SUSTAINABILITY REPORTING

STM Group - 2025

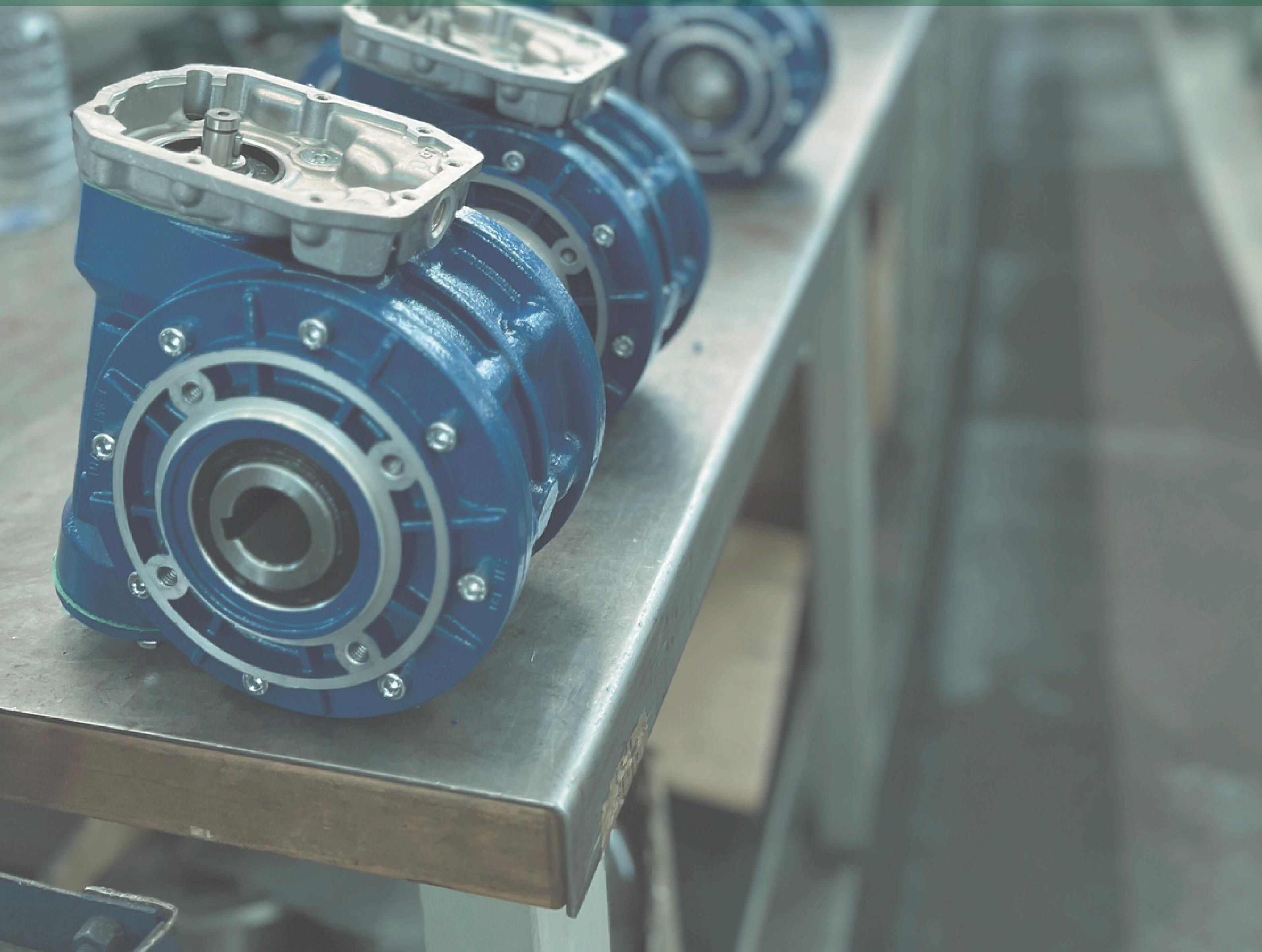
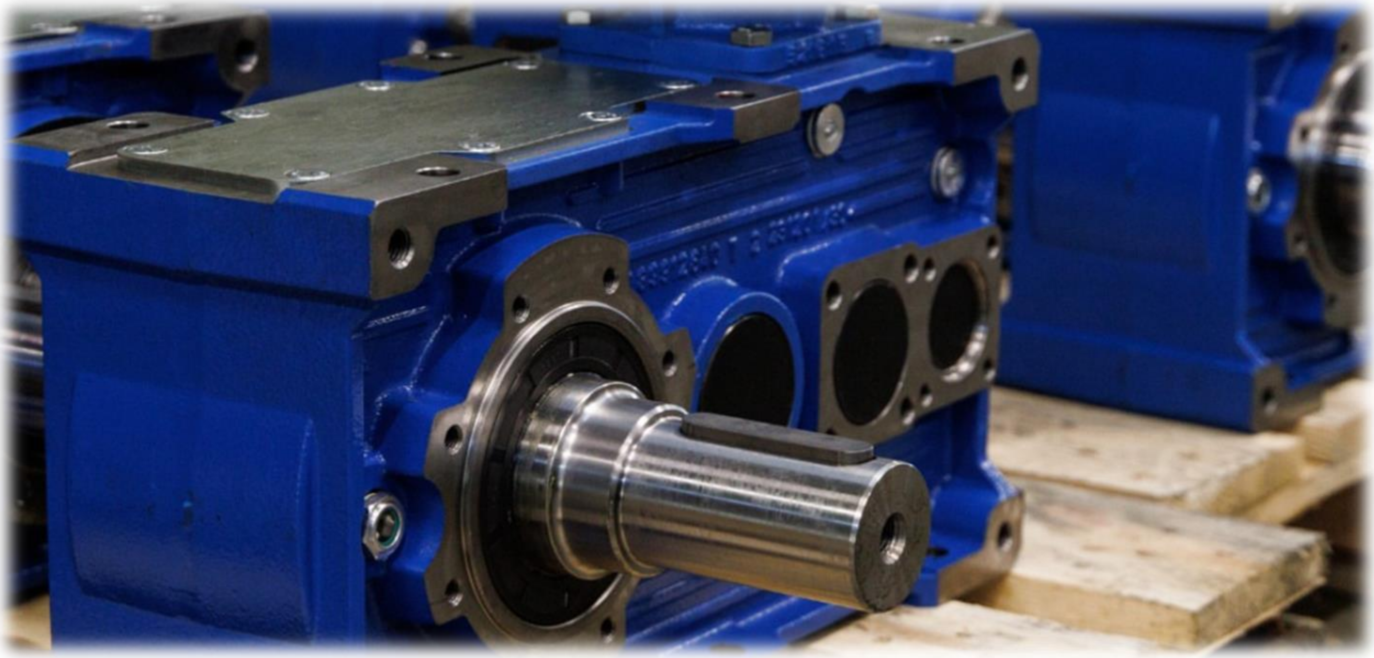


Table of contents



Highlights STM Team 2025

49 years of business activity

€132M consolidated turnover

556 employees

5 manufacturing companies

12 controlled commercial subsidiaries

5 associated commercial companies

1 real estate company

1M gearboxes/gearmotors produced on average each year

€9.8M capital expenditure

1. GENERAL INFORMATION

1.1 REPORTING CRITERIA

General criteria for the preparation of the consolidated sustainability reporting [BP-1]

This document constitutes the Consolidated Sustainability Report of the STM Group (hereinafter also the “Group”, “STM Group” or “STM Team”), prepared on a voluntary basis. Indeed, the Group does not fall among the entities subject to the reporting obligations provided for by the Corporate Sustainability Reporting Directive (so-called “CSRD”), following the adoption of Directive (EU) 2026/470 of 24 February 2026 (so-called Omnibus I), published in the Official Journal of the European Union on 26 February 2026 and entered into force on 18 March 2026.

The Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission through Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, in the version in force as of the approval date of this document.

The qualitative and quantitative data and information contained in this Consolidated Sustainability Report 2025 refer to the performance of the manufacturing and distribution companies belonging to the STM Group for the financial year ended 31 December 2025.

Although not currently subject to regulatory obligations regarding sustainability reporting, the Group has chosen to voluntarily prepare its first Consolidated Sustainability Report, expanding the reporting scope compared to the previous financial year, in which the Sustainability Report referred solely to the Parent Company STM was published.

