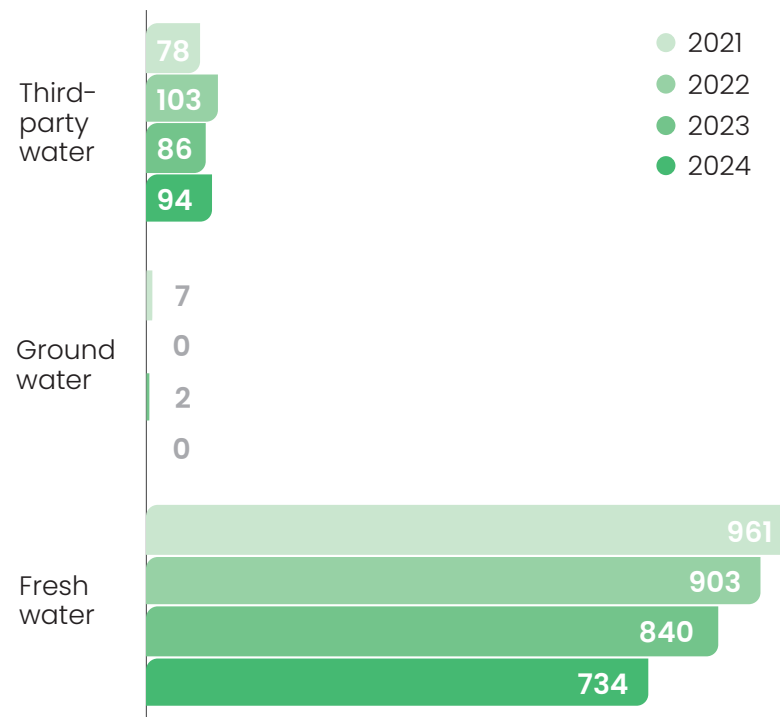
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Water Management

21%

water
withdrawals
reduction

Water discharges by source – 2021 to 2024 (ML)



2024 Highlights

• Brazil – Joinville, Jundiá & Maracanaú:

At Joinville, rainwater harvesting and reuse in production processes reduced reliance on purchased water by over 50%. Across the three plants, water consumption is monitored through hydrometers, leaks are promptly detected and repaired, and employees receive regular training to promote water conservation.

• South Africa – Ishitebe:

Periodic maintenance of cooling system filters and repair of leaking taps, combined with external water collection for reuse, contributed to significant water savings.

• Mexico – Celaya:

Water efficiency measures include installation of smaller cisterns, dual-flush systems, flow reducers, preventive maintenance to avoid leaks, and recirculation of process water. Employee awareness campaigns complement these initiatives.

• Hungary – Jászberény:

Central water filter systems for cooling circuits reduced overall water usage in production.

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Water Management

• **United States:**
Closed-loop water circuits for chilled water cooling, timely repair of leaks, sensor-based faucets, and preventive maintenance of chillers and boilers ensure efficient water use across production lines.



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- Achieved
- WIP
- Not yet begun
- Behind schedule

Progress Towards Targets

Water Management



	base year	target year	status 2024
Reduce water withdrawals at our manufacturing sites by 15%	2021	2027	●
<i>Status 2024:</i> In 2024, water withdrawals was reduced by 21%, marking continued progress toward the target.			
Monitor water discharge at all manufacturing sites, both from qualitative and quantitative perspectives	2021	2027	●
<i>Status 2024:</i> All wastewater discharges are monitored either through internal analysis or by third-party sewerage authorities.			

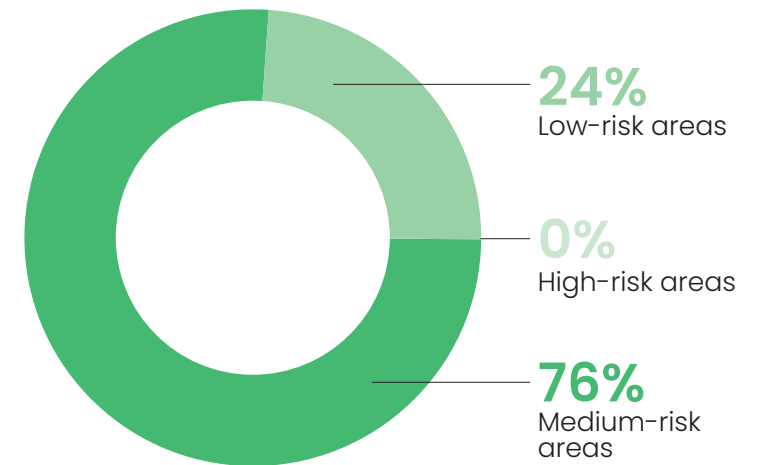
Biodiversity

ILPEA acknowledges the critical importance of protecting biodiversity and surrounding ecosystems. The interaction between business activities and biodiversity can generate physical, regulatory, and reputational risks, as well as potential environmental impacts. To address this, ILPEA conducts regular global biodiversity risk assessments using the WWF Biodiversity Risk Filter.

The assessment maps all operational sites and evaluates their proximity to areas at risk of biodiversity loss or to protected areas important for species and ecosystem conservation. This process reinforces ILPEA's commitment to preserving biodiversity throughout its operations, helping to prevent species loss and ecosystem degradation.

The latest assessment indicates that none of ILPEA's sites are located in high-risk areas; 76% are in medium-risk areas, and 24% are in low-risk areas.

ILPEA plants in Biodiversity Risk Areas



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ILPEA's plants are located in high-risk areas.

Product

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Product Quality and Safety

ILPEA integrates in-house tool design, advanced process automation, and ongoing R&D activities to ensure reliable and high-performing production of plastic and rubber components. Each component undergoes verification through the Group's Quality Assurance System, which confirms compliance with all material and product specifications.

The Group prioritizes long-term business relationships by working closely with customers throughout the development cycle—from early feasibility evaluations to industrialization. This approach supports the alignment of technical expectations and facilitates improvements in both products and services. ILPEA also ensures transparency by providing access to chemical composition information through appropriate communication channels, such as dedicated sections of corporate websites.

In 2024, no cases of non-compliance with applicable product health and safety regulations or voluntary standards were recorded. This outcome reflects the Group's ongoing monitoring of product-related impacts and its adherence to national and international safety requirements.

Suppliers are expected to comply with ILPEA's quality and safety criteria as defined in the Quality Assurance Agreement. Through close collaboration, the Group

encourages suppliers to adopt zero-defect principles and pursue continuous improvements in quality and productivity.

A corporate management system aligned with automotive industry requirements supports this framework, operating in conformity with ISO 9001:2015 and IATF 16949:2016 standards.

Ensuring the safety of raw materials is a key element of ILPEA's product stewardship. All substances used in production comply with relevant international regulations, including the Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC and REACH requirements, with specific focus on substances of very high concern (SVHC). Suppliers are equally required to meet these standards. All substances and raw materials, except tin stabilizers used in rigid PVC, are conflict-mineral-free, and materials intended for food-contact applications comply with applicable regulations.



Product Quality and Safety

The Group maintains systematic oversight of the health and safety characteristics of its products and the substances employed. This includes the preparation and management of safety data sheets through dedicated software, while the R&D department verifies compliance with current regulations and monitors potential issues related to material safety.



0

reported incidents
of non-compliance
with health and
safety regulations

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Innovation & Sustainable Product Development

ILPEA Group advances its sustainability strategy, emphasizing the role of its products in improving environmental performance.

At ILPEA, innovation starts with materials. The Group develops and produces plastic, rubber, and magnetic compounds, combining advanced technology with decades of expertise to deliver high-performance, sustainable solutions for the automotive, appliance, and building industries.

Plastic Compounds: Primarily based on PVC, TPE-V, and TPE-S, these compounds are produced on multiple compounding lines to meet both technical and aesthetic requirements. They provide flexibility, durability, and customization for applications such as refrigerator gaskets, automotive seals, and washing machine bellows.

Rubber Compounds: Formulated from high-performance elastomers such as EPDM, NBR, SBR, and NR, these compounds are suitable for injection, compression, and extrusion processes. They offer excellent sealing, insulation, and vibration resistance, ensuring reliability in demanding conditions.

Magnetic Compounds & Ferrite Powder: ILPEA's magnetic compounds, based on Barium or Strontium Ferrite, provide strong magnetic performance, precise

dimensions, and long-term stability. These materials are essential for innovative magnetic and sealing systems. ILPEA also produces ferrite powder internally, which serves as the base for its magnetic compounds.

Developing innovative and sustainable solutions is central to ILPEA's strategy and reinforces its industry leadership. By offering high-quality, environmentally responsible products, ILPEA aims to:

- Extend product lifecycles
- Enhance recyclability
- Reduce environmental impact through energy-efficient, lightweight, and durable solutions
- Enable materials to be reused as secondary raw materials at the end of their lifecycle



Life-cycle assessments (LCAs) are conducted to measure the environmental impact of products from production to disposal. The Group actively promotes a circular economy, encouraging reuse, repair, refurbishment, and recycling, moving away from the traditional "take, make, dispose" approach.

Innovation & Sustainable Product Development

ILPEA consistently invests in R&D, focusing on new materials, sustainable compounds, product innovation, and advanced manufacturing techniques. The Group integrates product and machine engineering to develop a wide range of solutions each year.

ILPEA also owns an extensive intellectual property portfolio, including over 300 patents and several registered trademarks worldwide. Key trademarks include:

- ILPEA, ILPEAFLEX, ILPEALINK: associated with thermoplastic elastomer compounds based on SEBS (TPE) and EPDM/PP (TPV), used in industrial applications across home appliances, automotive, and building & construction sectors.
- ILPEASKIN, ISOSKIN: associated with synthetic leather interior coverings (PVC and TPE) for automotive applications.

This portfolio highlights ILPEA's commitment to innovation, supporting the development of sustainable, high-performance, and technically advanced solutions across multiple industries.



+300 patents and
several registered
trademarks

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Innovation & Sustainable Product Development

Applications by sector:

- **Home Appliances:** Key products include refrigerator gaskets, washing machine seals, bellows, and other functional components. They are designed for durability, optimal sealing, and reliable performance. These components help minimize energy consumption, extend product lifecycles, and support recyclability and sustainable material use.
- **Automotive:** Key products include profiles, seals, and fluid handling systems designed for flexibility, chemical resistance, durability, and recyclability. These components contribute to lightweight, energy-efficient vehicle design, ensure reliable performance, and support the use of recyclable materials and sustainable manufacturing practices.
- **Building & Industrial Applications:** Key products include magnetic gaskets for doors, oxygen barrier hoses for heating systems, seismic insulators, seals, and tubes. They are designed for reliability, long service life, safety, and energy efficiency. These components enhance thermal and acoustic insulation, maintain performance under demanding conditions, and support durable, low-maintenance, and sustainable operation.

Advanced manufacturing processes include extrusion, co-extrusion, welding, microwave or salt-bath vulcanization, injection, and compression molding, ensuring high-quality, customized, and technically robust

solutions. These processes ensure excellent performance for both external applications (e.g., windshields, door/window seals) and internal components (e.g., water and fluid lines).

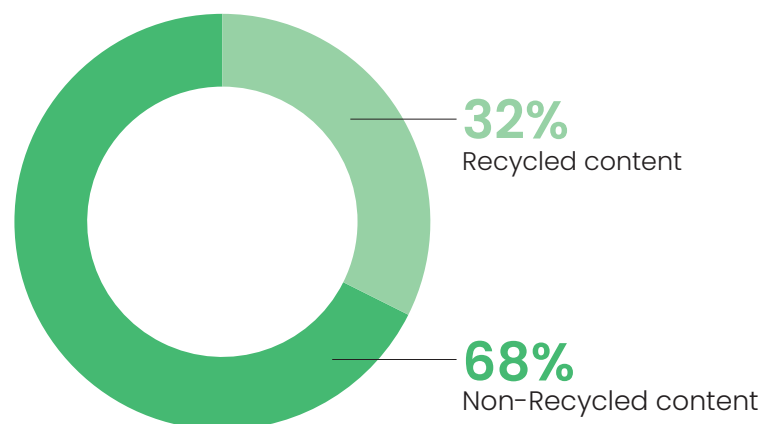
During the reporting period, ILPEA used approximately 99,000 tonnes of materials, with 32% sourced from recycled content. Renewable materials sourced from non-fossil origins, including cardboard, wood for packaging, and natural rubber, accounted for 5% of total materials. The use of post-industrial recycled materials such as iron oxide highlights the Group's commitment to resource efficiency and responsible sourcing.

