

QUALITY, HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY POLICY



ILPEA Group is a leading international manufacturer and supplier of plastic, magnetic and rubber components, primarily for household appliances, for the automotive and building sector.

Each ILPEA plant has its own unique context, operates in its own environment, acts in compliance with applicable legal requirements, and locally assesses the factors of the context that can affect or be affected by the organization.

1.INTRODUCTION

1.1 Scope of application and Recipients

ILPEA Group's Quality, Health, Safety, Environment, and Sustainability Policy (hereinafter also the "Policy") has been developed by ILPEA Group (hereinafter also "ILPEA", the "Group", or the "Company") and is implemented across the entire organization, encompassing more than 30 production plants across 5 continents.

This Policy is shared with all employees across the Group worldwide and serves as a reference framework for suppliers, business partners, and collaborators.

1.2 ILPEA's Commitment and Objectives

This Policy sets out the principles, commitments, and objectives that guide ILPEA in improving its performance by integrating quality, health, safety, environmental, and sustainability aspects into its strategy and operations.

It also confirms ILPEA's approach to responsible business practices, long-term value creation for stakeholders, and a culture of continuous improvement in quality and sustainability across the Group.

The Customer's satisfaction, the continuous search for cost competitiveness, and a profit which enables the necessary investments for the sustainable expansion of our company while ensuring an acceptable return for our shareholders are the main and priority objectives for our Company's success.

1.3 International, National & Legal Reference Framework

This Policy and its principles support the following main standards and guidelines issued:

- International standards: ISO 9001, IATF 16949, SA 8000, ISO 26000, ISO 45001, ISO 14001;
- All international and national Laws and Regulations applicable in countries where ILPEA operates;
- The United Nations Sustainable Development Goals (SDGs);
- The 10 principles of the UN Global Compact.

1.4 Internal Reference Framework

In order to ensure consistency and uniformity, ILPEA's Quality, Health, Safety, Environment and Sustainability Policy integrates the information contained in the following Group's policies and procedures:

- Code of Ethics;
- Suppliers Code of Conduct;
- Conflict Minerals Policy;
- Whistleblowing Procedure;
- Anti-Bribery Policy;
- Human Rights Policy;
- Privacy Policy.

1.5 Relations with Stakeholders

Listening to stakeholders, i.e. all interested parties who influence and/or are influenced by ILPEA's activities (e.g. employees, customers, suppliers, etc.), represents for the entire Group an important aspect.

With regards to internal stakeholders (e.g. employees), ILPEA:

- assigns tasks and responsibilities and ensures actions aimed at improving the professionalism and awareness of its employees;
- requires all employees to strictly observe the relevant laws, procedures and operating instructions and established company regulations;
- periodically promotes internal surveys and feedback initiatives to collect employees' opinions, assess satisfaction levels and identify areas for improvement;
- ensures transparent and timely internal communication by sharing relevant information on company objectives, policies and initiatives through appropriate communication channels.

With regard to external stakeholders (customers, suppliers, etc.), ILPEA:

- carries out periodic surveys on stakeholders, in order to identify strengths and weaknesses and pursue continuous improvement;
- manages external communication, relating to quality, environmental, social and governance issues;
- ensures transparency and communication towards the Control Bodies and Competent Authorities.

2.QUALITY

To achieve its objectives of Customer's satisfaction, cost competitiveness, sustainable profit for company expansion and shareholders return, while maintaining the highest standards of quality excellence, the Group pursues the following strategies:

- Partnership with the Customer with the aim to pursue the continuous improvement of the services offered.
- Product quality, with the aim of zero faults.
- Just in time deliveries.
- Continuous search for innovative and competitive solutions.
- Continuous improvement of company processes.
- Resources' growth and motivation with the aim to get efficiency and competitiveness in the performed activities.
- Effective application of the concept of "Internal Customer".
- Cooperation and support to our suppliers' growth.
- Company management system based on the ISO 9001: 2015 and IATF 16949:2016 standards.
- Standardization of the company management system in all the group's premises.
- Definition, comprehension and check of the supplied products' compliance with the Customer's requirements and the existing laws.
- Assessment and minimization of the potential risks linked to any productive process and solutions of the possible problems which could potentially generate non-compliances of the products and services offered.
- Focus on Customer satisfaction growth.
- Adoption of Good Manufacturing Practices (GMP), ensuring production processes compliant with Food Contact requirements, in compliance with national and international regulations, where requested by the Customer.
- Promotion of the "Cultural Quality" through:
 - the continuous communication about the importance of the compliance of all production processes and all activities performed in the sites with the quality management system requirements.
 - the active involvement of all staff in the continuous improvement of the processes and of all the activities performed in the sites in order to increase the effectiveness of the quality management system.
 - the support to technical leadership activities of "process owners", by defining the related application and validity areas.
 - the systematic check of the achievement of the expected results by the quality management system.