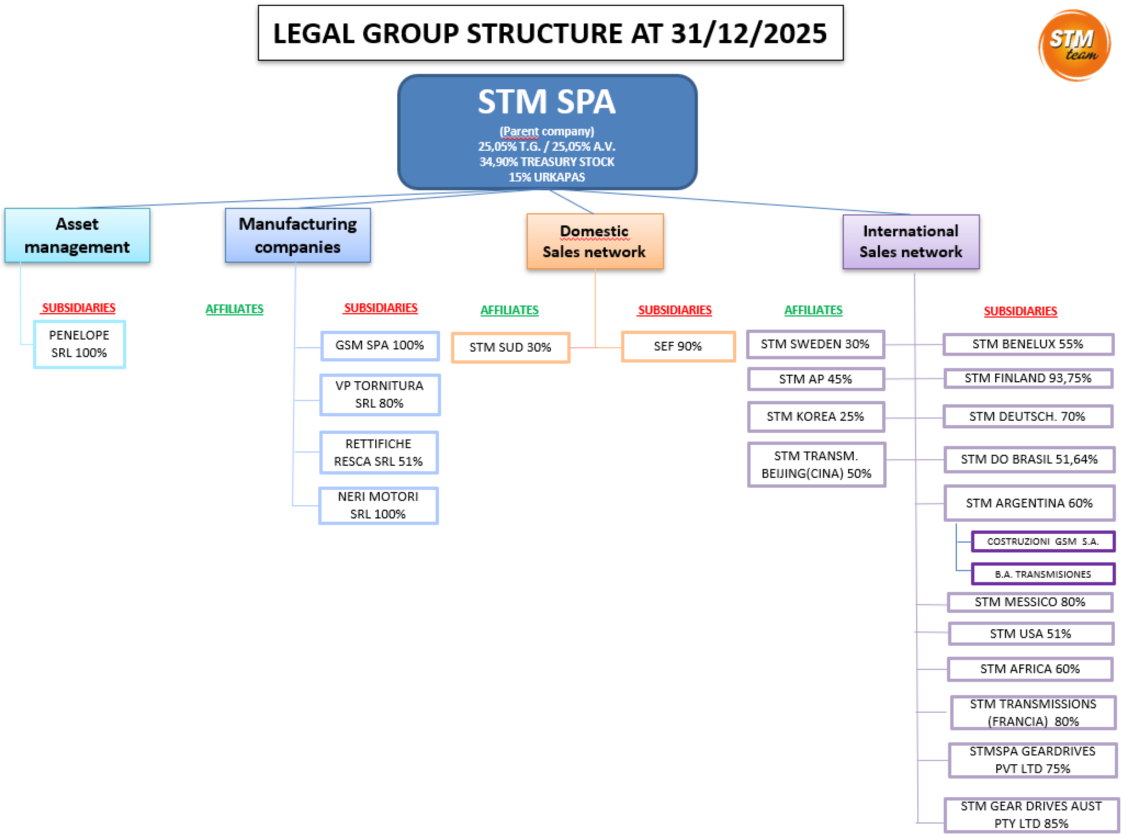
The STM Group considers this document not only as a tool for transparency towards stakeholders, but also as a strategic lever for governance and continuous improvement. Through the progressive strengthening of measurement, monitoring, and management systems for ESG issues, the Group intends to integrate sustainability into its strategic and operational choices, contributing to the creation of long-lasting value for the company, people, customers, business partners, and the communities in the territories where it operates.

The STM Group operates internationally through an articulated organizational structure which includes, in addition to the Parent Company STM S.p.A., 17 subsidiaries and 5 associated companies.

The subsidiaries include 5 manufacturing entities, including STM S.p.A. itself, 12 commercial and distribution companies, and one real estate company, while the associated companies mainly carry out commercial and distribution activities in their respective target markets.

The consolidation scope of this Sustainability Report de facto coincides with the consolidation scope of the Group and includes all subsidiaries, with the exception of Penelope S.r.l. and the companies STM Transmissions France, STM Gear Drives Australia, and STM USA. These exclusions were determined on the basis of an assessment of the materiality of their respective activities in relation to the reported ESG data and indicators. In particular, the nature of the activities carried out and their limited impact on the Group's main impacts, risks, and opportunities led to considering their inclusion not material for the purpose of the overall representation of the STM Group's sustainability performance.

Figure 1: Sociogram of STM Team



STM S.p.A., as the Parent Company, defines and promotes the principles of ethics, integrity, and sustainability that guide the operations of the entire Group. Consistent with this steering role, this document meaningfully represents the STM Group's ESG commitments, policies, and performance, and serves as a point of reference for guiding and developing sustainability initiatives across all group companies.

Disclosure in relation to specific circumstances [BP-2]

Use of phase-in provisions in accordance with Appendix C of ESRS 1

For this Consolidated Report, the STM Group has applied some of the phase-in provisions provided for in Appendix C of ESRS 1, in particular:

Table 1: Phased-in disclosure requirements

ESRS	Disclosure Requirement	Full name of the disclosure requirement	Phase-in period or effective date
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	In the first year that it prepares its sustainability statement, the undertaking may omit the information regarding anticipated financial effects.
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	In the first year that it prepares its sustainability statement, undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (where applicable on a consolidated basis) may omit the information on Scope 3 emissions and total GHG emissions.
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	In the first year that it prepares its sustainability statement, the undertaking may omit information regarding anticipated financial effects related to climate change.
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	In the first year that it prepares its sustainability statement, the undertaking may omit information regarding anticipated financial effects related to the circular economy.
ESRS S2	All Disclosure Requirements	All Disclosure Requirements	In the first two years that they prepare their sustainability statement, undertakings or groups not exceeding on their balance sheet dates the average number of 750

			employees during the financial year (where applicable on a consolidated basis) may omit all information required by the disclosure requirements regarding workers in the value chain.

1.2 GOVERNANCE

Role of the administrative management and supervisory bodies [GOV-1]

Board of Directors of the Parent company

The Board of Directors of STM S.p.A., elected during the Shareholders' Meeting held on 27 June 2023, is composed of three members, two of whom are executive. The structure of the Board of Directors[1] is reported below:

Table 2: Composition and diversity of the Board of Directors of STM Spa

Member	Position	Executive Position	Gender
Girotti Tiziano	Chairman of the Board of Directors – Chief Executive Officer	Yes	M
Vignoli Altero	Chief Executive Officer	Yes	M
Perello Reta Francisco Javier	Board Member	No	M

The Board of Directors does not include independent directors, and there is no provision for employee representatives among its members.

The Board of Directors plays a fundamental role in defining the Group's strategic direction and supervising business activities. In addition to the responsibilities assigned by law and the Articles of Association, the Board is responsible for decisions of major economic, financial, and strategic significance, and oversees the evolution of the business model and corporate policies.

In line with the Group's commitment to sustainable development, the Board evaluates ESG aspects relevant to the business and promotes their progressive integration into strategic planning processes, risk management, and investment decisions, thereby contributing to long-term value creation.

[1] Board of Directors in office as of 31.12.2025.

Sustainability Director and Sustainability Committee

By resolution of the Board of Directors on 16 December 2025, Mr. Tiziano Girotti, Chairman of the Board of Directors and Chief Executive Officer of STM S.p.A., was appointed as Sustainability Officer of the STM Group, with the task of coordinating and promoting the implementation of sustainability guidelines and targets at Group level.

This appointment is part of the Group's progressive strengthening of its ESG governance structure. Indeed, already in 2024, Mr. Girotti had been identified as the Chief Executive Officer with delegating authority over sustainability for STM S.p.A., assuming responsibility for driving and leading corporate initiatives aimed at integrating environmental, social, and governance topics into the Company's strategies, decision-making processes, and operational activities.

Through this organizational setup, the Group intends to ensure unified oversight of ESG matters, fostering the coordination of sustainability initiatives across the various group companies and the progressive alignment of development strategies with the principles of long-term sustainable value creation.

The Sustainability Officer of the STM Group possesses consolidated managerial experience and an in-depth knowledge of the sector, gained over more than forty years of entrepreneurial activity. Sustainability competencies were further strengthened through specific training and updating programs completed during 2024 and 2025, focused on ESG topics, the European Sustainability Reporting Standards (ESRS), and sustainability reporting processes.

This training program supports the effective oversight of ESG matters and promotes the progressive integration of sustainability considerations into the Group's strategies, decision-making processes, and governance systems.

To guarantee the availability of reliable data, information, and analysis to support decision-making processes and the definition of sustainability strategies, the Chief Executive Officer of STM S.p.A., within the scope of his delegated powers, established the STM Group Sustainability Committee on 17 October 2024.

The Committee operates in support of the Board of Directors and represents the main internal body for coordinating ESG initiatives. Its functioning is coordinated by Ms. Manuela Girotti, Head of the Human Resources Department, who is entrusted with cross-functional oversight of environmental, social, and governance issues across the Group.

The Sustainability Committee carries out advisory, coordination, and monitoring functions for ESG initiatives, fostering the integration of sustainability issues into business processes and reporting activities. In particular, the Committee supports the collection and analysis of data, promotes the dissemination of a sustainability culture within the organization, and contributes to identifying ESG priorities and improvement targets.

In order to ensure a comprehensive representation of the various dimensions of sustainability, the Committee is composed of the heads and representatives of the main business functions, guaranteeing a multidisciplinary approach and an integrated view of the impacts, risks, and opportunities related to ESG topics.

As of the approval date of this Report, the Sustainability Committee is composed of the following company representatives:

Table 3: Sustainability Committee composition

ESG COMMITTEE	
Function	**Name**
Human Resources	**Manuela Girotti – Responsabile Comitato ESG**
Quality	Franco Melandri
Administration, Finance and Control	Stefano Piva
Purchasing	Luigi Russo
Marketing	Giorgia Cocchi
Information Technology (IT)	Franco Sasdelli – Luca Bonaretti
Operations	Fabrizio Ferri
Human Resources	Sandra Ruggieri
Management control	Enrico Masi
Management control	Lorenzo Torricelli
Research & Development (R&D)	Enrico Baroni
Sales	Massimiliano Balboni

The members of the Sustainability Committee have developed adequate competencies in sustainability matters by participating, over the 2024-2025 two-year period, in specific training and updating programs conducted by specialized external consultants on ESG topics, key reporting standards, and relevant regulatory developments.

The Committee provides operational support to the Group Sustainability Officer, ensuring a continuous flow of information regarding the implementation of the Sustainability Project and the evolution of ESG initiatives. Through the involvement of key business functions, the Committee also fosters the coordination of activities required for defining sustainability targets, monitoring performance, and preparing the Sustainability Report.

The Committee meets periodically and carries out the following main functions:

- examine and evaluate the environmental, social, and governance aspects relevant to the Group and its operations;
- support the identification, engagement, and dialogue with internal and external stakeholders;
- coordinate the processes for collecting, verifying, and consolidating data and information required for Sustainability Reporting;

- monitor the evolution of ESG topics relevant to the sector and analyze the Group's positioning relative to market best practices;
- support the pursuit of improvement targets defined within the Group's sustainability strategy;
- promote the dissemination of a sustainability culture and the integration of ESG factors into business and decision-making processes.

The results of the activities carried out by the Committee are shared periodically with the Sustainability Officer and, for matters of greater strategic relevance, with the Board of Directors, in order to ensure adequate oversight of ESG topics and their progressive integration into the Group's planning and management processes.

Board of Statutory Auditors of the Parent Company

The Board of Statutory Auditors performs the supervisory functions required by current legislation, monitoring compliance with the law, the Articles of Association, and the principles of proper administration, as well as the adequacy of the Company's organizational, administrative, and accounting structure and its actual functioning.

The composition of the Board of Statutory Auditors[2] of STM S.p.A. is reported below:

Table 4: Composition and diversity of the Board of Statutory Auditors

Member	Position	Gender
Zambelli Fabio	Chairman of the Board of Statutory Auditors	M
Caimmi Vincenzo	Standing Auditor	M
Orsini Claudio	Standing Auditor	M

As part of its oversight activities, the Board also verifies that corporate processes are consistent with applicable regulatory provisions and support management based on principles of integrity, transparency, and long-term sustainability.

In view of the growing relevance of ESG topics to corporate management, the Board of Statutory Auditors maintains a continuous flow of information with the Board of Directors and the Group Sustainability Officer, in order to acquire adequate knowledge of the initiatives and processes adopted regarding sustainability.

Independent Audit Firm

The statutory audit of the separate financial statements of the parent company STM S.p.A. is carried out by SIMAR Revisioni S.r.l., an audit firm registered in the Register of Statutory Auditors.

[2] Board of Statutory Auditors in office as of 31.12.2025.

The mandate was conferred by the Ordinary Shareholders' Meeting and will remain in effect until the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2027.

Within the scope of its activities, the statutory auditor carries out the verifications required by current legislation in order to express a professional opinion on the compliance of the financial statements with applicable accounting principles and on their ability to present a true and fair view of the financial position, financial performance, and cash flows of the Company.

Although not subject to external assurance activities, this Consolidated Sustainability Report has been prepared by adopting organizational processes and controls aimed at ensuring the reliability, completeness, and traceability of the reported information.

Information provided to and sustainability matters addressed by the group's administrative management and supervisory bodies [GOV-2]

Within its governance model, the STM Group ensures that relevant sustainability information is collected, analyzed, and transmitted on a regular basis to the administrative, management, and supervisory bodies of the companies included in the reporting scope.

The Sustainability Committee, which meets periodically, supports the STM Group Sustainability Officer in managing and monitoring ESG issues, ensuring an adequate and continuous flow of information aimed at facilitating decision-making processes and the definition of corporate strategies.

In particular, the Committee reviews and shares information regarding:

- the evolution of national and European legislation regarding sustainability and ESG reporting;
- sustainability topics material to the Group, including related key performance indicators (KPIs) and improvement targets;
- stakeholder engagement activities and the main outcomes of dialogue with employees, customers, suppliers, business partners, and local communities;
- opportunities and initiatives aimed at strengthening the Group's ESG policies and controls;
- the progress of sustainability-related projects and investments, including those concerning energy efficiency, resource management, human capital development, innovation, and the transition toward more sustainable development models;
- the results of activities carried out with the support of external consultants and professionals specialized in the various ESG areas.

This information is shared with the various Boards of Directors of the Group companies to enable an informed assessment of ESG implications in strategic decisions, investment plans, and Group policies.

Thanks to this structured and transparent flow, the Board of Directors exercises its functions of strategic direction and oversight also with reference to ESG aspects, promoting the integration of sustainability topics into decision-making processes, corporate policies, investment plans, and the Group's long-term development prospects.

Integration of sustainability-related performance in incentive schemes [GOV-3]

In 2025, no incentive schemes or variable remuneration linked directly to the achievement of ESG targets were introduced, neither for the various Boards of Directors nor for the operational management of the Group companies.

Statement on due diligence [GOV-4]

The Board of Directors of STM S.p.A., as the administrative body of the Parent Company, assumes responsibility for the integrity, accuracy, and completeness of the information contained in this Consolidated Sustainability Report, prepared in accordance with the European Sustainability Reporting Standards (ESRS).

This document was approved by the Board of Directors at the meeting held on 29 May 2026, following a process of collecting, verifying, and consolidating information that involved key corporate functions across the organization, under the coordination of the Sustainability Committee and the Group Sustainability Officer.

Even in the absence of a regulatory reporting obligation, the STM Group has adopted an approach aligned with due diligence principles, aimed at progressively strengthening the organization's capacity to identify, assess, prevent, and mitigate actual and potential adverse impacts connected with its operations, business relationships, and value chain.

In this context, the Group has embarked on a path of progressive consolidation of its sustainability controls through the involvement of key business functions, stakeholder dialogue, the monitoring of ESG indicators, and the integration of relevant considerations into decision-making processes.

Table 5: Due diligence

Core elements of due diligence	Paragraphs in the Sustainability Report
Embedding due diligence in governance, strategy and business model	Role of the administrative, management and supervisory bodies [GOV-1] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies [GOV-2]

	Integration of sustainability-related performance in incentive schemes [GOV-3] Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]
Engaging with affected stakeholders in all key steps of due diligence	Interests and views of stakeholders [SBM-2] Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]
Identifying and assessing negative impacts	Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3] Description of the processes to identify and assess material impacts, risks and opportunities [IRO-1]
Acting to address negative impacts	Actions and resources in relation to climate change policies [E1-3] Actions and resources in relation to resource use and circular economy [E5-2] Processes for remediating negative impacts and channels for own workers to raise concerns [S1-3] Acting on material impacts on own workforce, and effectiveness of those actions [S1-4] Processes for remediating negative impacts and channels for affected communities to raise concerns [S3-3] Acting on material impacts on affected communities [S3-4] Processes for remediating negative impacts and channels for consumers and end-users to raise concerns [S4-3] Acting on material impacts on consumers and end-users [S4-4]
Tracking effectiveness of actions and communicating	Energy consumption and mix [E1-5] Gross Scopes 1 and 2 GHG emissions [E1-6] Resource inflows [E5-4] Resource outflows [E5-5] Characteristics of the Group’s employees [S1-6] Characteristics of non-employee workers in the Group’s own workforce [S1-7] Collective bargaining coverage and social dialogue [S1-8] Diversity metrics [S1-9] Adequate wages [S1-10] Social protection [S1-11] Persons with disabilities [S1-12] Training and skills development metrics [S1-13] Health and safety metrics [S1-14] Work-life balance [S1-15] Remuneration metrics [S1-16] Incidents, complaints and severe human rights impacts [S1-17] Confirmed incidents of corruption or bribery [G1-4]

Risk management and internal controls over sustainability reporting [GOV-5]

This Consolidated Sustainability Report was prepared by the STM Group Sustainability Committee, with the involvement of ESG contacts from the companies included in the reporting scope and with the technical-methodological support of specialized external consultants.

The reporting process involved key business functions in collecting, processing, and validating qualitative and quantitative information, as well as the performance indicators (KPIs) relevant to this Report.

Activities were coordinated by the Sustainability Committee, which ensured process oversight and liaison across the various Group companies, leveraging the methodological support of the appointed external consultants.

This approach enabled the adoption of consistent criteria for collecting and consolidating information, enhancing the reliability, completeness, consistency, and traceability of the reported data at Group level.

During the 2025 financial year, the STM Group continued consolidating its sustainability controls, carrying out a series of initiatives aimed at strengthening internal competencies, developing ESG information collection and management processes, and defining a structured Group-wide reporting system.

In particular, the following activities were performed:

- training activities dedicated to the European Sustainability Reporting Standards (ESRS), designed to foster a shared sustainability culture, build specific competencies within the organization, and promote a common language among the heads of the main business functions involved in the reporting process;
- completion of the EcoVadis questionnaire, which made it possible to systematize information, data, and documentation already available within the Group, contributing to the strengthening of ESG performance monitoring and reporting processes;
- ESG risk assessment activities, aimed at identifying and evaluating the impacts, risks, and opportunities related to the Group's operations, supporting the identification of material sustainability topics, the definition of priority actions, and the development of key performance indicators (KPIs) subject to monitoring and reporting;
- definition and implementation of the sustainability reporting process through the formalization of main operational phases, including:
    - collection of relevant qualitative and quantitative information;
    - internal verification and validation of collected data;
    - calculation and monitoring of environmental, social, and governance (ESG) performance indicators.