ILPEA also participates in EU collaborative innovation projects, including the PASSENGER project (Pilot Action for Securing a Sustainable European Next Generation of Efficient RE-free Magnets). This project aims to reduce Europe's reliance on rare earth elements by developing high-performance ferrite materials from local sources, supporting low-carbon mobility and sustainable technologies.

Through continuous investment in R&D, sustainable material selection, and advanced manufacturing techniques, ILPEA ensures its products are technically robust, environmentally responsible, and aligned with circular, energy-efficient, and low-impact solutions across all sectors.

Innovation & Sustainable Product Development

Materials Sourced from Recycled Content (t; %)



Progress Towards Targets

Circular Economy



	base year	target year	status 2024
Implement a pilot project to evaluate relevant circular business models that can be scaled up (e.g., take back scheme of ILPEA products)	2021	2025	●
<i>Status 2024:</i> Pilot products have been developed using post-industrial recycled EPDM rubber (e.g., spacers for automotive applications), transforming materials that would otherwise be discarded as waste into valuable, reusable inputs.			

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Innovation & Sustainable Product Development

Progress Towards Targets

Innovation & Sustainable Product Development



	base year	target year	status 2024
Promote the replacement of non-recyclable products with recyclable ones (e.g. replacement of rubber with thermoplastic elastomers) <i>Status 2024:</i> <i>Pilot projects have been initiated for household appliance products using recyclable materials to replace non-recyclable ones. Specifically, TPE is being used instead of EPDM, improving the recyclability and sustainability of these components.</i>	2021	2025	●

- Achieved
- WIP
- Not yet begun
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Sustainable Packaging

ILPEA uses wood, paper, cardboard, metal cages, and plastic for both deliveries to final customers and intercompany transfers.

The Group promotes sustainable packaging through several key initiatives:

- **Maximizing Returnable Packaging:** Priority is given to reducing single-use materials by replacing cardboard boxes with reusable solutions such as metal cages, wooden crates, and plastic containers.
- **Use of Recycled Materials:** Incorporating recycled cardboard to decrease reliance on virgin materials.
- **Collaborative Development of Sustainable Packaging Solutions:** Partnering to design packaging that optimizes material use, reduces materials wherever possible through standardized technical specifications, ensures secure product containment, and lowers overall packaging requirements.

During the reporting period, ILPEA achieved 100% recyclable packaging.

100% recyclable
packaging

2024 Highlights

• HQ- Global Packaging Program (GPP):

In 2024, ILPEA launched the Global Packaging Program (GPP), coordinated by the ESG team in Brazil together with a global task force and regional leaders. The program is designed to optimize and standardize packaging practices across all ILPEA sites. It focuses on increasing the use of reusable packaging, improving standardization, reducing material consumption, and lowering CO2 emissions. Beyond environmental benefits, the initiative also enhances operational efficiency, generates cost savings, and ensures consistent performance across the Group.

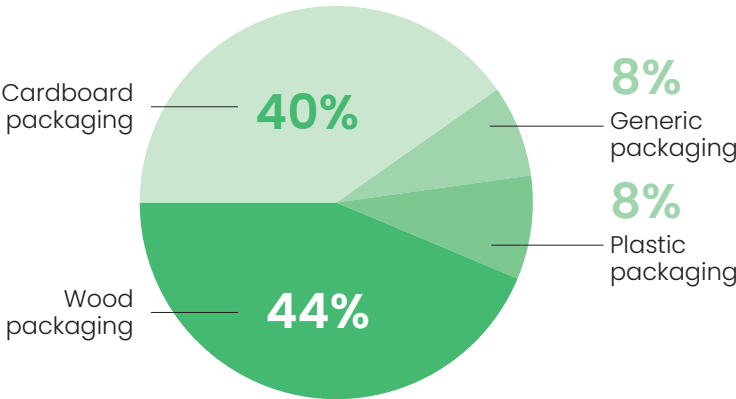


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Sustainable Packaging

Packaging materials used by weight (purchased) (t;%)



Progress Towards Targets

Sustainable Packaging



	base year	target year	status 2024
100% of packaging to be reusable, recyclable or compostable	2021	2025	
Status 2024: In 2024, 100% of the packaging was recyclable.			

- Achieved
- WIP
- Not yet begun
- Behind schedule

People

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Diversity, Equity, and Inclusion

As of October 31, 2024, the ILPEA Group employed 5,012 people across its global operations. The workforce is organized into three main professional categories:

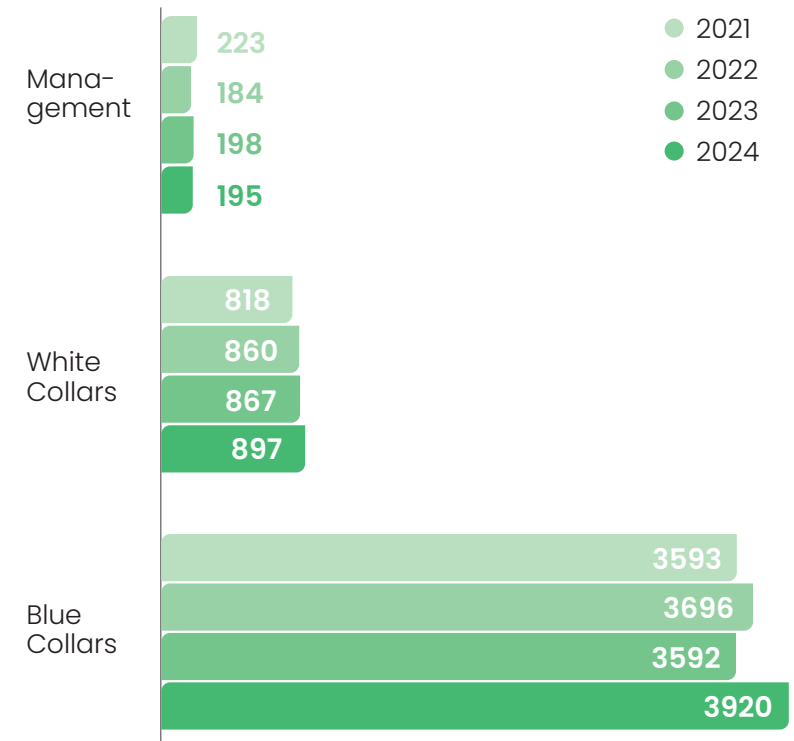
- Management, which includes the Group's top decision-makers responsible for strategic planning, defining targets, driving overall performance, and managers tasked with project execution and people management.
- White-collar employees, who perform specific professional responsibilities and duties.
- Blue-collar employees, primarily engaged in operational activities across the Group's sites.

At the reporting date, the largest professional category is blue-collar workers, totaling 3,920 employees, followed by white-collar staff at 897, and management, comprising 195 individuals.



5,012
employees

Employees by Job Category – 2021 to 2024 (n.)



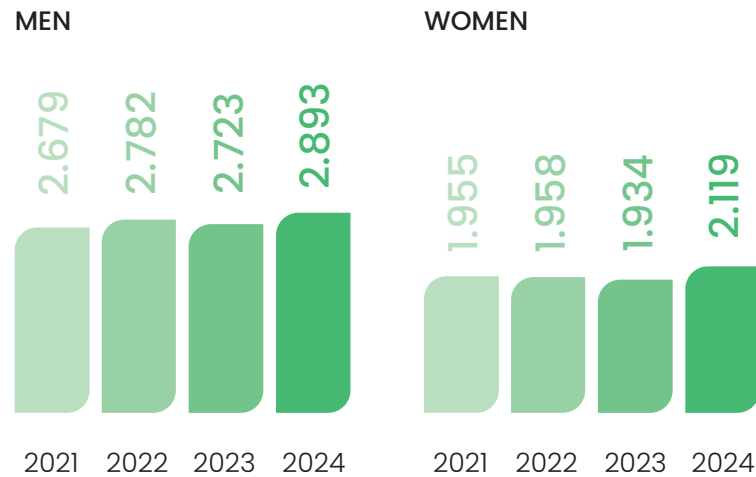
During the current reporting period, the ILPEA workforce consisted of 58% male and 42% female employees. Notably, women held 23% of first-level management positions, reflecting the Group's ongoing efforts to promote gender diversity and equal opportunities across all levels of the organization.

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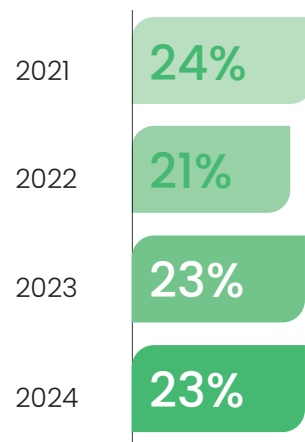
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Diversity, Equity, and Inclusion

Employees by Gender - 2021 to 2024 (n.)

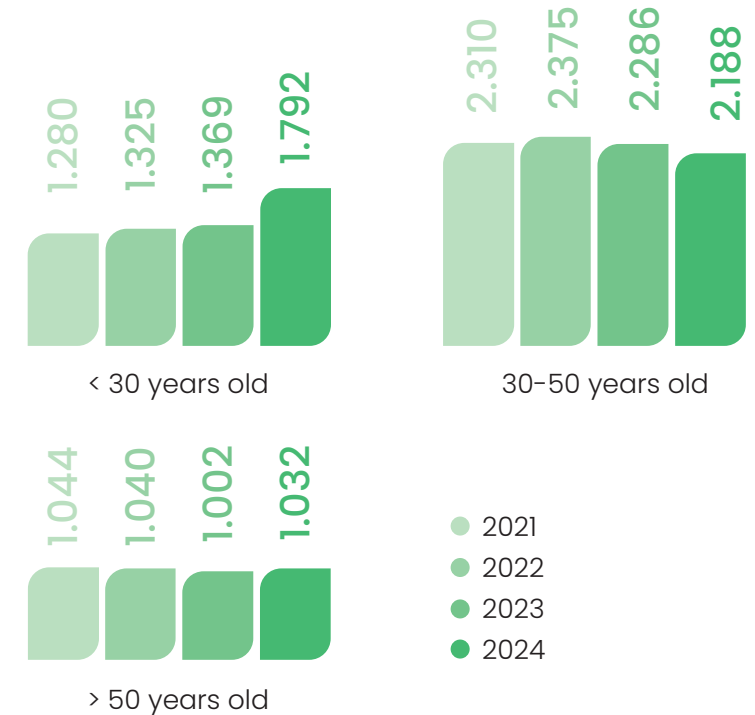


% Women in management positions (%)



The majority of ILPEA's workforce falls within the 30–50 age group, comprising 2,188 employees, or 44% of the total workforce. Employees under 30 years old account for approximately 1,792 individuals (36%), highlighting the Group's commitment to nurturing young talent. Those over 50 years old number around 1,032 employees (21%), reflecting the experience and expertise present within the organization.

Employees by Age Group - 2021 to 2024



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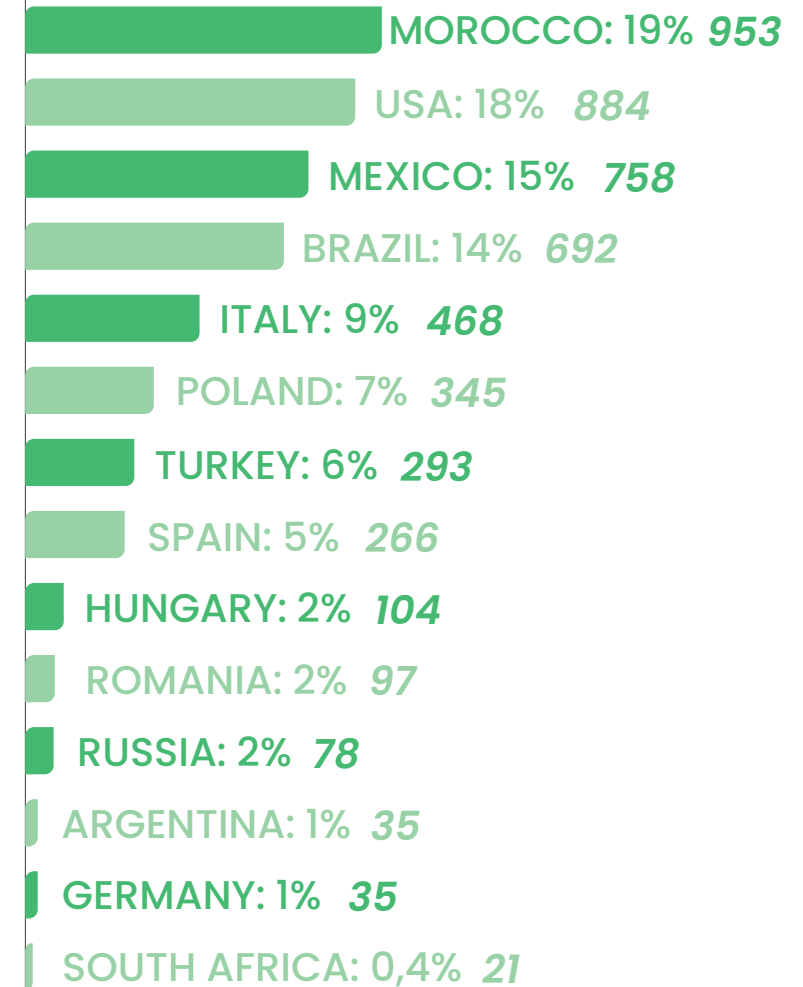
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Diversity, Equity, and Inclusion

In terms of geographical distribution, ILPEA's employees are located across the globe, from the USA to Europe. The Group's workforce includes over ten different nationalities, reflecting the diversity of the countries in which ILPEA operates, as illustrated in the graph below.



2024 Total Employees per Country (% ; n.)



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Talent Attraction & Development

ILPEA considers the development of its workforce essential for business success. To support both management and employees in acquiring and applying the skills necessary for their roles, the Group provides periodic, role-specific training activities.

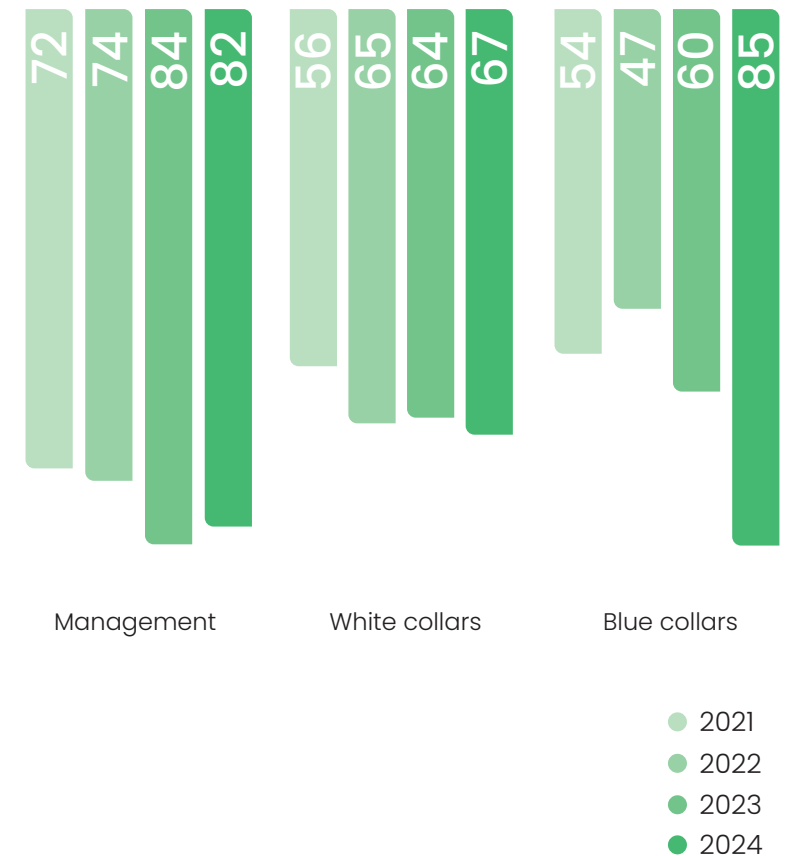
The training program covers a wide range of topics, including technical skills, soft skills, business ethics, diversity and inclusion, and environmental stewardship, ensuring employees are well-equipped in these critical areas. To further support continuous learning, ILPEA is developing a global training platform, alongside offering additional professional courses to help employees gain the expertise required for their positions.

Regular performance and career development reviews are also conducted to foster employee growth and enhance skills. During the current reporting period, 81% of employees participated in these reviews, aligned with the expectations and responsibilities of their roles, compared to 55% in the 2021 baseline reporting period.

81%

of employees were
subject to regular
performance and career
development reviews

Employees subject to performance reviews by job category – 2021 to 2024 (%)



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Talent Attraction & Development

2024 Highlights

• Turkey – Manisa, Velimese & Eskisehir:

Structured training plans tailored to employee roles, continuous evaluation programs (DISVER for absenteeism, discipline & efficiency; SEK for blue-collar ongoing training), and targeted incentive systems such as individual bonuses and awards.

• Spain – Polinyà & Aoiz:

Concrete initiatives include participation in university and industry events to attract new talent, structured career and development plans. Performance and development evaluations, annual training plans, and career progression pathways ensure employees are prepared to implement operational excellence.

• Morocco – Tangier:

Annual performance evaluations, prioritization of internal hiring and promotion, benchmarking of compensation through regional studies, and hosting student trainees per department. Partnerships with universities and technical centers, along with participation in regional employment forums and plant visits for students, actively promote workforce development.

• Mexico – Celaya & Monterrey:

Internal promotion systems, incentive and bonus structures, and performance-linked career plans support retention and skill growth. Partnerships with universities help attract motivated talent familiar with sustainability principles. Continuous internal training ensures employees are equipped to contribute to operational efficiency and sustainable practices.

• Brazil – Joinville, Jundiaí, Maracanaú:

In Joinville, partnerships with universities and language schools, direct-access health and dental plans, pharmacy discounts, and enhanced cafeteria and rest facilities provide tangible support. Safety and Environmental Awareness Week promotes responsible behavior, while Employee Appreciation Week recognizes contributions. Jundiaí and Maracanaú expanded digital communication channels to increase information flow and engagement. These actions reinforce operational excellence, professional development, and a sustainable workplace culture.

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Talent Attraction & Development

Progress Towards Targets

Talent Attraction and Development



	base year	target year	status 2024
Promote career development programs globally for the whole ILPEA Group <i>Status 2024:</i> <i>Launched a global project to create a unified and innovative career development program across all countries within the Group.</i>	2021	2025	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Employee Wellbeing and Engagement

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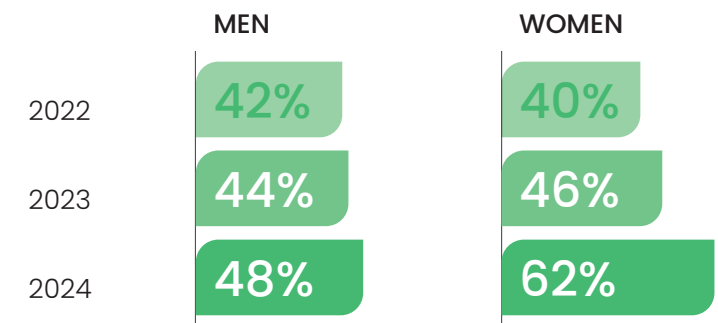
ILPEA is committed to providing equal opportunities and fostering transparent communication between management and employees to address workforce needs effectively. In 2024, the Group implemented several key welfare initiatives to support employee well-being:

- **Health Care Plans:** Specific health programs were provided, including periodic check-ups and wellness assessments, typically conducted on-site.
- **Disability Coverage:** Comprehensive coverage for disability and invalidity was offered.
- **Parental Leave:** Supportive leave policies were in place for new parents.
- **Retirement Provision:** This includes severance pay and the option for employees to extend their working years beyond retirement age if desired. Access to social assistance programs is also available upon retirement.
- **Transition Assistance Program:** For those whose employment is terminated before retirement age, support is provided through the notice period, including consultations with labor offices and sponsorships for relevant courses to enhance employability.
- **Grants for Extra-Curricular Activities and Discounts:** Financial assistance is available for activities involving employees and their family members (e.g., children), along with discounts on various services.
- **Lunch Vouchers or Company Canteen:** Provided to employees.

ILPEA ensures compliance with all legal and contractual pay requirements in the countries where it operates, guaranteeing a living wage that meets or exceeds local minimum wage laws. Where collective agreements exist, they ensure employees earn enough to support a decent standard of living. Compliance is further verified through third-party and customer audits

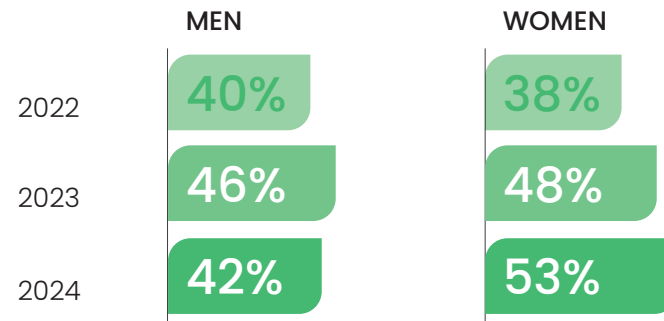
In 2024, the Group recorded 2,709 new hires, representing 54% of the workforce, while 2,353 employees left the company, accounting for 47% of turnover. These figures indicate significant turnover rates, partly influenced by cultural factors in certain countries where high turnover is common. ILPEA addresses these challenges through continuous improvement programs, including enhanced benefits and initiatives to increase employee engagement, aiming to maintain market competitiveness and foster a stable, satisfied workforce.