3. HEALTH, SAFETY, ENVIRONMENT & SUSTAINABILITY

ILPEA Group conducts all business activities in compliance with applicable health, safety, environmental, and sustainability regulations and standards, ensuring full adherence to all international and national laws in the countries where it operates.

3.1 OCCUPATIONAL HEALTH AND SAFETY

ILPEA is committed to promoting and safeguarding worker health and safety, preventing accidents and occupational diseases, and fostering employee well-being. Health and safety are core company values and integral to business operations.

All personnel are required to perform their activities without compromising their own safety or that of colleagues. Every work activity must be supported by a specific risk assessment and preventive management in compliance with applicable regulations.

To ensure a safe working environment, ILPEA implements the following operational strategies:

- Preventive Risk Assessment: systematic evaluation of all new activities, processes, and machinery covering chemical, physical hazards (noise, vibration, cuts, falls, etc.), ergonomic, and operational risks;
- Design and Implementation of machinery, equipment, and production plants: using best available technologies fully compliant with safety standards;
- Chemical & Hazardous Substances Management: including safe storage, handling, and disposal of hazardous materials with monitoring and mitigation measures to minimize health and environmental risks;
- Machinery & Maintenance: with continuous upkeep and inspection in compliance with regulatory requirements ensuring operational safety and reliability;
- Fire Protection & Emergency Preparedness: through integrated fire prevention systems, emergency response planning, and periodic drills across all plants;
- Ergonomics & Workplace Safety: through workstation assessment and adaptation to minimize strain and injury risks;
- Accident & Incident Review: with periodic analysis of events to evaluate corrective actions, update procedures, and improve risk prevention measures;
- Use of Security Forces: ensuring private or public security personnel at all plants operate in compliance with laws and internal rules, are properly trained, follow operational procedures, and do not compromise employee safety or dignity, with compliance regularly monitored;
- Strict alcohol and drug requirements: ensuring prohibition during working hours and that employees are fit, both physically and mentally, to safely perform their duties;
- Contractors Safety Management: ensuring all external personnel comply with ILPEA safety standards, are trained on site-specific risks, and follow operational procedures without compromising safety;
- Personnel Training & Awareness: through regular communication, training, and drills to foster a safety culture including updates on regulatory and internal safety standards;
- Continuous Improvement: including ongoing research and implementation of new technologies to minimize health and safety risks.

In the presence of reasonable suspicion, workplace accidents, or during high-risk activities, ILPEA may conduct targeted inspections to ensure compliance with safety standards, protect personnel and the work environment, and implement corrective or disciplinary measures if non-compliance is identified. ILPEA fosters a culture of prevention, actively applying best practices and technologies to maintain a safe and resilient working environment.

3.2 ENVIRONMENT

Energy

ILPEA pursues the goal of reducing and minimizing direct and indirect energy consumption. To this end, ILPEA undertakes to:

- develop processes that minimize both the absorption of energy and their emissions;
- reuse the energy dissipated by production processes for the production of additional energy that is used to heat the workplace or to operate the company production;
- promote and increase the use of energy from renewable sources;
- minimize energy consumption in the various operational sites.

Greenhouse Gas Emissions (GHG) and Climate Change

ILPEA systematically manages greenhouse gas (GHG) emissions according to the principles of the Greenhouse Gas Protocol, monitoring Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (indirect emissions across the value chain).

The decarbonization targets are defined quantitatively and measurably, aligned with international commitments to limit global temperature rise.

Reduction strategies include adopting high energy-efficiency technologies, increasing the use of renewable energy, optimizing production processes to reduce consumption and waste, and targeted interventions in logistics and transportation to minimize the carbon footprint.

At the same time, ILPEA promotes the use of low-impact raw materials and develops innovative solutions to replace virgin and non-recyclable materials with sustainable alternatives.

ILPEA maintains continuous monitoring of climate risks and implements adaptation plans to ensure the resilience of operational activities and the supply chain, while ensuring compliance with evolving environmental regulations.