The activities carried out during the financial year contributed to strengthening the Group's sustainability governance system and developing a structured process for collecting, controlling, and presenting ESG information, in line with the principles of reliability, completeness, comparability, and transparency required by the European Sustainability Reporting Standards (ESRS).

1.3 STRATEGY

Strategy, business model and value chain [SBM-1]

The group's origins and evolutions

STM S.p.A., parent company of STM Team, originated from a small family-run manufacturing business founded in 1976 which, thanks to the entrepreneurial skills, initiative, and conviction of its founding partners, has become a major point of reference in the field of mechanical transmissions.

Figure 2: Founding partners (Tiziano Girotti, Altero Vignoli, Giuseppe Lucchini)

The company specializes in the design, manufacture, and commercialization of industrial gearboxes and gearmotors, offering one of the broadest and most comprehensive product ranges available on the market.

STM S.p.A. operates in its production facilities located in Calderara di Reno (Bologna), in Via del Maccabreccia, employs a workforce of approximately 190 people, and generated a 2025 revenue exceeding 60 million euros.

Over the years, the company has expanded its business by acquiring entities already active in the mechanical engineering sector, thereby creating a production hub specialized in manufacturing the widest range of gearboxes and gearmotors on the market.

The company mission statement is as follows: *"To design and manufacture innovative and reliable solutions for power control and transmission in the industrial sector, promoting sustainable and shared development worldwide. STM Team is market-oriented and committed to being a strongly customer-focused company to build long-term partnerships. The Group's growth strategy is summarized by the term '***Glocal***': being global, but at the same time maintaining a local presence in the main world regions to best interpret market needs. Transparency, Collaboration, and Determination are our values."*

The STM Group relies on a solid production structure located in Italy, comprising companies specialized in different segments of the mechanical and electromechanical supply chain. The manufacturing companies are STM S.p.A., GSM S.p.A., Neri Motori S.r.l., VP Tornitura S.r.l., and Rettifiche Resca S.r.l. Each of these contributes to the Group's competitive positioning, ensuring quality, precision, and timely delivery.

The Group's other manufacturing companies

GSM S.p.A.

GSM S.p.A., based in Modena, represents one of the main industrial hubs of the STM Group and specializes in the design and manufacture of large-scale gearboxes intended for complex industrial applications, including the lifting, cooling tower, and extractive industry sectors.

Founded in 1966 and acquired by STM S.p.A. in 2000, the company joined the Group with the objective of expanding the product range and strengthening its presence in high-tech market segments. Since 2019, GSM has been a wholly-owned subsidiary of STM S.p.A.

While maintaining significant operational and manufacturing autonomy, GSM makes a relevant contribution to the Group's overall industrial capacity. In 2025, the company generated revenue of approximately 19 million euros and employed an average of 95 employees.

Neri Motori S.r.l.

Neri Motori S.r.l., fully acquired by STM S.p.A. in October 2022, is headquartered in San Giovanni in Persiceto (Bologna) and represents a major industrial hub for the Group in the electric motor sector.

Founded in 1946 and located within the Emilia Motor Valley context, the company specializes in the design and manufacture of synchronous and asynchronous electric motors for a wide range of industrial applications.

Over the years, Neri Motori has developed a manufacturing model focused on technological innovation, quality, and operational efficiency, investing in automation systems, Industry 4.0-compliant solutions, and continuous improvement processes.

In 2025, the company recorded revenue exceeding 20 million euros and employed approximately 80 employees. Product commercialization occurs both to third-party customers and within the Group: in fact, approximately 20% of revenue derives from intercompany supplies, while 80% is attributable to the external market.

Focus on innovation and energy efficiency constitutes one of the company's defining features, as it develops solutions aimed at reducing energy consumption and has made investments to limit its environmental impact, including the installation of photovoltaic systems at its production sites.

VP Tornitura S.r.l.

VP Tornitura S.r.l., 80% owned by STM S.p.A. and based in Calderara di Reno (Bologna), specializes in precision mechanical machining, particularly in CNC turning, slotting, and grinding operations.

Established in 2007, the company plays a highly specialized role within the Group's value chain, providing technical skills and production capacity tailored to the manufacturing of high-precision mechanical components.

In 2025, VP Tornitura generated a revenue of approximately 2 million euros and employed an average of 13 employees.

Its activities are predominantly aimed at servicing other Group companies: approximately 90% of production is destined for STM S.p.A., while the remaining share is mainly directed to GSM S.p.A. and Rettifiche Resca S.r.l., thereby contributing to the integration of the internal production chain.

Rettifiche Resca S.r.l.

Rettifiche Resca S.r.l., 51% owned by STM S.p.A., is headquartered in Lippo di Calderara di Reno (Bologna) and has been operating since 1973 in the precision mechanical machining sector.

Originally established as a workshop specialized in grinding operations, over time the company expanded its competencies and production capacity through investments in technology, machinery, and personnel training, developing an offering geared toward both contract machining and the supply of components and finished products.

STM S.p.A. acquired the controlling interest in 2017, further strengthening the Group's oversight of high-precision mechanical machining.

In 2025, Rettifiche Resca generated revenue of over 9 million euros. The company operates under a hybrid business model: approximately 92% of revenue derives from external customers, while the remaining share is attributable to supplies provided to Group companies, Content-wise primarily STM S.p.A. and GSM S.p.A.

The presence of Rettifiche Resca allows the Group to strengthen control over strategic production stages within the supply chain, contributing to maintaining the quality standards required by the market and creating industrial synergies among the various companies.

Table 6: Manufacturing companies of STM Group (2025)

Company	Head Office	Main activity	STM Shareholding	Average employees 2025	Role in the value chain
STM S.p.A.	Calderara di Reno (BO)	Design, manufacture and commercialization of industrial gearboxes and gearmotors	Parent company	185	Design, assembly, commercialization and Group coordination
GSM S.p.A.	Modena	Design and manufacture of large-scale industrial gearboxes	100%	95	Specialized production of gearboxes for complex industrial applications
Neri Motori S.r.l.	San Giovanni in Persiceto (BO)	Design and manufacture of large-scale industrial gearboxes	100%	79	Production of electric motors and integration of electromechanical solutions

VP Tornitura S.r.l.	Calderara di Reno (BO)	Turning, CNC slotting and precision grinding	80%	13	Specialized mechanical machining in support of Group companies
Rettifiche Resca S.r.l.	Lippo di Calderara di Reno (BO)	Precision grinding and mechanical machining	51%	24	High-precision mechanical machining for external customers and Group companies

The STM Group's distribution companies

The STM Group relies on an extensive network of commercial subsidiaries and distribution partners located in key international markets, with the aim of ensuring effective commercial coverage and direct oversight of the regions served. All of the Group's distribution companies carry out commercialization activities for STM-GSM-Neri Motori products, while only some of them also manage light manufacturing stages, such as assembly and final customization, in order to respond more rapidly to local market needs. Among the latter are the subsidiaries SEF Motoriduttori, STM Benelux, STM Deutschland, STM do Brasil, STM Argentina, STM Mexico, STM South Africa, and STM India, as well as the two associated companies STM Sweden and STM Asia-Pacific (AP).

The supply chain for the subsidiaries relies primarily on procurement from STM, GSM, and Neri Motori, guaranteeing technical uniformity and consistency with the Group's quality standards.

This setup ensures a high degree of strategic and industrial coordination, while maintaining an appropriate level of operational flexibility locally, depending on the specific characteristics of the markets served.

The sectors served by the subsidiaries are in line with those of the parent company, covering a broad range of industrial applications: from the mining sector to steel mills, from fluid treatment plants to the industrial lifting and handling sector.

Furthermore, the STM Group attaches a central role to coordinating ESG (Environmental, Social & Governance) policies and targets at the international level, promoting a unified and consistent approach across all subsidiaries and associated companies. The parent company defines the strategic guidelines regarding sustainability, monitoring their implementation through constant dialogue with operating companies and fostering the dissemination of best practices along the entire value chain. This model makes it possible to combine the Group's common strategic direction with the specific features of individual markets, strengthening the ability of the various corporate entities to generate long-term sustainable value for customers, employees, business partners, and local communities.

For the sake of completeness, a description of each distribution company included in the reporting scope is provided below.

SEF MOTORIDUTTORI SRL

SEF Motoriduttori S.r.l., based in Monza, represents the STM Group's commercial footprint in the Lombardy market. Founded in 1979 as a distributor of power transmission solutions, it joined the Group in 2014 through the acquisition of a 90% stake in the share capital. Thanks to its established presence in the area and deep knowledge of the local market, SEF contributes to the Group's commercial development in one of the country's main industrial regions.

STM BENELUX B.V.

STM Benelux B.V., incorporated in 2014 and 55% owned, oversees the markets of Belgium, the Netherlands, and Luxembourg. In addition to distribution and technical-commercial support activities, the company performs product assembly and customization for the local market. The subsidiary stands out for its focus on environmental issues, thanks to the use of energy generated by the photovoltaic plant installed at the facility leased by the Company, and the use of electric vehicles for operational activities.