Turnover Incoming (New Hires) (%)

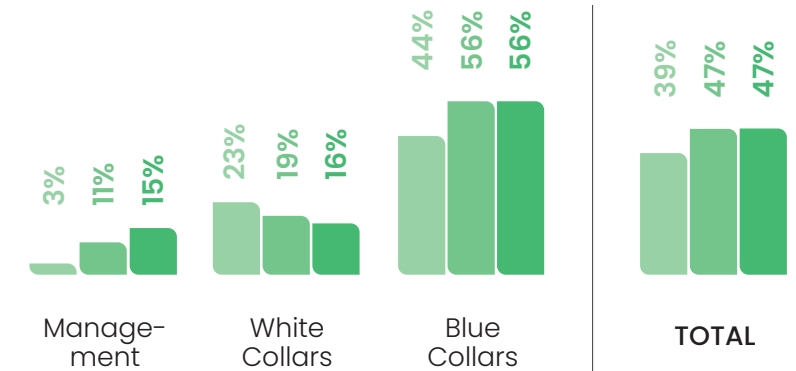


Employee Wellbeing and Engagement

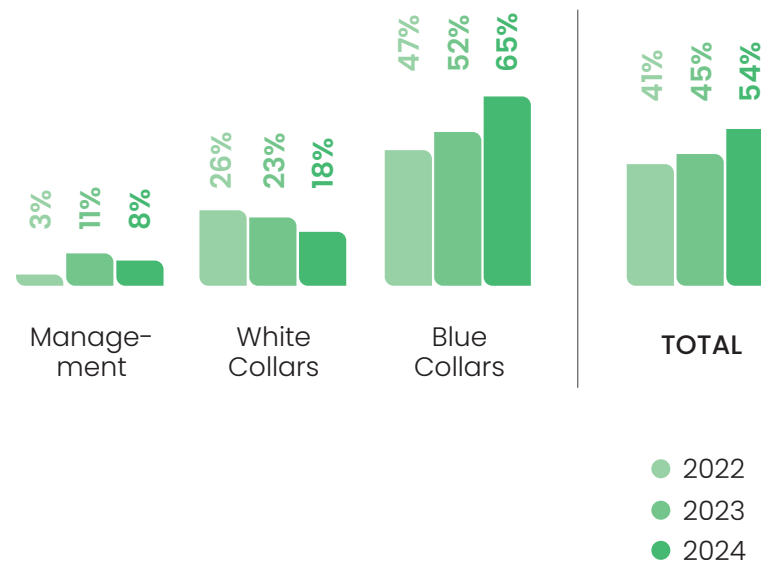
Turnover Outgoing (Terminations) (%)



Turnover Outgoing (Terminations) (%)



Turnover Incoming (New Hires) (%)



2024 Highlights

• Poland – Twardogóra:

Co-financed sports activities, summer camps for employees' children, personalized gift cards, annual bonuses, and MBO awards. Training programs, courses, improved food services, enhanced transportation, and better group life insurance provide tangible support, while clearly defined career development paths enable growth.

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Employee Wellbeing and Engagement

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• Morocco – Tangier:

Celebrations of International Women's Day, recognition of long-term service, upgraded canteen facilities, holiday vouchers, internal sports leagues, and annual management-led meetings reviewing results, achievements, and future goals.

• **USA:** Structured monthly and quarterly meetings, open-door policies, tuition reimbursement, profit sharing, and performance-linked rewards ensure employee development and retention. Wellness is promoted via on-site screenings, flu clinics, 4-day work weeks, and capped overtime. Engagement is reinforced through gamification of incentives, employee recognition, and regular communication across departments.

• Mexico – Monterrey, Celaya:

Cultural and medical events, flexible leave policies, and HR committees addressing vulnerable situations. Financial support for employees' children's education, punctuality and attendance bonuses, and partnerships providing basic medical services enhance wellbeing. Internal communication plans, monthly recognition awards, community-building events, and EHS-focused activities strengthen loyalty, engagement, and sense of belonging.

Progress Towards Targets

Employee Wellbeing & Engagement



	base year	target year	status 2024
Implement an annual engagement survey for the whole ILPEA Group <i>Status 2024:</i> <i>In 2024, the first global engagement survey covering the entire ILPEA Group was launched.</i>	2021	2025	●
Reduce the absenteeism (sick level) by 10% vs 2021 <i>Status 2024:</i> <i>Absenteeism (sick leave) reduced by over 10%.</i>	2021	2025	●

● Achieved
● WIP
● Not yet begun
● Behind schedule

Workplace Health & Safety

ILPEA is committed to ensuring the health and safety of all employees and external workers across its facilities. The Group implements a comprehensive set of guidelines and preventive measures, including:

- **Risk Assessments:** Evaluating potential risks associated with new activities and processes, determining necessary personal protective equipment (PPE), identifying hazards, and assigning responsibilities.
- **Employee Training:** Providing comprehensive safety training at all facilities, covering the correct use of safety devices, operational tools, and maintenance equipment. Specialized training is provided for tasks such as forklift operation, hearing protection, and machinery safety.
- **Incident Monitoring:** Regularly reviewing injuries, near misses, and risk situations, and monitoring key performance indicators such as incident rates and absenteeism.
- **Communication and Engagement:** Raising health and safety awareness among employees and external personnel through targeted initiatives.

Health and safety training is integral to ILPEA's preventive approach. New employees receive targeted training during onboarding and all staff undergo periodic refresher courses.



Training topics include:

- First-aid procedures, including fire safety and emergency plans.
- Handling chemical hazards and working in explosive environments.
- Adherence to local regulations.
- Safe operation of machinery and equipment.
- Proper use of PPE.

ILPEA also undergoes external audits and inspections by authorities and third parties to ensure compliance with health and safety standards and to maintain safe working conditions.

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Workplace Health & Safety

ILPEA also undergoes external audits and inspections by authorities and third parties to ensure compliance with health and safety standards and to maintain safe working conditions.

The Group monitors various parameters related to occupational injuries, serious incidents, fatalities, and health issues for both employees and external workers. During the current reporting period:

- 139 work-related injuries occurred among ILPEA's employees, resulting in approximately 1,325 days lost due to these injuries;
- 1 high-consequence injury⁴ occurred at the Anderson site. In response, corrective and preventive measures were immediately developed and implemented to enhance safety and prevent future incidents;
- zero cases of recordable work-related ill-health were recorded among employees, including conditions related to musculoskeletal disorders and hearing impairments;
- zero fatalities as a result of work-related ill health took place both among ILPEA's workforce and external workers.

⁴ High-consequence work-related accident: work-related accident that results in an injury / illness from which the worker cannot, does not, or is not expected to recover fully to pre-accidents health status within 6 month.

In 2024, the rate of recordable work-related injuries amounted to nearly 16%, while the severity rate, calculated as the number of days lost relative to the number of hours worked, was 0.15. The rate of high consequence work related injuries (excluding fatalities) was 0.12.

In 2024, the rate of recordable work-related injuries⁵ amounted to nearly 16%, while the severity rate⁶, calculated as the number of days lost relative to the number of hours worked, was 0.15. The rate of high consequence work related injuries⁷ (excluding fatalities) was 0.12.

⁵ Rate of recordable work-related injury= (number of recordable work-related injury/number of hours worked) *1,000,000.

⁶ Severity rate = (days lost/number of hours worked) *1,000,000.

⁷ Rate of high-consequence work-related injury= (number of high-consequence work-related injury/number of hours worked) *1,000,000.

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Workplace Health & Safety

2024 Highlights

- **Unites States – Evansville & Galesburg, South Africa – Ishitebe, Russia – Lipetsk, Germany – Geretsried, Romania – Pitesti:**

Achieved zero workplace incidents, demonstrating a continuous commitment to employee health, safety, and occupational risk prevention.

- **Mexico – Celaya:**

Safety is promoted through regular walkthroughs, awareness campaigns, and health initiatives including vision, respiratory, and vaccination programs. Ergonomic studies are conducted at critical workstations, and information on workplace risks is actively shared with all personnel.

- **Brazil – Joinville, Jundiaí & Maracanaú:**

Safety management includes continuous improvements in machinery safety and targeted protective measures in high-risk areas. Ergonomic initiatives, such as the provision of safety footwear and workplace exercise programs, enhance comfort and reduce the risk of injury. Employee well-being is further supported through health campaigns focused on mental health and preventive care. Regular training in first aid and firefighting, along with ongoing occupational health monitoring, ensures a secure working environment.

Workforce inclusion is also promoted through dedicated assessments and support programs for employees with disabilities.

- **Morocco – Tangier:**

Hazard communication programs ensure that workers are informed about chemical handling, while ergonomic assessments help minimize repetitive strain injuries. Regular maintenance checks and safety audits are conducted to ensure machinery operates safely and to prevent accidents, contributing to a proactive safety culture.

- **South Africa – Ishitebe:**

An active Health & Safety committee promotes employee participation in safety management. Staff are encouraged to report any potential hazards, allowing improvements to be implemented proactively. Practical interventions include renewing protective covers on extrusion machinery and conducting risk assessments following committee training, ensuring preventive measures are in place before incidents occur.

Workplace Health & Safety

Progress Towards Targets

Workplace Health & Safety



	base year	target year	status 2024
Zero fatalities and serious accidents in all manufacturing sites <i>Status 2024:</i> <i>The number of high-consequence accidents was reduced from 11 in the 2021 baseline to 1 in 2024, reflecting significant improvements and progress toward achieving the target.</i>	2021	2025	●
Reduce employee accident frequency rate by 15% <i>Status 2024:</i> <i>The employee accident rate has increased. Across ILPEA locations, the main types of work-related injuries reported include cuts, burns, strains, falls, and hand injuries. To prevent recurrence, specific actions and CAPEX have been allocated, alongside training and awareness programs for personnel.</i>	2021	2025	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Customer Satisfaction

The ILPEA Group places customer satisfaction at the core of its business strategy, continuously enhancing the customer experience and supporting commercial success. With a global presence in key customer locations, ILPEA ensures cost-effective and timely deliveries while investing annually in a diverse range of products to reduce time to market and provide tailored solutions that meet specific customer needs.

ILPEA is committed to upholding customer rights and protecting the confidentiality of shared information.

The Group regularly evaluates customer satisfaction across all business units and subsidiaries, assessing supply and delivery performance, returns and claims, and audit results. Feedback is systematically collected through customer surveys focused on product and service quality, and internal teams carefully analyze the results to implement corrective actions when needed.

ILPEA maintains transparent communication regarding ESG performance with its customers, actively sharing information and completing ESG questionnaires. The Group participates in ESG ratings such as CDP and EcoVadis, and engages in customer ESG audits at its sites, for example audits related to the Supplier Code of Conduct. ILPEA also provides data on the environmental impact of its products, including product carbon

footprints, as requested by customers, ensuring this information is readily available.

The Group is engaged in continuous collaboration for the development of new sustainable products, ensuring that solutions are environmentally and socially responsible and aligned with market trends, reinforcing ILPEA's position as a leader in both innovation and sustainability.



With a global presence in key customer locations, ILPEA ensures cost-effective and timely deliveries.

Community Impact and Development

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Partnerships, sponsorships, and local community initiatives are integral to the ILPEA Group's operations.

The Group is actively involved with several membership associations, including:

- BEYSAD – BEYSAD – White Goods Suppliers Association (Velimese, Turkey)
- Assogomma – Italian Rubber Manufacturers Association (Malgesse & Orcenico, Italy)
- Chamber of Commerce and Industry – (Lipetsk, Russia)
- MEIBC – Metal & Engineering Industries Bargaining Council (Ishitebe, South Africa)
- NEASA – National Employers' Association of South Africa (observer) (Ishitebe, South Africa)
- Ileembe Chamber of Commerce (observer) (Ishitebe, South Africa)
- La Cambra de Comerç – Chamber of Commerce (Polinyà & Aoiz, Spain)
- Foment del Treball – Employers' Association (Polinyà & Aoiz, Spain)
- Camara de Comercio de España en Maruecos – Spanish Chamber of Commerce in Morocco (Tangier, Morocco)
- Association des Investisseurs de la Zone Franche d'Exploitation de Tanger – Investors' Association (Tangier, Morocco)
- AMICA / FIM – Moroccan Automotive Industry & Construction Federation (Tangier, Morocco)
- CAINTRA – Chamber of the Transformation Industry (Monterrey, Mexico)
- CLAUGTO – Automotive Cluster of Guanajuato A.C. (Celaya, Mexico)
- Sindiquimica Prods Plasticos – Labor Union (Maracanaú, Brazil)
- Union of People Administrators (UNAP) – Labor Union (Jundiaí, Brazil)
- Portage County Safety Council – (Aurora, USA)
- Chamber of Commerce – (Hartselle, USA)
- AMAC – Automotive Manufacturers Association (Juarez, Mexico)
- CANACINTRA – National Chamber of the Transformation Industry (Juarez, Mexico)

The Group recognizes the impact of its operations on local communities. In response, it actively promotes partnerships, launches initiatives, offers sponsorships, and supports various projects to enhance the welfare of communities near its facilities. These efforts are designed to contribute positively to the local areas where the Group operates.



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Community Impact and Development

2024 Highlights

Aligned with its sustainability goals, ILPEA actively participates in local community initiatives. Currently, 22 manufacturing plants are involved in various community-based sustainability projects, including, but not limited to:

• Brazil – Joinville, Jundiaí & Maracanaú:

At Joinville, aid actions were implemented for people affected by climate catastrophes. In Jundiaí, outdated but usable equipment was donated to local institutions, and employees supported events for children in need. In Maracanaú, employees organized leisure activities for vulnerable elderly residents, promoting hands-on community engagement.

• Mexico – Monterrey & Celaya:

Environmental and social programs focus on recycling, employee support, and internal awareness. Monterrey emphasizes proper recycling, flexible schedules, financial aid, and family emergency leave. Celaya organized events like "Destapando Esperanza, Reciclando y Ayudando" to combine environmental responsibility with social outreach.

• USA – Multiple Sites:

Across multiple sites, employees participate in structured community service programs, including food drives, clothing donations, school supplies and toiletries collection, park improvements, and highway cleanups. Fundraising initiatives support local charities, schools, women's shelters, animal rescue organizations, ALS and cancer causes, United Way, and Ronald McDonald House. Employee engagement is incentivized through recognition programs and extra vacation days, ensuring consistent and measurable social impact.

Conversely, 19 of ILPEA's manufacturing plants developed partnerships with local schools during the 2024 reporting period, including, but not limited to:

• Poland – Twardogóra:

Long-term vocational training and short-term internships with secondary schools and universities in logistics, HR, payroll, and IT. Supports local youth employability and strengthens educational-industry links.

Community Impact and Development

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• **Brazil – Joinville, Jundiaí & Maracanaú:**
Programs combining technical education with hands-on factory experience (Minor Apprentice Project, INDESC learning institution, and local school partnerships). These initiatives foster youth skill development and future employment opportunities.

• **Italy – Malgesso & Orcenico:**
Collaboration with local high schools through PCTO projects and with Udine University via recruitment agencies. Participation in regional “Recruiting Day” events promotes employment of high school and university graduates.

• **USA – Multiple Sites:**
Partnerships with local schools and universities through structured internships, co-ops, STEM events, and work-study programs. These initiatives provide real-life experience in various departments, support workforce development, and strengthen community ties.

- Achieved
- WIP
- Not yet begun
- Behind schedule

Progress Towards Targets

Community Impact & Development

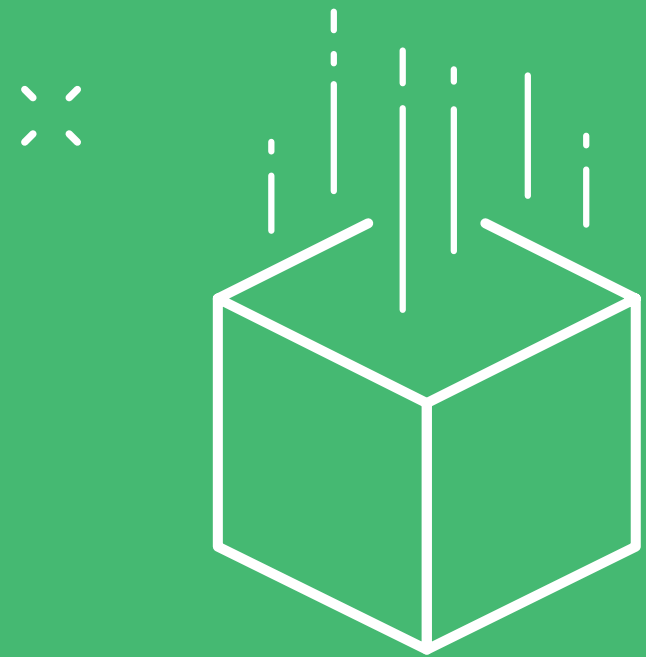


	base year	target year	status 2024
Introduce the opportunity of taking part to sustainable initiatives for employees / local communities <i>Status 2024:</i> 22 plants have already achieved the target, with ongoing efforts to maintain and improve performance in order to reach all ILPEA facilities.	2021	2025	●
Partner with schools and universities to attract students in all countries in which ILPEA operates <i>Status 2024:</i> 19 plants have already achieved the target, with ongoing efforts to maintain and improve performance in order to reach all ILPEA facilities.	2021	2025	●

Supply Chain

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Responsible Sourcing

ILPEA's supply chain comprises leading market players who ensure the consistent delivery of high-quality products. The Group engages both direct and indirect suppliers across its global operations.

Direct suppliers provide raw materials, components, expendable packaging, utilities (such as electricity and natural gas), and maintenance for machinery.



Indirect suppliers offer a range of services, including manufacturing, sales, administrative functions, and support services like insurance, legal, audit, and consulting.

The Group maintains ongoing engagement with suppliers, recognizing their crucial role in its success. ILPEA has adopted a Supplier Code of Conduct, which outlines the principles and guidelines applicable to all

suppliers, subcontractors, and business partners. This Code is a key component of any contractual relationship with the Group and is included in all purchase orders.

ILPEA has also implemented a Conflict Minerals Policy across its subsidiaries. This policy ensures responsible procurement practices by addressing risks associated with conflict minerals (such as tin, tantalum, tungsten, and gold, collectively known as 3TG) and aims to prevent human rights abuses and the financing of armed groups.

In selecting suppliers, ILPEA's dedicated teams assess several criteria and regularly evaluate suppliers based on:

- Reliability
- Compliance with on-time delivery terms and quantities
- Financial viability
- The condition of incoming products
- Timely notification of hazardous materials
- Handling of defective parts and implementation of corrective actions
- Adherence to quality management systems, such as ISO 9001:2015 and IATF 16949:2016

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Responsible Sourcing

Progress Towards Targets

Responsible Sourcing



	base year	target year	status 2024
Ensure transparency in mineral and material supply chains from high-risk areas, working toward a conflict-free supply chain <i>Status 2024:</i> <i>A Group-wide Conflict Minerals Policy was defined and approved in December 2022.</i>	2021	2025	●
Publish a Supplier Code of Conduct <i>Status 2024:</i> <i>Supplier Code of Conduct was defined and approved in December 2022.</i>	2021	2025	●
Supplier Code of Conduct mandated as a contractual clause in: • 100% new supplier agreements • 70% current supplier agreements <i>Status 2024:</i> <i>Included in all purchase orders and contracts.</i>	2021	2025	●

	base year	target year	status 2024
Tier 1 suppliers involved in self-assessments including sustainability criteria: • 100% new suppliers • 70% current suppliers <i>Status 2024:</i> <i>The development of a global supplier evaluation program is underway.</i>	2021	2025	●

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Human Rights

ILPEA's dedication to human rights is grounded in adherence to a range of national and international standards, including the European Convention on Human Rights, the Human Trafficking Prevention Act, the United Nations International Charter of Rights, the Universal Declaration of Human Rights, and ILO (International Labour Organization) standards.

In alignment with this commitment, the Group developed and implemented a Human Rights Policy, formally approved by the Board of Directors. This policy is accessible to both internal and external parties on ILPEA's website.

The Group actively upholds human rights by prohibiting harassment and violence, fostering inclusivity, diversity, and equal opportunities throughout all stages of employment. This includes ensuring occupational health and safety, providing fair working conditions, fair compensation, and a living wage.

Additionally, ILPEA enforces a zero-tolerance policy against child labor, forced labor, and human trafficking. Within the Group, child labor is strictly prohibited for individuals under 13 years old or under higher age limits in cases of more restrictive national laws.

To promote awareness of human rights, ILPEA educates all employees about human rights principles during

onboarding and through regular ethical training.

The Group has established a Whistleblowing tool to allow employees to confidentially report ethical and human rights concerns. Employees are encouraged to use this tool to report any suspected violations or issues, with the assurance of privacy and anonymity. All plants support an open-door process, encouraging employees to voice any discomfort or concerns they may have.

During the reporting period, ILPEA reported zero incidents of discrimination across the Group.

ILPEA extends its human rights commitment to its supply chain, prohibiting the procurement of materials or components that could contribute to human rights violations, particularly in high-risk areas such as conflict zones. Compliance is further verified through numerous third-party and customer audits, including audits related to the Supplier Code of Conduct, ensuring independent monitoring of ethical and human rights standards.



**zero incidents of discrimination
across the Group**

Human Rights

Progress Towards Targets

Human Rights



	base year	target year	
Publish a Human Rights policy	2021	2022	●
<i>Status 2024:</i> A Group-wide Human Rights Policy was defined and approved in December 2022..			

- Achieved
- WIP
- Not yet begun
- Behind schedule

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Performance Indicators



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GRI 2-7 Employees

Employees by type of contract	Men				Women				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Permanent contracts	2,595	2,686	2,652	2,783	1,873	1,890	1,879	2,016	4,468	4,576	4,531	4,799
Fixed term contracts	81	96	71	101	78	61	55	99	159	157	126	200
Non-guaranteed hours employees	-	0	0	9	-	7	0	4	-	7	0	13
Total number of employees	2,676	2,782	2,723	2,893	1,951	1,958	1,934	2,119	4,627	4,740	4,657	5,012
% Permanent contracts	97%	97%	97%	96%	96%	97%	97%	95%	97%	97%	97%	96%
% Fixed term contracts	3%	3%	3%	4%	4%	3%	3%	5%	3%	3%	3%	4%
% Non-guaranteed hours employees	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

	Permanent Contracts				Fixed term contracts				Non-guaranteed hours employees				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
ITALY	480	475	474	467	5	4	4	1	-	-	-	-	485	479	478	468
GERMANY	43	41	39	35	-	-	-	-	-	-	-	-	43	41	39	35
SPAIN	277	269	272	266	1	-	-	-	-	-	-	-	278	269	272	266
MOROCCO	483	646	773	953	-	-	-	-	-	-	-	-	483	646	773	953
SOUTH AFRICA	51	48	14	18	-	-	5	3	-	-	-	-	51	48	19	21
ROMANIA	94	89	85	76	8	12	12	4	-	-	-	-	102	101	97	80
HUNGARY	94	92	98	104	-	-	-	-	-	-	-	-	94	92	98	104

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	Permanent Contracts				Fixed term contracts				Non-guaranteed hours employees				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
POLAND	306	282	273	255	94	87	94	77	-	7	-	13	400	376	367	345
RUSSIA	104	75	64	78	-	-	0	-	-	-	-	-	104	75	64	78
USA	1,259	1,211	906	866	-	37	5	18	-	-	-	-	1,259	1,248	911	884
ARGENTINA	22	45	53	35	8	-	0	-	-	-	-	-	30	45	53	35
BRAZIL	468	456	544	680	9	8	6	12	-	-	-	-	477	464	550	692
MEXICO	487	546	637	674	34	6	0	84	-	-	-	-	521	552	637	758
TURKEY	300	305	299	292	-	-	0	1	-	-	-	-	300	305	299	293
	4,468	4,580	4,531	4,799	159	154	126	200	-	7	-	13	4,627	4,741	4,657	5,012

Employees by type of employment	Men				Women				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Full-time	2,649	2,745	2,689	2,869	1,889	1,897	1,865	2,061	4,642	4,576	4,554	4,930
Part-time	27	37	34	24	62	62	69	58	99	157	103	82
Total number of employees	2,676	2,782	2,723	2,893	1,951	1,959	1,934	2,119	4,741	4,740	4,657	5,012
% Full time	99%	99%	98%	99%	97%	97%	98%	97%	98%	97%	98%	98%
% Part-time	1%	1%	2%	1%	3%	3%	2%	3%	2%	3%	2%	2%

