The Environment management of SOAG EUROPE SA is committed to a policy that has as its reference both its internal and external customers, and respect for the environment. The Environment management is the main topic about **ESG management** because the **Carbon Footprint** is the index that can let to analyze and take action on entire value-chain of the Company.

The ESG management of the Group is structured starting by **EcoVadis** and **Carbon Disclosure Program** subscriptions that designed the best pillars and methodologies to follow Group future pathway. Our targets are aligned with **Science Based Target (SBT) +1.5°C within 2040**, reduction baseline from 2019, also if it is not submitted yet but however take initially awareness towards tools offered by them and GHG Protocol about calculation methodology of Scope 1, 2 and 3.

The materiality of Carbon Footprint let to improve all the others topic connected as Energy, Waste, End-of-Life and Procurement. For this reason is fundamental involved all the technical efforts in top management and operative personnel useful to report KPIs required by international standards in a fluid and coherent way year by year.

The Carbon Footprint methodology followed is that of the **GHG Protocol** and the **GRI Standards**, which will be followed by the new international update required by **EFRAG with ESRS** thanks to the **EU Directive 2464/2022** that will involve the SOAG Group to draft the yearly Corporate Sustainability Reporting from 2026.
SOAG already published its Sustainability Report since 2020, initially only a few KPIs (e.g. Scope 1 and 2), the lasts extended to Scope 3 and where there are data to GRI 200, 300 and 400 series.

The **ESG | Sustainability management** of the Group started from **ISO 14001** to assess each topic to report their KPIs, monitor them and plan reduction improvements:

- **Energy**: is strategically material to decarbonize energy consumption and consequently reduce the Carbon Footprint in Scope 1 and 2; Group has entrusted it to external Energy Manager to monitor and do analysis to bring more energy efficiency and renewable installation in the production plants;
- **Waste**: is associated to H&S of which each plant reports its annual waste generated and the scarps re-used in production; the kind and disposal of waste are given by local third parties that managed these;
- **Water**: its consumption is reported incompliance with Carbon Disclosure Program and WWF Risk Water Filter; there are water analysis on pollutants in some plant; Group working on to extend monitoring and analysis to all plants.
- **End-of-Life**: Group is a b2b, no products to final users is sold; however an estimated analysis is done it on entire output materials (related category of Scope 3), but a best assessment should be done in collaboration with main clients;
- **Procurement**: purchasing Body will draft and involve material suppliers in ESG assessment to get an overview of their ESG level awareness and analyze the secondary raw material purchased (biogenic, recycled or re-used), fundamentally strategical to reduce Scope 3; here it is necessary MSDS monitoring on suppliers to evaluate;
- **Biodiversity**: has been draft an geographical assessment based on WWF Biodiversity Risk Filter, a review should be done every 5 years;
- **Pollutants**: mainly concerns the control and monitoring by third parties of the fugitive emissions (organic and inorganic) from industrial machinery such as molding presses, ovens, sandblasters, flues and cliché washes; the verifications are in accordance with UNI 16911.

The achievement of these topic objectives will be constantly monitored by trend and following of declared targets on dedicated **Net Zero Carbon 2040**, not closed only to GHG emissions. The continuously research of the best practices of techniques and know-how in compliance with legislation on ESG management should be the aggregate way to improve sustainability of the Group and reduce direct and indirect GHG emissions. This yearly evaluation is done mainly though value of **Carbon Intensity (tCO2e/€ revenues)** .

Taking the yearly actions aimed to minimizing the negative environmental impacts of Group's Carbon Footprint pursues within 2040:

- monitoring **tons of CO2e (Scope 1,2,3)** about GHG emissions generated to follow their reduction towards European decarbonization commitment aligned with SBT +1,5°C:
  - Scope 1 and 2 absolute reduction of -67%;
  - Scope 3 absolute reduction of 50% of higher impact categories;
- energy, waste, procurement, end-of-life, biodiversity and water management assessment trying to find efficient reduction collaborating with partners or third-parties.

The achievement and maintenance of these objectives will be constantly pursued through the training and information of all staff levels.

By achieving these goals, we intend to build a Company, which is firmly focused on its customers, to increase market presence and make customer satisfaction the differentiator factor with competitors in a highly competitive market. The specific objectives will be defined annually by the top management and communicated to all stakeholders.