STM FINLAND OY

STM Finland OY has operated in the Finnish market since 2005 and constitutes the Group's commercial footprint in the Nordic region. Following the corporate reorganization that took place in 2022, STM exercises de facto almost total control of the company. The subsidiary carries out distribution and commercial support activities to foster business development in Northern Europe.

STM DEUTSCHLAND GMBH

STM Deutschland GmbH represents one of the STM Group's most significant commercial entities. Incorporated in 2007 and 70% owned, the subsidiary serves the German market through distribution, technical assistance, and local assembly activities. Over time, the company has developed a strong sensitivity toward ESG matters: it has a photovoltaic system, a fleet of hybrid and electric cars, corporate charging stations, and has implemented the so-called "short workweek" to better balance work and private life.

STM DO BRASIL REDUTORES LTDA

STM do Brasil Redutores Ltda, founded in 2000 and 52% owned, constitutes the Group's main commercial footprint in the Brazilian market. Although operating in a context where ESG issues are still under development, the company has launched a process of progressive alignment with the sustainability guidelines defined by the Parent Company, strengthening data collection and ESG performance monitoring systems.

STM ARGENTINA SA

STM Argentina S.A., 60% owned, has operated since 1997 as a distributor of Group products in the Argentine market. The company carries out local commercialization and technical support activities, contributing to the Group's presence in the South American market. In this context as well, a gradual process of integrating ESG topics and improving sustainability information collection processes has been initiated.

STM MEXICO SA

STM Mexico S.A., incorporated in 2015 and 94% owned, represents the Group's commercial footprint in the Mexican market. The company provides distribution and support activities to local customers and is progressively developing procedures and tools aimed at monitoring ESG aspects, in line with the sustainability path promoted by the Parent Company.

STM RIDUTTORI SOUTH AFRICA

STM Riduttori South Africa, incorporated in 2019 and 60% owned, is one of the commercial entities characterized by the highest growth rates within the Group. The company operates as a commercial and technical support platform for Southern Africa and plans to make new investments aimed at improving its environmental performance, including a photovoltaic system planned for 2026.

STM GEARDRIVES PVT LTD

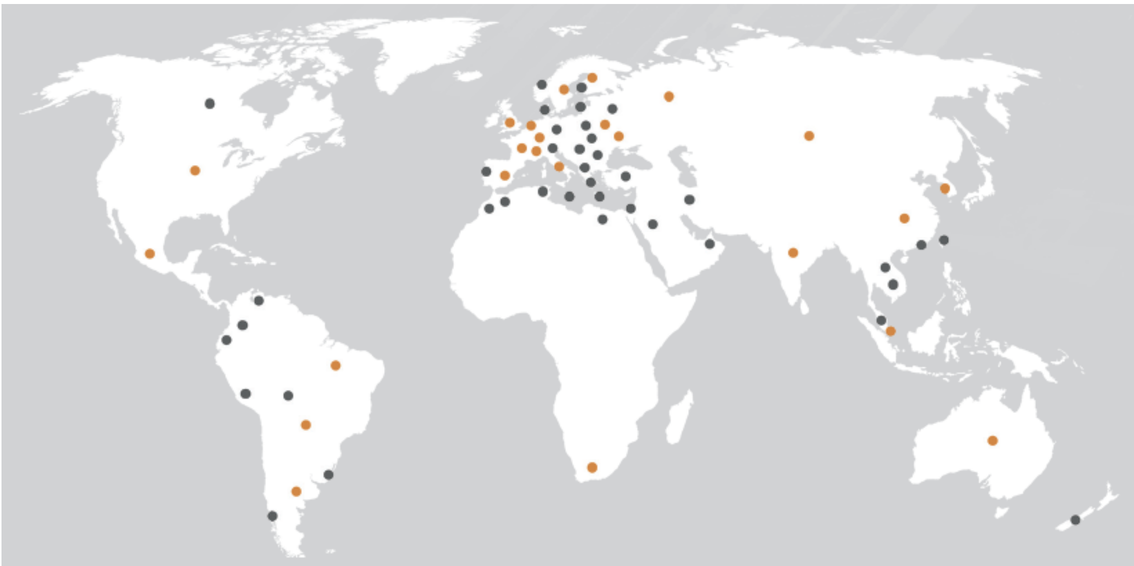
STM Geardrives Pvt Ltd, incorporated in 2021 and 75% owned, represents the Group's commercial footprint in the Indian market, one of the most dynamic economic contexts covered by STM. Alongside commercial development, the company is engaged in a progressive path of strengthening governance and ESG processes, consistent with the strategic direction defined at Group level.

Table 7: Distribution companies of the STM Group included in the reporting scope

Company	Country/Area	STM Share	Average employees 2025	Main activity	Role in the value chain
SEF Motoriduttori S.r.l.	Italy (Lombardy)	90%	14	Distribution	Local commercial presence
STM Benelux B.V.	Benelux	55%	5	Distribution and assembly	Commercial presence and product customization
STM Finland OY	Finland	87,59%	8	Distribution	Nordic market presence
STM Deutschland GmbH	Germany	70%	11	Distribution and assembly	German market presence
STM do Brasil	Brazil	51,64%	9	Distribution and assembly	South American market presence

Redutores Ltda					
STM Argentina S.A.	Argentina	60%	28	Distribution and assembly	Local market presence
STM Mexico S.A.	Mexico	94,06%	10	Distribution and assembly	Local market presence
STM Riduttori South Africa	South Africa	60%	29	Distribution and assembly	Southern Africa market presence
STM Geardrives Pvt Ltd	India	75%	31	Distribution and assembly	Indian market presence

Figure 3: STM Team sales network; in orange the subsidiaries and in grey the main official distributors



Company Timeline

1976

Year of establishment of a small company which, thanks to the entrepreneurial skills, initiative, and determination of its founding partners (Tiziano Girotti, Altero Vignoli, and Giuseppe Lucchini), has today become an important point of reference in the field of mechanical transmissions.

1990

Construction of the 10,000 m² facility, the current headquarters of the company located in Lippo di Calderara di Reno (BO). In the early 1990s, STM evolved from a predominantly artisanal business into a true industrial enterprise specializing in the design and production of speed reducers. This transformation allowed STM to gain recognition in both national and international markets, earning a position of considerable esteem.

1998

STM, with the aim of ensuring a company-wide quality system aligned with the diverse needs of the markets, obtained ISO 9001 certification.

2000

Acquisition of G.S.M. S.p.A., a company certified under ISO 9001.

2003

STM, always in search of innovative solutions, was the first in the world to design and market a right-angle gear reducer with skew shafts featuring at least two reduction stages.

2005

STM Team obtained qualification from the Italian Ministry of Education, University and Research as a highly qualified private external laboratory for the coordination and development of research.

2009

STM, with the aim of expanding its product range and after two years of design and research, introduced the EX series industrial planetary gearbox.

2010

Installation of the first photovoltaic system (so-called STM 1):
Investment value: approximately €3 million
System capacity: 950 KWp
Annual productivity: 2,220 KWh/KWp

2014

Implementation of the Product Configurator to select and download 2D and 3D drawings.

2015

Installation of second photovoltaic system (known as STM 2):
Investment value: approximately €550k
System capacity: 525 KWp
Annual productivity: 1,205 KWh/KWp

2019

Formation of an independent production hub controlled by STM, specialized in precision mechanical machining. It includes GSM, Rettifiche RESCA, VP Tornitura, and MET.

2022

STM Team acquires the company Neri Motori Srl, providing its customers with a complete and complementary supply service that combines gear reducers and electric motors.

2024

2025

Publication of the first Sustainability Report on a voluntary basis.

2026

Following the example of the parent company, GSM S.p.A. and Neri Motori S.r.l. have obtained the UNI/PdR 125:2022 Gender Equality Certification

Product range

STM and GSM offer four different product lines, divided into:

Neri Motori, instead, offers the following electric motors:

Finally, in addition to mechanical grinding machining, Rettifiche Resca is involved in the production and commercialization of spare parts for heavy vehicles and automotive sector applications.

The solutions developed by the STM Group's products find application in over 22 industrial sectors, covering the entire spectrum of light and heavy mechanical engineering, thanks to a high capacity for customization, a continuous search for quality, and a strong focus on technological innovation.

From an integrated sustainability perspective, the Group has chosen to make ongoing investments in research and development to design products and services that combine performance, reliability, and reduced environmental impact throughout their entire life cycle. In particular, R&D activities are directed toward:

- increasing the durability of gearmotors, extending their useful life and preventing premature replacements, with a consequent reduction in industrial waste and disposal processes;
- providing an advanced after-sales service aimed at reducing the risks of malfunction, ensuring product integrity, and protecting user safety, in line with the principles of social responsibility toward customers and operators;
- collecting and analyzing data on product usage through digital technologies, with the objective of improving predictive design, reducing inefficiencies, and supporting customers in a more conscious use of resources;
- reducing the use of virgin raw materials, preferring materials with a lower environmental impact sourced from recycled or sustainable origin, in line with the principles of circular economy and a responsible supply chain.

These choices reflect the Group's commitment to combining industrial innovation with environmental and social responsibility, contributing to the transition toward a more resilient, efficient, and long-term oriented production model.