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	Full-time				Part-time				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
ITALY	457	452	450	441	28	27	28	27	485	479	478	468
GERMANY	41	39	37	33	2	2	2	2	43	41	39	35
SPAIN	270	268	264	257	8	1	8	9	278	269	272	266
MOROCCO	483	646	773	953	-	-	-	-	483	646	773	953
SOUTH AFRICA	51	48	19	21	-	-	-	-	51	48	19	21
ROMANIA	102	101	97	80	-	-	-	-	102	101	97	80
HUNGARY	90	87	91	97	4	5	7	7	94	92	98	104
POLAND	399	373	367	339	1	3	-	6	400	376	367	345
RUSSIA	103	74	62	76	1	1	2	2	104	75	64	78
USA	1,239	1,216	883	862	20	32	28	22	1,259	1,248	911	884
ARGENTINA	29	45	53	35	1	-	-	-	30	45	53	35
BRAZIL	453	436	522	685	24	28	28	7	477	464	550	692
MEXICO	521	552	637	758	-	-	-	-	521	552	637	758
TURKEY	300	305	299	293	-	-	-	-	300	305	299	293
	4,538	4,642	4,554	4,930	89	99	103	82	4,627	4,741	4,657	5,012

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GRI 2-30 Collective bargaining agreements

	2021	2022	2023	2024
Number of employees covered by collective bargaining agreements	2,413	1,469	2,006	2,162
Total number of employees	4,627	4,741	4,657	5,012
Percentage of employees covered by collective bargaining agreements	52%	31%	43%	43%

GRI 401-1 - New employee hires and employee turnover (Turnover, incoming and outgoing rates)

Turnover rate (incoming)	Men			Women			Total			%		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Management	5	12	7	1	9	9	6	21	16	3%	11%	8%
< 30 years old	0	1	1	1	2	6	1	3	7	14%	23%	88%
30-50 years old	3	7	4	0	7	3	3	14	7	3%	14%	8%
> 50 years old	2	4	2	0	0	0	2	4	2	3%	5%	2%
White collars	136	137	98	84	63	66	220	200	164	26%	23%	18%
< 30 years old	71	57	29	47	28	43	118	85	72	66%	45%	34%
30-50 years old	60	73	61	32	34	20	92	107	81	20%	23%	18%
> 50 years old	5	7	8	5	1	3	10	8	11	4%	4%	5%

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Turnover rate (incoming)	Men			Women			Total			%		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Blue collars	1,036	1,056	1293	699	824	1,236	1735	1880	2,529	47%	52%	65%
< 30 years old	600	496	704	339	468	741	939	964	1,445	82%	83%	92%
30-50 years old	380	518	535	317	325	439	697	843	974	38%	49%	60%
> 50 years old	56	42	54	43	31	56	99	73	110	13%	10%	15%
Total	1,177	1,205	1398	784	896	1,311	1961	2101	2,709	41%	45%	54%
< 30 years old	671	554	734	387	498	790	1058	1052	1,524	80%	77%	85%
30-50 years old	443	598	600	349	366	462	792	964	1,062	33%	42%	49%
> 50 years old	63	53	64	48	32	59	111	85	123	11%	8%	12%

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Turnover rate (outgoing)	Men			Women			Total			%		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Management	6	10	17	0	11	12	6	21	29	3%	11%	15%
< 30 years old	0	0	1	0	6	4	0	6	5	0%	46%	63%
30-50 years old	2	5	10	0	2	8	2	7	18	2%	7%	19%
> 50 years old	4	5	6	0	3	0	4	8	6	5%	9%	6%
White collars	122	111	92	77	53	55	199	164	147	23%	19%	16%
< 30 years old	55	50	19	36	14	28	91	64	47	51%	34%	22%
30-50 years old	58	52	57	31	35	20	89	87	77	19%	19%	17%
> 50 years old	9	9	16	10	4	7	19	13	23	9%	6%	10 %
Blue collars	971	1143	1,119	666	856	1,058	1637	1999	2,177	44%	56%	56%
< 30 years old	481	533	531	305	351	494	786	884	1,025	69%	76%	65%
30-50 years old	411	535	510	300	444	510	711	979	1,020	39%	57%	62%
> 50 years old	79	75	78	61	61	54	140	136	132	19%	20%	18%
Total	1,099	1264	1,228	743	920	1,125	1842	2184	2,353	39%	47%	47%
< 30 years old	536	583	551	341	371	526	877	954	1,077	66%	70%	6%
30-50 years old	471	592	577	331	481	538	802	1073	1,115	34%	47%	51%
> 50 years old	92	89	100	71	68	61	163	157	161	16%	16%	16%

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GRI 404-3 Percentage of employees by receiving regular performance and career development reviews

Percentage of employees evaluated on performance and career development	Men				Women				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Management	74%	73%	78%	78%	66%	77%	93%	93%	72%	74%	82%	82%
White collars	56%	66%	65%	68%	57%	65%	61%	65%	56%	66%	64%	67%
Blue collars	53%	44%	53%	81%	54%	51%	65%	89%	53%	47%	58%	85%
Total	55%	50%	57%	79%	54%	54%	65%	85%	55%	52%	60%	81%

GRI 403-9 Work-related Injuries

Work-related Injuries	Total			
	2021	2022	2023	2024
Number of recordable work-related injuries	109	118	103	139
Number of high-consequence work-related injury (excluding fatalities)	11	2	4	1
Number of workdays lost due to work-related injuries	-	1,845	1,764	1,325
Worked hours	8,166,476	7,594,248	8,312,567	8,637,439
Rate of recordable work-related injuries⁸	13.35	15.54	12.54	16.09
Rate of high-consequence work-related injuries (excluding fatalities)⁹	1.35	0.26	0.49	0.12
Severity rate¹⁰	-	0.24	0.21	0.15

GRI 403-10 Work-related ill health

Work-related ill health	Total			
	2021	2022	2023	2024
Number of work-related ill health	0	2	5	0

⁸ Rate of recordable work-related injury = (number of recordable work-related injury/number of hours worked) *1,000,000.

⁹ Rate of high-consequence work-related injury = (number of high-consequence work-related injury/number of hours worked) *1,000,000. ¹⁰ Severity rate = (days lost/number of hours worked) *1,000,000.

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GRI 405-1 Diversity of governance bodies and employees

Employees (head count at the end of the fiscal year)	Men				Women				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Management	170	145	152	150	53	39	46	45	223	184	198	195
< 30 years old	3	1	8	3	4	6	5	5	7	7	13	8
30-50 years old	80	73	69	69	34	23	28	24	114	96	97	93
> 50 years old	87	71	75	78	15	10	13	16	102	81	88	94
White collars	501	518	531	550	317	338	336	347	818	856	867	897
< 30 years old	113	101	106	114	74	77	84	98	187	178	190	212
30-50 years old	244	274	279	282	168	181	181	179	412	455	460	461
> 50 years old	144	143	146	154	75	80	71	70	219	223	217	224
Blue collars	2,008	2,119	2,040	2,193	1,585	1,582	1,552	1,727	3,593	3,701	3,592	3,920
< 30 years old	641	730	693	879	445	409	473	693	1,086	1,139	1,166	1,572
30-50 years old	945	955	923	908	839	869	806	726	1,784	1,824	1,729	1,634
> 50 years old	422	434	424	406	301	304	273	308	723	738	697	714
Total	2,679	2,782	2,723	2,893	1,955	1,959	1,934	2,119	4,634	4,741	4,657	5,012
< 30 years old	757	832	807	996	523	492	562	796	1,280	1,324	1,369	1,792
30-50 years old	1,269	1,302	1,271	1,259	1,041	1,073	1,015	929	2,310	2,375	2,286	2,188
> 50 years old	653	648	645	638	391	394	357	394	1,044	1,042	1,002	1,032

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GRI 302-1 Energy Consumption with the organization

Energy Consumption (MWh)	2021	2022	2023	2024
DIRECT ENERGY CONSUMPTION				
From non-renewable sources				
Natural gas	123,251	121,462	104,783	91,618
Diesel	120	208	108	124
LPG	3,913	3,466	3,828	4353
From company owned vehicles				
Petrol	2,014	2,033	2,344	2,431
Diesel	1.638	1,586	1,519	1,392
LPG	180	314	282	710
From non-renewable sources				
Photovoltaic	0	375	510	573
Total direct energy consumption	131,116	129,444	113,374	101,200
INDIRECT ENERGY CONSUMPTION				
Electricity				
From non-renewable sources	124,606	122,631	114,740	111,622
From renewable sources	0	0	0	729
Total indirect energy consumption	124,606	122,631	114,740	112,350
Total energy consumption	255,722	252,075	228,114	213,550

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GRI 305-1 Direct (Scope 1) GHG emissions¹¹

Direct (Scope 1) GHG Emissions (tCO ₂ e)	2021	2022	2023	2024
From non-renewable sources				
Natural gas	22,583	22,172	19,178	16,826
Diesel	28	50	26	30
LPG	839	744	819	931
From company owned vehicles				
Petrol	463	462	19,178	536
Diesel	389	382	26	333
LPG	39	67	819	152
Total Scope 1 Emissions	24,341	23,877	20,966	18,807

GRI 305-1 Direct (Scope 1) GHG emissions¹²

Indirect (Scope 2) GHG emissions (tCO ₂ e)	2021	2022	2023	2024
Total Scope 2 emissions - location based	48,927	44,903	41,643	43,204
Total Scope 2 emissions - market based	54,127	51,112	46,981	35,749

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¹¹ The sources of conversion and emission factors used for emissions calculations are DEFRA 2021, TERNA 2019 and AIB Residual mixes 2020 or DEFRA 2022, where AIB residual mixes are not available.

¹² The sources of conversion and emission factors used for emissions calculations are DEFRA 2021, TERNA 2019 and AIB Residual mixes 2020 or DEFRA 2022, where AIB residual mixes are not available.

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GRI 306-3 Waste generated

Waste Generated (t)	2021	2022	2023	2024
Hazardous waste	517	1,080	1,290	1,414
Non-hazardous waste	9,140	10,967	11,135	10,448
Total Waste	9,657	12,047	12,425	11,862

GRI 306-4 Waste diverted from disposal (RECOVERED)

Waste diverted from disposal (t)	2021	2022	2023	2024
Non-hazardous waste	3,600	5,035	6,114	5,893
Recycling	3,600	4,980	5,637	5,175
Other (please specify)	-	55	478	718
Hazardous waste	15	546	1,061	892
Recycling	15	546	990	872
Other (please specify)	-	-	71	21
Total waste	3,615	5,581	7,175	6,785

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GRI 306-5 Waste directed to disposal (DISPOSED)

Waste Directed to Disposal (t)	2021	2022	2023	2024
Non-hazardous waste	5,540	5,933	5,021	4,555
Landfilling	5,440	4,097	4,574	4,107
Incineration - with energy recovery	52	112	126	217
Incineration - without energy recovery	-	131	0	0
Other disposal operations	48	1,592	320	232
Hazardous waste	502	533	229	522
Landfilling	184	166	172	384
Incineration - with energy recovery	161	27	28	108
Incineration - without energy recovery	-	-	3	1
Other disposal operations	158	341	26	28
Total Waste Directed to Disposal	6,042	6,466	5,250	5,077

GRI 303-3 Water Withdrawals

Water Withdrawals (ML)	Non-water-stress areas				Water-stress areas				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Fresh surface water	501	433	480	455	-	-	-	-	501	433	480	455
Seawater	-	-	-	-	-	-	-	-	-	-	-	-
Groundwater (renewable)	464	486	380	282	12	7	4	6	476	492	384	288
Third-party water	77	79	65	78	28	32	28	32	105	111	93	110
Total Water Withdrawal	1,042	998	925	816	40	39	32	38	1,082	1,037	957	853

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GRI 303-4 Water Discharges

Water Discharges (ML)	Non-water-stress areas				Water-stress areas				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Fresh surface water	959	902	839	734	2	1	1	-	961	903	840	734
Groundwater (renewable)	-	-	-	-	7	-	2	-	7	-	2	-
Third-party water	52	68	58	59	26	35	28	35	78	103	86	94
Total water discharges	1,011	970	897	793	35	36	30	35	1,046	1,006	928	828

GRI 303-5 Water Consumption

Water Consumption (ML)	Non-water-stress areas				Water-stress areas				Total			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Water Consumption	31	27	27	23	5	3	2	2	36	30	29	25

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In pursuit of a robust sustainability strategy and in adherence to the Global Reporting Initiative (GRI) standards, ILPEA conducted its initial Materiality Assessment in 2021. This assessment aimed to identify the environmental, social, and governance issues that are most relevant to stakeholders and impactful on the Group's business activities.

To comply with the updated GRI standards effective from January 1, 2023, ILPEA refined its materiality process to evaluate both current and potential positive and negative impacts associated with each material topic.

The materiality process at ILPEA involves the following steps:

- **Identification:** Sustainability issues relevant to the ILPEA Group are identified through internal and external analyses. This includes reviewing company documentation (e.g., Code of Ethics, existing policies), international and national sustainability standards, and conducting benchmarking analyses.
- **Assessment:** Potentially relevant themes are evaluated through surveys involving stakeholders and Top Management, ensuring a comprehensive understanding of their significance.
- **Prioritization:** The identified material topics are prioritized based on their relevance to society and stakeholders, resulting in a ranked list of material issues.

- **Impact Definition:** For each material topic, ILPEA assesses actual and potential positive and negative impacts. This is achieved through a desk analysis of the company's activities and its internal and external context.

ILPEA organizes its material topics by priority levels to guide the development of a targeted sustainability strategy and set specific ESG objectives. These topics are categorized into three levels of priority:

- **Priority 1:** This category includes Customer Satisfaction, Workplace Health & Safety, Human Rights, and Business Ethics & Integrity. These topics are deemed the most critical for the Group, reflecting the utmost importance of safeguarding human rights, maintaining robust health and safety standards, and fostering a responsible corporate culture. Customer Satisfaction is also highlighted as a top priority, underscoring the significance of engaging with and meeting the needs of customers.
- **Priority 2 and Priority 3:** The remaining material topics are classified into these categories, acknowledging their importance while indicating that they are secondary to the Priority 1 topics. These issues remain significant for the Group, but they are addressed following the top priorities.

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GRI 306-5 Waste directed to disposal (DISPOSED)

Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
1	Customer Satisfaction	Improved customer satisfaction through engagement and meeting needs, enhanced by periodic surveys and assessments.	Decreased customer satisfaction due to lack of engagement and failure to meet needs in company offerings, worsened by inadequate procedures to monitor customer opinions and feedback.	ILPEA surveys customer needs and enhances satisfaction. The Group communicates its ESG performance to customers, ensuring product sustainability and investing in market-aligned development.	ILPEA's Sustainability Path – Sustainability Plan Society – Customer Satisfaction
1	Workplace Health & Safety	- Improved employee well-being with fewer injuries/occupational illnesses. - Enhanced culture and awareness of occupational health and safety through training and awareness initiatives.	Employee health impacted by injuries/illnesses.	ILPEA implements procedures, plans, and training for first aid, chemical hazards, and equipment safety. Additionally, the Group monitors key parameters for occupational health and safety, striving for zero fatalities and serious incidents.	ILPEA's Sustainability Path – Sustainability Plan People – Workplace Health and Safety
1	Human Rights	Positive impact on workforce and people through human rights promotion across Company and supply chain.	Potential negative impacts from human rights violations and non-compliance with laws.	ILPEA has a Human Rights Policy and extends its commitment to the supply chain by banning materials linked to human rights violations.	ILPEA's Sustainability Path – Sustainability Plan Human Rights

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Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
1	Business Ethics & Integrity	- Promoting ethical, transparent, and responsible business practices. - Strengthening relationships with stakeholders.	Impact on relationships with stakeholders from unethical business conduct.	ILPEA implements policies like a Code of Ethics and Supplier Code of Conduct to ensure responsible business conduct. It raises employee ethics awareness through training, monitors potential non-compliances and corruption, and provides a whistleblowing procedure for stakeholders to report misconduct.	ILPEA's Sustainability Path – Sustainability Plan ILPEA's Governance – Business Ethics and Integrity
2	Product Quality & Safety	Improved customer retention from product quality and safety.	- Customer dissatisfaction from quality failures. - Potential health risks from inadequate product safety measures.	The Group follows ISO 9001:2015 and IATF 16949:2016 standards for quality. A Quality Policy aims for faultless products, on-time delivery, and continuous improvement.	ILPEA's Sustainability Path – Sustainability Plan Product – Product Quality and Safety
2	Innovation & Sustainable Product Development	- Enhanced customer satisfaction from innovative, sustainable product development. - Improved alignment with market needs through sustainable product and process introductions.	- Failure to attract diverse customers due to stagnant offerings. - Market misalignment from lacking sustainable products and outdated processes.	ILPEA invests in innovative, sustainable product development, including creating recyclable and eco-friendly products such as energy-saving items. Additionally, it assesses products' environmental impact through life-cycle evaluations.	ILPEA's Sustainability Path – Sustainability Plan Product – Innovation and Sustainable Product Development

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Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
2	Employee Wellbeing & Engagement	- Employee satisfaction rises with Company welfare initiatives and benefits. - Enhanced employee engagement leads to better understanding and fulfillment of their needs.	Lack of investment in employee well-being and engagement leads to workplace dissatisfaction and discomfort.	ILPEA Group offers essential welfare initiatives and benefits, including life insurance, healthcare, parental leave, transition assistance, retirement provisions, ensuring continuous employee well-being.	ILPEA's Sustainability Path – Sustainability Plan
2	Talent Attraction & Development	- Improved talent attraction, retention, and development. - Opportunities for employees to enhance skills through training and tailored career paths.	- Elevated turnover rates negatively affecting employees' careers. - Employees unable to develop and sustain skills, impacting job satisfaction.	ILPEA is implementing employee skill development through training in areas like business ethics, diversity, health and safety, and technical specialties.	ILPEA's Sustainability Path – Sustainability Plan People – Talent Attraction and Development
2	Sustainable Packaging	ILPEA reduces pollution with sustainable packaging solutions, like reusable materials.	Single-use packaging may have negative environmental impact if disposed in landfills or incinerated.	ILPEA reduces single-use packaging, preferring reusable or recyclable options and promoting returnable packaging for intercompany/third-party shipping.	ILPEA's Sustainability Path – Sustainability Plan Product – Sustainable Packaging
2	Energy, Emissions & Climate Change	ILPEA mitigates climate change and air pollution with efficient energy use and renewable energy.	- Air pollution and natural disasters contribute to environmental damage. - Extraction of fossil fuels causes environmental harm to local communities.	ILPEA enhances energy efficiency across its plants by reusing production process energy, investing in energy-efficient equipment, and installing solar panels for renewable energy. It aims to reduce carbon emissions by 30% by 2030.	ILPEA's Sustainability Path – Sustainability Plan Planet – Energy, Emissions and Climate Change

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Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
2	Circular Economy	• Circular design, low-impact materials, and waste reduction benefit the environment. • High customer satisfaction from circular design solutions and low-impact materials.	• Lack of circular economy initiatives and high-impact materials lead to environmental harm. • Reduced customer satisfaction due to absence of circular design solutions and unsustainable materials.	ILPEA embraces a circular business model by using low-impact, renewable materials, minimizing waste with recycled raw materials, and assessing product environmental footprints through life cycle assessments.	ILPEA's Sustainability Path – Sustainability Plan Product – Circular Economy
3	Waste Management	• Reduced environmental impact through waste recovery and recycling.	• Environmental pollution from waste generated by company activities; • Impacts on people's health and local communities' well-being.	ILPEA implements waste recovery and recycling, including 'preparation for re-use,' aligning with targets. Emphasis is on raising employee awareness through initiatives like training.	ILPEA's Sustainability Path – Sustainability Plan Planet – Waste Management
3	Responsible Sourcing	• Promotion of responsible sourcing throughout the supply chain. • Positive environmental and social impacts from responsible raw materials sourcing.	• Contributing to or generating negative societal and environmental impacts along the supply chain due to unsustainable practices.	ILPEA promotes a responsible, conflict-free supply chain through a Supplier Code of Conduct and a Conflict Minerals Policy.	ILPEA's Sustainability Path – Sustainability Plan Supply Chain – Responsible Sourcing

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Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
3	Sustainable Logistics	Reduced environmental impact through the use of alternative and sustainable fuels and electric mobility.	- Environmental pollution due to logistics' vehicles using fossil fuels; - Negative impacts on people's health.	ILPEA reduces transport emissions to minimize environmental pollution from goods delivery. It calculates its transportation carbon footprint and implements new Transportation Management System software to oversee transportation activities across all Group companies. Additionally, partnerships with suppliers optimize transportation loads efficiently.	ILPEA's Sustainability Path – Sustainability Plan Planet – Sustainable Logistics
3	Diversity, Equity & Inclusion	- Active promotion of employees' well-being through equal opportunities and fair treatment. - Advocacy for wage parity, women's employment, and respect for diversity in all forms, including cultural, linguistic, religious, political, and ethnic diversity.	Possibility of creating a non-inclusive work environment where equal opportunities are not guaranteed.	ILPEA prioritizes equality, fairness, and nondiscrimination. Tailored training and awareness initiatives are being implemented across all Group companies.	ILPEA's Sustainability Path – Sustainability Plan People – Diversity, Equity and Inclusion

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Priority	Material Topic	Positive Impacts	Negative Impacts	ILPEA's actions, policies and targets associated with each material topic	Section Reference
3	Water Management	• Increase water availability for local communities and farmlands; • Preservation of biodiversity of water bodies.	• Reduction in water availability due to unsupervised consumption; • Impacts on biodiversity due to polluted wastewater discharges, with potential hygiene issues on local communities.	ILPEA prioritizes effective water management, especially in water-stressed areas, considering the impact of its industrial processes. Therefore, the Group is committed to reducing water usage and closely monitoring discharges to comply with local and national regulations.	ILPEA's Sustainability Path – Sustainability Plan Planet – Water Management
3	Data Protection & Cybersecurity	• Beneficial impact on stakeholders (employees, clients, and suppliers) from protecting their right to privacy.	• Potential adverse effects on stakeholders resulting from privacy violations and data breaches or leaks.	A Group-wide Privacy Policy guides the collection, management, and storage of personal data. Regular monitoring of data breaches and complaints occurs.	ILPEA's Sustainability Path – Sustainability Plan ILPEA's Governance – Data Protection and Cybersecurity
3	Community Impact & Development	• Enhancing local youth employability. • Establishing lasting, mutually beneficial relationships with third-sector entities, universities, and research centers.	• Disconnect with the local community and territory.	ILPEA supports local community development economically, socially, and culturally through sponsorships of local associations and tailored initiatives. These include partnerships with schools offering internships, sustainable projects like fundraising events, and contributions to health research.	ILPEA's Sustainability Path – Sustainability Plan Society – Community Impact and Development

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This document is the third edition of the Sustainability Report of the ILPEA Group. It represents an important milestone in the path endorsed by the Group towards a transparent, and open reporting process and disclosure to its main stakeholders of the economic, environmental, social and governance performance of ILPEA. It comprises a detailed overview of the initiatives, actions and results achieved overtime, as to enhance the creation of shared value among all stakeholders and to progressively integrate environmental, social and governance (ESG) aspects within business activities.

ILPEA's Sustainability Report was prepared in compliance with the most widely used and recognized reporting standards for sustainability reporting, the 'Global Reporting Initiative Sustainability Reporting Standards' (hereinafter 'GRI Standards') issued in 2021 by the Global Reporting Initiative according to in accordance option. For additional information, please refer to the 'GRI Content Index'.

