

Introduction

Comer Industries and Walterscheid Powertrain Group (hereafter “the Company”) are committed to grow and achieve a global leadership striving to create a long-lasting value for the stakeholders and contributing to a more sustainable future.

True to its *Purpose*, the Company conducts the business, at any time and in all countries where it operates, based on principles of ethic, integrity and the respect of people’s human rights, aiming to achieve higher quality and sustainability performances continuously reviewing and improving workplaces, processes and products. The Company is fully committed to manufacture and deliver products according to internationally recognized quality and sustainability standards, always guaranteeing the compliance with all applicable national or international laws and regulations.

While acting like this, the Company is promoting the application of these non-negotiable principles among all stakeholders taking always into consideration the health, safety, environmental and social impacts of products throughout all the phases of their life cycle and keeping high focus on the environment protection and the community development.

Policy objectives

This Policy outlines the guidelines for defining quality and sustainability targets and implementing, consistently with corporate strategy, the actions aimed to achieve the following results:

- the integration of a risk management approach in the decision-making processes in order to systematically identify risks and opportunities and the actions aimed to their treatment;
- the simplification of processes;
- the guarantee, the continuity and the evidence for the stakeholders of conformity to all applicable legal requirements and all compliance obligations;
- the prevention of injuries and environmental accidents by creating safe and healthy workplaces and promoting the participation and consultation of all workers by timely reporting hazardous situations and behaviors;
- the prevention of any incident concerning the health and safety of the users or non-compliance with applicable product regulations;
- the continuous improvement of performances in terms of:
 - ✓ increase of quality standard level (at 0-km and on field) and customers’ evaluation ratings;
 - ✓ reduction of energy consumption and hazardous waste quantities optimizing the use of natural resources and process efficiency;
 - ✓ reduction of direct and indirect emission contributing to avoid dangerous climate change in accordance with Paris Agreement framework aimed to limit global warming to well below 2°C and pursuing efforts to limit it to 1.5°C;
 - ✓ increase of the use of renewable energy through the installation of green energy

- equipment in its facilities or purchasing certified renewable source energy;
- ✓ reduction of environmental and social impact of the products considering the whole life cycle.

On this regard, consistently with the commitment of contributing to ending violent conflicts and human rights abuses in the countries named in the *Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act by SEC regarding "Conflict Minerals"* (known as '3TG' – Tantalum, Tin, Tungsten and Gold), the Company requires suppliers to source from conflict free smelters who have been certified by an independent third-party audit.

Policy measures

The Company strives to achieve these objectives by voluntarily adopting Quality, Health, Safety and Environmental Management Systems conforming to ISO 9001, ISO 45001 and ISO 14001 standards with the perspective to build up in the medium term a unique Integrated Management System covering all regions and sites. The Integrated Management System, embedded into the strategic plan and implemented through a risk-based thinking approach according to the ISO 31000 principles, is designed to be the driver for the strategy deployment and the compass to navigate the organizational processes.

Top management provides the resources necessary to implement and improve the Integrated Management System and periodically evaluates its effectiveness by monitoring the results based on specific Key Performance Indicators strictly related to the objectives as well as the sustainability materiality analysis result.

In the framework of the Integrated Management System, the Company has been operating by systematically:

- assessing risk and opportunities through the analysis of the context and stakeholders' expectations;
- evaluating environmental and social impacts of the products and processes by measuring potential health, safety, environmental and social risks associated with each phase of the product life-cycle;
- setting and implementing actions aimed to preventing or mitigating product adverse impacts and to achieving the targets, through a data driven approach based on risk analysis results (the *Improvement Plan*);
- monitoring performances for continuously innovating processes and products with higher quality and sustainability standards.

The Company promotes the full involvement of the supply chain in the effort to achieve quality, health and safety and environmental objectives. On this regard, suppliers are requested to fully comply with all applicable laws and regulations and with Company's principles reported in the Code of Conduct and Practice and are systematically encouraged to analyze their processes and products, also on a life-

cycle perspective, to disclose their quality and sustainability performances and finally act for improving.

The Company is committed to drive sourcing decisions based on above evaluation and suppliers' willingness to comply with these initiatives.

In order to reach the goal to be *Conflict Free*, the Company has voluntarily adopted actions to:

- define procedures to ensure that Conflict Minerals contained in the purchased products and materials do not originate from Conflict Mines;
- identify which are the products and components impacted;
- ask for suppliers to investigate the source of 3TG contained in the purchased products and materials.

Comer Industries undertakes to spread the principles of this Policy by using internal and external communication channels.

Approval of Policy

Name: PRESIDENT AND CEO – Matteo Storchi

Date: October 2022

Signature:

