	Energy Management Policy	SPF 03.07 GN
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		Rev. 01 del 27/11/2024

The Energy 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 main **energy consumption** of the Group concerns the use of presses to mold plastic components; than the major focus is on the electricity consumption, but also pay attention to heating in the plants where is still active through fossil sources, which is why not only closed about GHG emissions but to follows prices market trends and new innovations that bring efficiency.

The Group has plants in 6 countries of EMEA zone, so mainly conditioned by European legislation and decision making of the government involved.
The Group entrust technical energy analysis and assessment at **ESCo with qualified EGE**. The related-energy costs are yearly forecasted reviewing market purposes by local energy suppliers and submitting **best cost efficiency in terms of €/MWh** of Single National Price of Electricity and spread tariffs offered by energy suppliers.

As well as find more cost-efficiency in energy consumption, the Energy management is the **strategical topic to reduce GHG emissions** in terms of tons CO2e concerning Scope 1 and 2, i.e. where is higher possibility to directly take action.

The measures applied ensure to achieve trend decarbonization year by year, with already installed photovoltaic panels in 3 of our 13 plants equals at current about **4% auto-generated electricity (1.350 MWh/year)** of which 1% is auto-consumed and residual sold to the grid. On average our currently sources of energy are subdivided as follows:

- **35% renewables**
- 55% fossils
- 10% nuclear

This percentage are on **market-based** methodology required by GHG Protocol about way to calculate Scope 2; in this sense consumption of each plant is associated by declared percentage of energy suppliers in contracts, more consistent method than the **location-based** methodology on national energy mix.
New implementation that provides to reduce costs of energy consumed and decarbonization are already in course:

- **ENEA diagnosis** let to monitor Italian plants (7 on 13 Headquarter included) about energy consumption in Tons Oil Equivalent (TOE) showing new energy efficiencies improvements;
- there are project improvements for the **new installations** in renewables energy on about +3% dependence on entire Group's consumption;
- planned **Power Purchasing Agreement (PPA)** with energy suppliers in our contracts to assign us renewable sources for residual percentage received by fuels; these guarantees of origin will be more difficult to obtain in some countries, but feasible in the long term.

The close relationship between energy and emissions generated will be the key action to reduce Scope 1 and 2, which is why the targets set for Scope 1 and 2 is almost the same of that energy related: i.e. 70% of renewable energy sharing within 2040 compared to 67% for Scope 12 **aligned to the SBT +1.5°C pathway**.

The analysis of the individual Scope 1 and 2 values shows how the trend change in energy supply is already taking place: the decrease in Scope 1, linked to a reduction in heating consumption (by natural gas) leads to a consequent increase in electricity dependence.
However, to reach the fixed **target of 70% in low-carbon energy share within 2040** (baseline from 2019) should be approximately achieved as follows:

- **5% reachable through monitoring offered by ENEA;**
- **8% will come from its own production** by new projects outlined before with the installation of photovoltaic panels projected launched;
- **40% by PPAs in energy suppliers' contracts,** great improvement and opportunity in renewables dependence;
- **11% installing heat pumps** as decarbonization of heating sources (Scope 1 related) and the energy **efficiency of production machinery** by working with our engineering partners to identify problems;
- **Residual 6%** should be automatically reached by market decarbonization inertia or new project not planned yet.

The trend is yearly monitored with energy intensity index (GJ/€ revenues) which is a relevant KPI in relation to the volume of annual sales as a proportion of total sales; therefore, this index shows energy in relation to the size of the Group. In other words, the trend shows current reductions or increases in energy, even as the business grows.

This policy has estimated targets that could be reviewed or postponed by new analysis or by other strategical decisions.

Issuer: PM Andrea Gallinelli	Approved: CEO Pierangelo Decisi
References: ISO 50001, ENEA, ISO 14001, GRI 302, GHG Protocol and UE Directive 2464/22	