In order to identify the report content, ILPEA considered the principle of materiality, going through a materiality analysis process, aimed at the identification of the material topics from an economic, environmental, and social perspective for the Group and its stakeholders, considering the impacts on the economy, environment, and people, including impacts on their human rights across the Group's activities and business relationships

and along its entire value chain. For a more detailed understanding of the process, please refer to the 'Materiality Analysis' section.

All the information comprised within this Report enables stakeholders to form a complete and reliable opinion of the sustainability context in which the Group operates and of ILPEA's main impacts, from an economic, social, and environmental perspective.

Directly measurable qualitative and quantitative indicators have been selected and associated with each material topic. For some of the material topics, it was not possible to identify GRI standards that best represented the issue, thus for these cases, only GRI 3-3 | Management of Material Topics is provided. For additional information on the GRI standards reported, please refer to the 'GRI Content Index'.

The Group underwent a structured and concise reporting process, that led to the disclosure of its second Sustainability Report, which entailed:

- The involvement of all Group's subsidiaries and corporate functions and the identification of personnel, responsible for data and information collection at a local level;
- The collection of quantitative and qualitative data through an ESG Reporting platform, accessible by all

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Group entities; this platform, which was implemented by the whole Group during the reporting period, enabled ILPEA to improve, refine and speed up its sustainability reporting process, ranging from data insertion, collection, validation to data aggregation and KPIs calculation.

This system was specifically designed to meet the requirements of the GRI standards, while allowing for data collection at plant level and data aggregation at HQ level;

- The aggregation and consolidation of quantitative data and the review of qualitative information;
- The preparation of this Sustainability Report, in accordance with the Sustainability Reporting Standards, published by Global Reporting Initiative (GRI) – commonly known as GRI Standards;
- The approval of the Sustainability Report by the Group's Board of Directors on 17/12/2025

The reporting scope is limited to the Parent Company ILPEA Parent Inc, and its subsidiaries, fully consolidated on October 31st 2024, ILPEA Industries Inc. and Industrie ILPEA SpA. The two subsidiaries directly or indirectly exercise control on other subsidiaries, which are included in the scope of this Sustainability Report:

- Industrie ILPEA Espana SA
- ILPEA Sp. z.o.o
- ILPEA GmbH
- ILPEA S. de R.L. de C.V
- ILPEA do Brasil Ltda

- ILPEA Profext Kft
- ILPEA South African Industries (PTY Ltd)
- S.p.A. Garvaplast de Argentina Srl
- ILPEA Ltd. Sirketi
- OOO ILPEA SAR
- Industrie ILPEA Romania SRL
- Hoosier Magnetics
- Holm S.A. de C.V

ILPEA Chile S.p.A., ILPEA Paramount Ltd and Holm KK Extrusions Pvt have not been included in the reporting scope due to their non-significance. Similarly, ILPEA BV has not been included in the reporting scope as it is a holding company.

The data and information comprised within this report refer to the activities carried out by the ILPEA Group during the 2024 fiscal year, from November 1st, 2023 to October 31st, 2024. The reporting frequency is annual.

To provide a more coherent view of the Group's performance, information regarding the fiscal years 2021 (November 1, 2020 – October 31, 2021) and 2022 (November 1, 2021 – October 31, 2022) has been provided. No significant changes in reporting took place during the reporting period. Furthermore, during the reporting period, the Group was not subject to significant changes in the operating sector, value chain and/or business relationships.

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To ensure data reliability, the use of estimates has been limited to duly reported cases. In addition, some data published in the previous reporting period has been subject to restatement due to an improvement in the calculation methodology and in the accuracy of the data collected or due to the availability of newly updated significant information.

For additional information regarding this Sustainability Report, please contact:

sustainability@ILPEA.com.

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STATEMENT OF USE

ILPEA has reported in accordance with the GRI Standards
for the period 01.11.2023–31.10.2024

GRI 1 USED

GRI 1: Foundation 2021

APPLICABLE GRI SECTOR STANDARD

No GRI Sector Standard is applicable to date

Disclosure	Location	Omission	Notes
GRI 2: General Disclosures 2021			
2-1 Organizational details	LPEA Group Profile Methodological Notes		
2-2 Entities included in the organization's sustainability reporting	Methodological Notes		
2-3 Reporting period, frequency and contact point	Methodological Notes		Reporting period: 01.11.2023 – 31.10.2024 Reporting frequency: Annual Publication Date: 17/12/2025 Contact Point: • Dr. Vincenzo Siciliano, V.P. Global Procurement & ESG, sustainability@ILPEA.com
2-4 Restatements of information	Methodological Note		Data have been partially restated and corrected due to improvements in the accuracy of the data collection process.
2-5 External assurance			ILPEA's sustainability report is not subject to external assurance.
2-6 Activities, value chain and other business relationships	ILPEA Group Profile		No significant changes in ILPEA's sectors, value chain and other business relationships occurred with respect to the previous reporting period.
2-7 Employees	Performance Indicators		

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Disclosure	Location	Omission	Notes
2-8 Workers who are not employees		Information unavailable/incomplete	ILPEA is actively working towards establishing a process to gather and disclose data on workers who are not employees.
2-9 Governance structure and composition	Governance Tenure and Oversight		
2-10 Nomination and selection of the highest governance body	Governance Tenure and Oversight		
2-11 Chair of the highest governance body	Governance Tenure and Oversight		The Chairman of ILPEA's Board of Directors is also the CEO of the whole ILPEA Group.
2-12 Role of the highest governance body in overseeing the management of impacts	Governance Tenure and Oversight		
2-13 Delegation of responsibility for managing impacts	Governance Tenure and Oversight		
2-14 Role of the highest governance body in sustainability reporting	Governance Tenure and Oversight		
2-15 Conflicts of interest	Governance Tenure and Oversight		
2-16 Communication of critical concerns	Governance Tenure and Oversight		During the reporting period, no critical concerns occurred and were reported to the Board of Directors.
2-17 Collective knowledge of the highest governance body	Governance Tenure and Oversight		
2-18 Evaluation of the performance of the highest governance body	Governance Tenure and Oversight		
2-19 Remuneration policies	Governance Tenure and Oversight		
2-20 Process to determine remuneration	Governance Tenure and Oversight		

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Disclosure	Location	Omission	Notes
2-21 Annual total compensation ratio		Confidentiality Constraint	
2-22 Statement on sustainable development strategy	CEO Message		
2-23 Policy commitments	Governance Tenure and Oversight		ILPEA does not adhere to any authoritative intergovernmental instruments. However, it ensures responsible business conduct through its Code of Ethics and policies.
2-24 Embedding policy commitments	Governance Tenure and Oversight		
2-25 Processes to remediate negative impacts	Governance Tenure and Oversight		
2-26 Mechanisms for seeking advice and raising concerns	Governance Tenure and Oversight		
2-27 Compliance with laws and regulations	Governance Tenure and Oversight		
2-28 Membership associations	Society		
2-29 Approach to stakeholder engagement	Governance Tenure and Oversight		
2-30 Collective bargaining agreements	People		
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Materiality Process		
3-2 List of material topics	Materiality Process		
Data Protection & Cybersecurity			
3-3 Management of material topic	Governance Tenure and Oversight		

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Disclosure	Location	Omission	Notes
GRI 418: Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance Tenure and Oversight		
Business Ethics & Integrity			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Governance Tenure and Oversight		
GRI 205: Anti-corruption 2016			
205-2 Communication and training about anti-corruption policies and procedures	Governance Tenure and Oversight		
205-3 Confirmed incidents of corruption and actions taken	Governance Tenure and Oversight		
GRI 206: Anti-competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance Tenure and Oversight		
Sustainable Logistics			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Planet		The ILPEA Group has not identified a GRI topic specific indicator related to Sustainable Logistics. However, information compliant with GRI 3-3 is reported.

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Disclosure	Location	Omission	Notes
Waste Management			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Planet		
GRI 306: Waste 2020			
306-1 Waste generation and significant waste-related impacts	Planet		
306-2 Management of significant waste-related impacts	Planet		
306-3 Waste generated	Planet		
306-4 Waste diverted from disposal	Planet		
306-5 Waste directed to disposal	Planet		
Water Management			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Planet		
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource	Planet		
303-2 Management of water discharge-related impacts	Planet		
303-3 Water withdrawals	Planet		
303-4 Water discharge	Planet		
303-5 Water consumption	Planet		

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Disclosure	Location	Omission	Notes
Energy, Emissions and Climate Change			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Planet		
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	Planet		
305-2 Energy indirect (Scope 2) GHG emissions	Planet		
305-4 GHG emissions intensity	Planet		
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	Planet		
302-3 Energy Intensity	Planet		
Talent Attraction & Development			
GRI 3: Material Topics 2021			
3-3 Management of material topic	People		
GRI 404: Training and Education 2016			
404-2 Programs for upgrading employee skills and transition assistance programs	People		
404-3 Percentage of employees receiving regular performance and career development reviews	People		

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Disclosure	Location	Omission	Notes
Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021			
3-3 Management of material topic	People		
GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of employees and governance bodies (in terms of age, gender, protected categories)	People		
GRI 406: Non-discrimination 2016			
406-1 Total number of incidents of discrimination and corrective actions taken	Human Rights		
Workplace Health & Safety			
GRI 3: Material Topics 2021			
3-3 Management of material topic	People		
GRI 403: Occupational Health and Safety 2018			
403-1 Occupational health and safety	People		
403-2 Hazard identification, risk assessment, and incident investigation	People		
403-3 Management of material topic Occupational health services	People		
403-4 Worker participation, consultation, and communication	People		

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Disclosure	Location	Omission	Notes
403-6 Promotion of worker health	People		
403-5 Worker training on occupational health and safety	People		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People		
403-9 Work-related injuries	People		ILPEA has reported data on work-related injuries, high-consequence injuries, and fatalities for employees. Data for external workers are not available.
403-10 Work-related ill health	People		
Employee Wellbeing & Engagement			
GRI 3: Material Topics 2021			
3-3 Management of material topic	People		
GRI 401: Employment			
401-1 New employee hires and employee turnover	People		
GRI 3: Material Topics 2021			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People		

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Disclosure	Location	Omission	Notes
Customer Satisfaction			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Society		The ILPEA Group has not identified a GRI topic specific indicator related to Customer Satisfaction. However, information compliant with GRI 3-3 is reported.
Community Impact & Development			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Society		
GRI 201: Economic Performance 2016			
201-1 Direct economic value generated and distributed		Confidentiality Constraints	Data and information needed to compute direct economic value generated and distributed is not publicly available for all Group's companies worldwide.
Product Quality & Safety			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Product		
GRI 416: Customer Health and Safety 2016			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product		

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Disclosure	Location	Omission	Notes
Innovation & Sustainable Product Development			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Product		The ILPEA Group has not identified a GRI topic specific indicator related to Innovation & Sustainable Product Development. However, information compliant with GRI 3-3 is reported.
Sustainable Packaging			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Product		
GRI 301: Materials 2016			
301-1 Materials used by weight or volume	Performance Indicators	Confidentiality Constraints	For the current reporting period, ILPEA has reported materials purchased by weight. For materials acquired in other units of measurement (such as volume or quantity), estimates and assumptions have been used to convert the data into weight. To comply with GRI requirements, the Group is actively developing a data collection system to accurately track purchased materials and effectively normalize them across various units of measurement, including volume and quantity.

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Disclosure	Location	Omission	Notes
Circular Economy			
GRI 3: Material Topics 2021			
3-3 Management of material topic			
GRI 301: Materials 2016			
301-2 Recycled input materials used			
Responsible Sourcing			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Supply Chain		
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers screened on environmental criteria			During 2024, no new suppliers were screened on environmental criteria.
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers screened on social criteria			During 2024, no new suppliers were screened on social criteria.
Human Rights			
GRI 3: Material Topics 2021			
3-3 Management of material topic	Human Rights		The ILPEA Group has not identified a GRI topic specific indicator related to Human Rights. However, information compliant with GRI 3-3 is reported.

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2024 Sustainability Report
version 1.1

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