Circular Economy

ILPEA promotes a production and consumption model based on the reuse and recycling of materials aimed at extending the life cycle of products, reducing waste and minimizing the environmental impact of its products.

In this regard, ILPEA undertakes to:

- carry out preventive analyzes of raw materials that can be used to produce a certain component, focusing the choice on those with a lower environmental impact;
- carry out Life Cycle Assessment (LCA) analyzes to quantify the environmental impacts that are associated with the goods produced and their end of life;
- provide customers with correct information on final destinations of their products, in order to facilitate collection, reuse, recovery of products, as well as promote the correct waste separate collection;
- develop technical proposals for products that can be recycled at the end of their life and, therefore, reused as secondary raw materials for any other purpose;
- implement sustainable packaging solutions, preferring recyclable packaging and reducing the use of single-use packaging;
- favour, where possible, the recovery rather than the disposal of industrial waste;
- manage the generated waste optimally and efficiently, disposing of it correctly in accordance with applicable legislation.

Water Management

The Group recognizes access to water as a universal human right and is committed to preserving water resources in all its activities and areas where it operates, in line with the United Nations Sustainable Development Goals (SDGs).

ILPEA is aware of the impact generated by the Group's production activities and the importance of water resources along all industrial processes, also in consideration of the growing critical issues caused by climate change (e.g. drought, desertification) and dependence of operational sites on water supply.

Water withdrawals in operational sites are provided by: surface water (eg rivers), groundwater or water supplied by local water service. Where possible, internal reuse is carried out within the operational sites, with particular attention to areas at risk of water scarcity (water stressed areas).

ILPEA aims at a continuous monitoring (qualitative and quantitative) of water resources and to reduce its water footprint.

To achieve its objectives, ILPEA adopts the following actions:

- reduce water consumption through the development of innovative systems, technologies and infrastructures;
- adopt qualitative and quantitative monitoring plans for water withdrawals/discharges;
- adequately manage the impacts generated by water discharges;
- minimize and prevent the contamination of freshwater and groundwater;
- promote the improvement of water efficiency in the areas where it is present;
- promote the improvement of water efficiency along the supply chain;
- monitor and ensure that water used by both employees and anyone who accesses the operational site complies with the hygienic-sanitary requirements.

The Group promotes a responsible behavior and consumption of water resources through specific awareness initiatives and training of all employees in order to encourage a common commitment to protect water resources.

Pollution

ILPEA constantly monitors its direct and indirect environmental aspects and pursues the prevention of pollution. To this end, ILPEA undertakes to:

- use the best available technologies to prevent pollution of air, water and soil;
- carry out, within the Company's operational sites, periodic monitoring of environmental aspects, such as chemical and microbiological analysis of water, checks on air pollutants and monitoring of soil characteristics.

Biodiversity

ILPEA recognizes the importance of protecting biodiversity and ecosystems. The Group monitors all operational sites to identify any proximity to protected or sensitive areas.

Potential impacts on biodiversity are systematically assessed, and mitigation measures are implemented to minimize effects. While ILPEA does not operate directly in areas of high ecological sensitivity, it emphasizes sustainable sourcing of raw materials, contributing indirectly to the prevention of deforestation and biodiversity loss.

Animal Welfare

ILPEA's activities do not directly involve animal farming or experimentation. However, the Group recognizes the importance of animal welfare and promotes, where applicable, responsible practices along the value chain.

In cases where materials or components of animal origin are used, ILPEA selects suppliers who comply with recognized international animal protection standards, excluding partners who engage in cruel or unethical practices.

Rights to Land Forests and Water / Forced Evictions

ILPEA respects the rights of local communities regarding access to and use of natural resources, including land, forests, and water. Any involvement in practices such as land grabbing, illegal deforestation, forced evictions, or unjustified restrictions on access to water resources is strictly excluded. In the case of new activities, expansions, or partnerships in environmentally or socially sensitive areas, ILPEA conducts environmental and social impact assessments and ensures transparent dialogue with the affected communities, in compliance with the principle of free, prior, and informed consent.

4.1 COMMUNICATION AND TRAINING

ILPEA ensures the communication and effective implementation of this Quality, Health, Safety, Environment and Sustainability Policy by actively engaging and raising awareness among all employees and throughout its value chain, through dedicated communications and targeted training initiatives. The Policy is also always available to the public and interested stakeholders on Group's website at www.ilpea.com.