Monitored sectors

The STM Group is characterized by broad sector diversification, which helps reduce risks associated with dependence on trends in specific industries. In 2025, the STM Group achieved a consolidated turnover of approximately 132 million euros (compared to 130 million euros in 2024).

Regarding the end-market sectors of STM Team's direct customers, sales related to "monitored sectors"[3], economic sectors considered highly exposed to sustainability risks, are extremely negligible and immaterial for the purposes of Sustainability Reporting.

Employees by geographic area

The international presence of the STM Group is reflected in the distribution of its workforce across the various geographic areas where the manufacturing and distribution companies included in the reporting scope operate.

As of 31 December 2025, the Group employs a total of 556 employees, mainly located in Italy, where the primary manufacturing facilities and management functions are

[3] Fossil fuel sector, chemical product manufacturing, controversial weapons, and tobacco cultivation and production.

concentrated. The presence abroad is ensured by commercial and distribution subsidiaries operating in key international markets, which contribute to the local management of sales and customer support activities.

Table 8: Employees by geographic area STM Team

No. of employees by geographic area	As of 31.12.2025
Italy	407
Europe (excluding Italy)	28
Rest of the world	121

Value chain

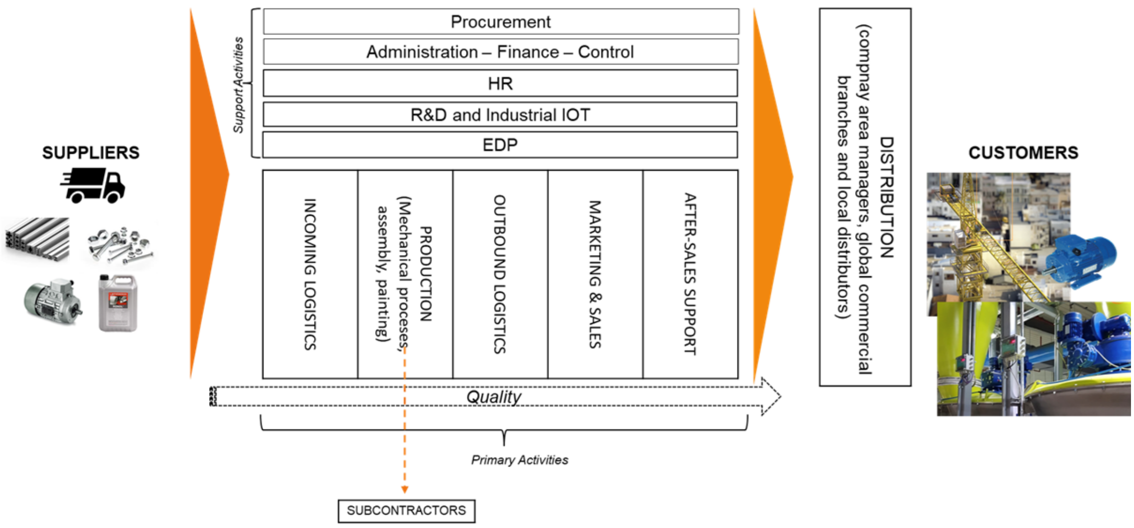
The value chain of the STM Group encompasses all the activities necessary to design, develop, manufacture, commercialize, and distribute gearboxes, gearmotors, electric motors, and mechanical components for a wide range of industrial applications.

The integration between manufacturing companies and the international network of distribution companies enables the Group to oversee the main stages of the value creation process, ensuring high quality standards, operational flexibility, and proximity to target markets.

The value chain includes activities carried out directly by Group companies and activities entrusted to selected external suppliers and partners, operating primarily in specialized mechanical machining, component supply, and logistics services.

Graphically represented below:

Figure 4: Value chain of the manufacturing companies



The main activities contributing to value creation are summarized in the following table:

Primary activities	Description
Incoming Logistics	Procurement of raw materials and components (such as steel, cast iron, aluminum, bronze, motors, oils and lubricants, packaging).
Production	Transformation of raw materials into “gear reducers/gear motors” (mechanical processes including gearing, grinding, assembly, and painting); this primary function is partially outsourced to local subcontractor companies.
Outbound Logistics	Storage of goods and management of shipments to reach the final customer, branches, or distributors.
Marketing and Sales	Promotion, sales management, customer relations, and organization of trade fairs.
Services	After-sales assistance, maintenance, and customer support.
Quality	Cross-functional system for control and continuous improvement (ISO 9001).

Support activities serve to make primary activities more efficient and include:

Support activities	Description
Procurement	Purchasing materials, selecting suppliers and subcontractors, and negotiating contracts.
Administration, Finance and Control (AFC)	Managing financial resources and performance control.
Human Resources	Recruiting and managing personnel and developing skills.
Research & Development	Department dedicated to product innovation, also utilizing IoT technologies.
EDP (Electronic Data Processing)	Developing technological infrastructure; contributes to improving the efficiency, integration, and quality of all business activities.

Production assets

The Group's manufacturing companies operate through facilities located in Calderara di Reno (STM S.p.A., VP Tornitura S.r.l., and Rettifiche Resca S.r.l.), San Giovanni in Persiceto (Neri Motori S.r.l.), and Modena (GSM S.p.A.).

Overall, the Group disposes of approximately **95,000 m² of surface area**, of which **48,000 m² are covered**, dedicated to manufacturing, logistics, and administrative activities.

The plant and equipment infrastructure include:

- over **80 high-precision machines and systems** at STM S.p.A.;
- approximately **35 CNC machining centers and high-precision machinery** at GSM S.p.A.;
- approximately **100 specialized production plants** across Neri Motori, VP Tornitura, and Rettifiche Resca combined.

These assets make it possible to manage main mechanical machining and assembly processes internally, guaranteeing high quality standards and a significant level of vertical integration.

This machinery enables the execution of primary manufacturing processes—gear cutting, grinding, turning, assembly, and painting—ensuring an annual production capacity of approximately one million units for gearboxes and motors/gearmotors, as well as gears (140 thousand pieces) and automotive spare parts (165 thousand units).

Sustainability represents an increasingly integrated element in the management of the Group's value chain. In recent years, the manufacturing companies have embarked on a path of continuous improvement aimed at reducing the environmental impacts of their operations through investments in energy efficiency, renewable energy generation plants, technological innovation, and production process optimization.

In parallel, the Group promotes the progressive involvement of suppliers, commercial subsidiaries, and other value chain partners in its sustainability initiatives, with the goal of strengthening business model resilience, enhancing overall ESG performance, and generating long-term sustainable value for customers, employees, business partners, and local communities.

Procurement

Suppliers of the STM Group's manufacturing companies represent an essential element of the value chain and contribute significantly to the quality, reliability, and competitiveness of the products manufactured. During 2025, the Group relied on more than 1,500 active suppliers, belonging mainly to three categories:

- suppliers of raw materials, particularly steel, aluminum, copper, and bronze;
- suppliers of components and commercialized materials, such as electric motors, mechanical and electronic components, bolts, screws, lubricants, paints, and packaging materials;
- specialized companies executing external mechanical machining and industrial services.

The structure of the supply chain is deeply rooted in the national territory: approximately 94% of suppliers are located in Italy, with a significant concentration in the Emilia-Romagna region, where the Group's main production sites are situated.

This configuration reflects the strategic choice to favor a short, local supply chain model, which makes it possible to maintain high levels of control over supply quality, reduce logistics lead times, and strengthen supply chain resilience.

From an environmental perspective, the geographic proximity of suppliers helps limit emissions associated with transport and reduce the overall logistical impact along the value chain. From a social and economic standpoint, it fosters the enhancement of the local industrial fabric, the preservation of regional industrial expertise, and support for employment in the communities where the Group operates.

External machining operations

In line with its industrial model, the Group outsources part of its mechanical machining operations to a qualified network of subcontracting companies, consisting of approximately 200 small and medium-sized Italian enterprises specialized in activities such as turning, gear cutting, grinding, mechanical treatments, and windings.

External partners are selected based on criteria including technical expertise, operational reliability, machining quality, and geographic proximity to the Group's manufacturing plants. Indeed, most of the companies involved are situated in areas neighboring the production sites, fostering efficient management of logistics flows and continuous long-term collaboration.

The integration between internal production capacity and external machining operations enables the STM Group to maintain high levels of manufacturing flexibility, adjusting industrial capacity to market demand while guaranteeing high quality standards.

From a sustainability perspective, relying on a network of suppliers and subcontractors predominantly located within the national territory contributes to reducing the environmental footprint associated with transport and strengthening economic relationships with the local industrial ecosystem. Furthermore, this approach promotes long-term relationships based on collaboration, mutual trust, and shared growth, contributing to the sustainable development of the entire supply chain.

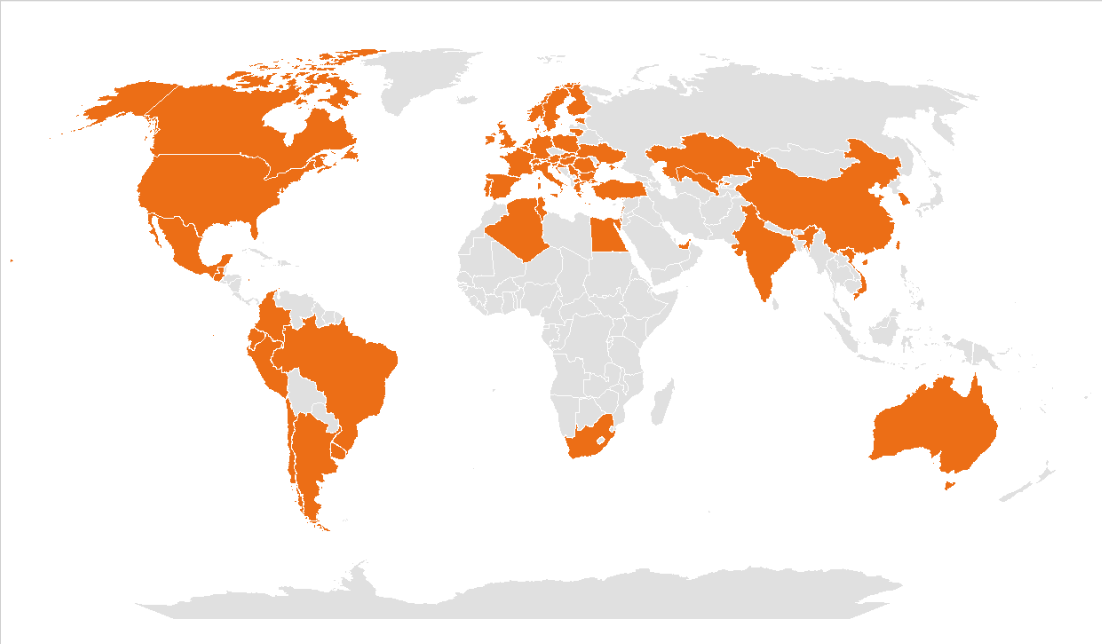
The distribution network

The STM Group directly oversees major international markets through a network of commercial subsidiaries located in Europe, North America, Latin America, Asia, Africa, and Oceania. This presence makes it possible to ensure customer proximity, local technical-commercial support, and an enhanced ability to respond to the specific needs of different markets.

The Group's products are distributed in over 80 countries worldwide through an extensive network comprising subsidiaries, distributors, resellers, and qualified agents, selected based on criteria of reliability, technical expertise, and knowledge of target markets.

This distribution model allows the Group to combine internationally coordinated management with effective local oversight, strengthening competitiveness, the quality of the service offered, and the ability to build lasting relationships with customers and commercial partners.

Figure 5: STM Team sales network 2025



Shipments predominantly take place by road for domestic and European destinations, while maritime and air transport are primarily used for non-European markets. Within logistics management, the Group prioritizes local carriers where possible in order to reduce distances traveled and the related emissions associated with the transport of goods.

Whenever the carrier is selected by the customer, national and international logistics operators (such as BRT, Transmec, JAS, Rhenus, Fercam, and Arcese) that have embarked on paths to improve their environmental performance are frequently utilized. This model enables the Group to combine distribution efficiency with attention to the environmental impacts of the logistics chain, promoting a progressive reduction of emissions along the supply chain.

STM Group Certifications

Over time, STM S.p.A. has gained solid experience in the design and manufacture of products for the power transmission sector. This expertise was recognized in 1998 with the attainment of UNI EN ISO 9001 certification, which attests to the compliance of its Quality Management System with international standards.

Through its Quality Policy, STM S.p.A. promotes its commitment to meeting system requirements and constantly improving its effectiveness. Furthermore, the Company values knowledge management as a strategic lever, fostering its dissemination and integration across the entire organizational structure. ISO 9001 certification, maintained continuously since 1998, represents a guarantee of the reliability of corporate processes and organization.

Since its inception, STM S.p.A. has actively promoted the integration of gender equality principles throughout the entire professional journey offered to its current and future personnel. This commitment translates into a human resources management and development model aimed at ensuring concrete equal opportunities through targeted initiatives and tangible actions.

This vision is formalized in the "Gender Equality Policy," which guides the company in valuing diversity and safeguarding equity within the workplace.

In confirmation of this journey, in 2024 STM S.p.A. obtained the UNI/PdR 125:2022 Gender Equality Certification, attesting to its commitment to promoting an inclusive environment and ensuring equal opportunities for career advancement, remuneration, and access to leadership roles.

In line with the requirements of the aforementioned certification, a Steering Committee (*Comitato Guida*) has been established, composed of the following members:

- Mr. Tiziano Girotti;
- Ms. Manuela Girotti;
- Ms. Sandra Ruggieri.

The role of the Steering Committee is to:

- ensure the continuous and effective implementation of the gender equality policy;
- draft the strategic plan in order to translate the policy themes into simple, measurable, realistic, and time-bound targets;
- allocate the resources earmarked by Management for the concrete implementation and pursuit of the strategic objectives contained in the strategic plan;
- promote training and awareness regarding the topics covered by the strategic plan, in particular by raising awareness among top managers who assume the responsibility of embedding and applying the principles and objectives falling within their respective spheres of responsibility.

The Company also holds the following product certification:

Product certification	
ATEX Certificate – ATEX Directive 2014/34/EU	S.T.M. - ATEX gearboxes comply with the design requirements specified for Group II, Category 2 for operation in potentially explosive atmospheres containing gas ("G") and combustible dust ("D").

Furthermore, in both 2024 and 2025, STM S.p.A. completed the EcoVadis questionnaire, one of the most prominent international sustainability rating platforms. This assessment enabled the company to evaluate its sustainability performance. Specifically:

- data, information, and documentation regarding the various ESG areas already established within the company were collected and structured;
- strengths, weaknesses, and areas for improvement were identified;
- priority action items were defined.

The Group's other manufacturing companies also hold numerous certifications. Specifically, GSM obtained UNI ISO 9001 certification in 1999, which it renews according to required deadlines; additionally, it holds ATEX certification and is a member of the Cooling Technology Institute (CTI). In 2025, it initiated the procedures to obtain UNI/PdR 125:2022 Gender Equality Certification and approved the Business Continuity and Corporate Resilience project, set for completion in 2026.

Neri Motori holds UNI ISO 9001 certification and complies with various directives and standards, such as ATEX, RoHS (Restriction of Hazardous Substances), Ecodesign, UKCA, Conflict Minerals, UL-CSA, and the EU declaration of conformity for its company products. Furthermore, in 2025, it initiated the procedures to obtain UNI/PdR 125:2022 Gender Equality Certification.

Finally, Rettifiche Resca has long held UNI ISO 9001 certification.

Interests and views of stakeholders [SBM-2]

The STM Group places great importance on dialogue and engagement with its stakeholders, recognizing the value of relationships built over time with all entities that influence or are influenced by its activities.

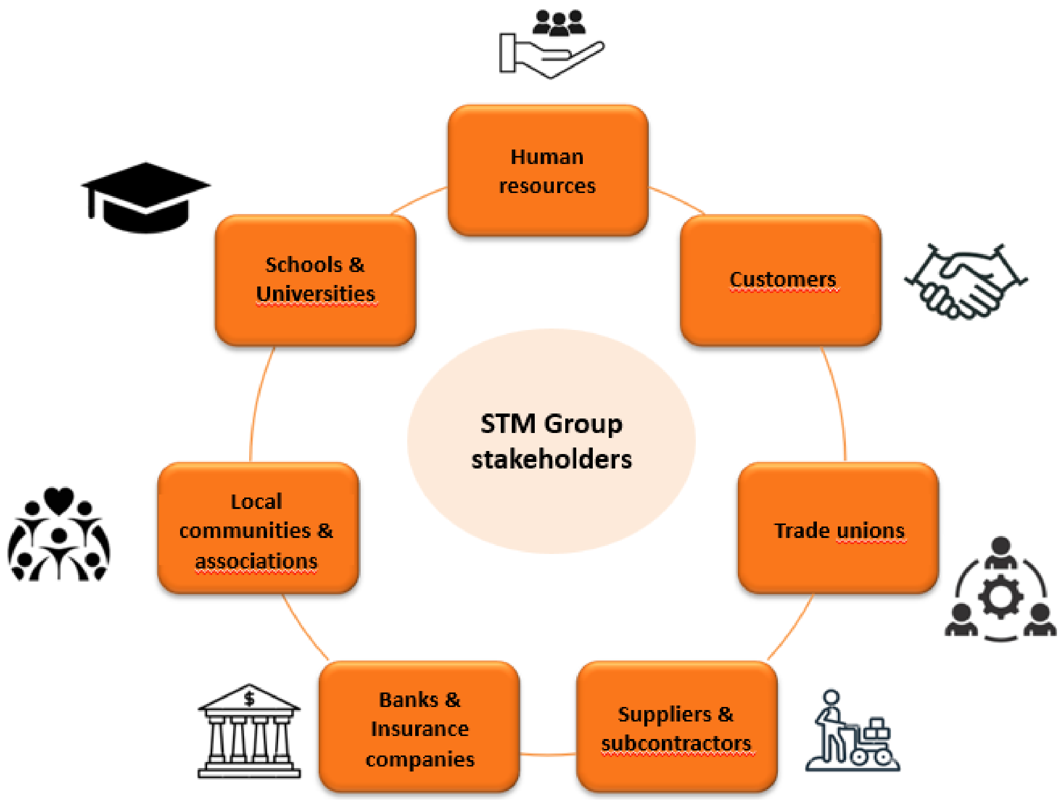
Understanding the expectations, needs, and priorities of various stakeholders enables the Group to identify potential issues early, seize opportunities for improvement, and direct its strategic and operational decisions more effectively.

For this reason, the Group promotes a proactive approach based on ongoing dialogue and active listening to its stakeholders, aware that open communication is an essential tool for fostering strong, long-lasting relationships and contributing to shared, long-term value creation.

Identifying relevant stakeholders and monitoring their needs are therefore central components of the Group's sustainability journey.

The following figure illustrates the mapping of the main stakeholder categories with which the STM Group interacts in carrying out its business activities.

Figure 6: Main stakeholders of STM Group



Below are the interaction tools and channels promoted by the Group:

Table 9: Stakeholder engagement methods

Stakeholder	Interaction tools and channels	Description
All	Whistleblowing channel	Confidential reporting system allowing the communication of illegal behaviors, regulatory violations, or conduct non-compliant with corporate principles, ensuring the protection of confidentiality and safeguarding whistleblowers from potential retaliation.
Employees	Direct channel	STM, GSM, and Neri Motori have also activated a direct listening channel managed by the Human Resources function—complementary to other corporate dialogue tools—through which employees can report needs, critical issues, or improvement proposals in a confidential and constructive manner.

	"Suggestion box" for anonymous reporting at STM S.p.A.	A tool that enables employees to submit reports, observations, or critical issues anonymously, encouraging the emergence of potential problems and contributing to strengthening transparency, listening, and continuous improvement within the organization—designed also for those less familiar with digital systems.
	Corporate Intranet and newsletter plan	Internal communication tools used to share corporate information, organizational updates, initiatives, projects, and contents of interest to employees. These channels foster the flow of information, people engagement, and the dissemination of the Group's culture and values.
Trade unions and worker representatives	Periodic meetings with trade union representatives	Periodic engagement sessions aimed at fostering dialogue between the company and worker representatives on topics related to working conditions, remuneration policies, health and safety, corporate organization, and other matters of common interest. These meetings contribute to promoting collaborative industrial relations, proactive management of criticalities, and a climate of mutual trust.
Customers	Direct and ongoing relationship with sales office personnel	The STM Group maintains a direct and continuous relationship with customers through the Commercial function and the Marketing & Communication area, ensuring personalized, timely, and listening-oriented communication. This channel facilitates the understanding of specific customer needs, efficient order management, and the provision of prompt information on products, services, and technical solutions offered by the company.
	After-sales service	The Group offers an after-sales service to support customers in using purchased products, resolving potential issues, and providing technical assistance. This service is essential to ensure that customers can fully benefit from product value and to respond quickly to any maintenance requests or needs.

	Online contact forms for specific requests	Through the dedicated "Services Area" on its website, the Group provides online contact forms allowing customers to send specific requests, ask questions, or request detailed information regarding products or services.
	Social media (LinkedIn, Facebook, Instagram, X, and YouTube)	The Group actively utilizes social media as a direct and interactive communication tool with its customers. Through these channels, the company shares corporate updates, responds to inquiries, gathers feedback, and strengthens customer relationships in an informal, timely, and accessible manner. The conscious use of social media also helps consolidate corporate reputation, promoting transparency, market proximity, and consistency between identity, values, and behavior—fundamental elements to build and maintain stakeholder trust.
Affected communities	Definition of interventions or projects managed directly or in partnership	The Group develops and implements interventions and projects intended for local communities, managed both internally and in collaboration with local entities, institutions, or other regional organizations.
	Dialogue and collaborations with associations	The Group maintains constant dialogue and collaborations with local associations, non-profits, and other organizations operating within the region.
Suppliers and subcontractors	Direct and ongoing relationship with purchasing department personnel	The Group establishes direct and continuous contact with its suppliers and subcontractors through the purchasing office. This communication channel allows for optimal procurement management, ensuring transparency in ordering processes, deliveries, and the resolution of potential issues.
	"Compri" supplier portal	In 2025, STM launched a dedicated portal for suppliers, offering a centralized platform for managing communications, sharing documentation, and tracking orders and invoices. This digital tool ensures greater efficiency, simplifying daily operations and facilitating information flow between the company and its

		suppliers and subcontractors, thereby improving collaboration and operational integration.
Banks and insurance companies	Ad hoc meetings	The Group maintains continuous dialogue with credit institutions and insurance companies through dedicated meetings aimed at sharing corporate performance, growth prospects, financial needs, and main risk profiles. These discussions foster transparent, collaborative relationships and support effective access to financial and insurance services.
Schools and Universities	Internship and work-study projects	The Group is committed to supporting the training of young talent by offering a stimulating and educational work environment, thereby contributing to the preparation of future professionals and strengthening the link between the academic world and the industrial sector.

Material impacts, risks and opportunities and their interaction with strategy and business model [SBM-3]

Below are the actual and potential impacts, broken down by sustainability sub-topics outlined by the ESRS standards, that the Group has identified and assessed as material within the materiality analysis framework—the process of which is described in section "IRO 1 – Description of the process to identify and assess material impacts, risks and opportunities."

The material sustainability matters arising from this analysis represent the priorities around which the Group intends to structure its strategic sustainability plan.

For each impact, the phase of the value chain where it is predominantly concentrated is specified—whether within the Companies' own operations, upstream, or downstream of such operations. Furthermore, it is reported whether the impact is actual or potential, and whether it is positive or negative.

Table 10: List of material impacts

E1 – Climate change

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Climate change	As manufacturing entities, the production companies of the STM Group generate greenhouse gas (GHG) emissions attributable to direct emissions from manufacturing processes and corporate vehicles (Scope 1), energy consumption (Scope 2), and indirectly from upstream and downstream value chain activities (Scope 3). In 2025, the Group initiated the measurement of Scope 1 and Scope 2 emissions alongside an initial analysis of climate risks and key emission sources, serving as a prerequisite for defining a future Decarbonization Plan aimed at the progressive reduction of CO_2 emissions.	Effective Negative	☑	☑	☑
Energy	The manufacturing companies of the STM Group record significant energy consumption linked to industrial processes; STM	Effective Negative	☒	☑	☒

	S.p.A. and Rettifiche Resca S.r.l. have been classified as energy-intensive enterprises since 2024. This aspect generates an actual environmental impact related to energy use and associated climate-altering emissions, which is mitigated through investments in renewable energy sources and energy efficiency interventions designed to progressively reduce consumption and emissions.				

E5 – Circular economy

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Resource inflows, including resource use	The STM Group contributes to the reduction of virgin resource consumption by purchasing materials from recycled sources and using consumables and materials with reduced environmental impact, progressively integrating sustainability criteria into procurement and	Effective Positive	☑	☑	☒

	supplier selection processes.				
Resource outflows related to products and services	STM has developed a predictive monitoring service aimed at extending product lifespan, reducing resource waste and consumption, and promoting eco-design and circular economy principles. The system is currently being promoted on the market.	Potential Positive	☒	☑	☑
Waste	The Group uses materials and components that, in part, exhibit limited recyclability or recoverability features at the end of their life cycle, generating a negative impact on resource circularity and requiring improvement initiatives in product design and supply chain management.	Effective Negative	☒	☑	☑

S1 – Own workforce

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Health and safety	The STM Group's workforce, comprising an average of 549 employees, is exposed to the typical risks of manufacturing activities, with potential impacts on health and safety arising from workplace accidents or occupational illnesses. To mitigate these risks,	Effective Negative	☒	☑	☒

	the Group adopts specific prevention and protection systems, periodic training activities, operational procedures, and control measures aimed at ensuring a safe working environment and reducing the likelihood of harmful events occurring.				
Gender Equality	STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have adopted a specific gender equality policy and obtained UNI/PdR 125:2022 certification, confirming the Group's commitment to promoting equal opportunities, inclusion, and the enhancement of diversity. These initiatives help foster fair conditions for access, professional development, and growth within the organization. However, there remains room for improvement regarding female representation in top management and positions of greater responsibility.	Effective Positive	☒	☑	☒
Training and skills development	The Group promotes the continuous training and upskilling of its employees, contributing to the development of professional skills, the personal growth of its people, and the strengthening of the company's human capital.	Effective Positive	☒	☑	☒
Collective bargaining and social dialogue	The Group's manufacturing companies guarantee the full application of national collective bargaining agreements and promote	Effective Positive	☒	☑	☒

	constructive and continuous dialogue with worker representatives. Furthermore, STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have signed supplementary corporate agreements aimed at recognizing additional benefits for employees. The presence of major trade unions and Unitary Workplace Union Structures (RSU) fosters stable, participatory, and dialogue-oriented industrial relations, contributing to organizational well-being and the protection of workers.				
Adequate wages	The Group provides economic remuneration that meets or exceeds the levels established by collective bargaining and supplements the compensation system through corporate agreements and welfare measures. The adopted policies promote pay equity, equal opportunities, and the valorization of personnel.	Effective Positive	☒	☑	☒

S3 – Affected communities

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Impacts related to the local community	The manufacturing companies of the STM Group contribute to the economic and social development of the territories in which they operate	Effective Positive	☒	☑	☑

	by creating local employment, supporting regional initiatives and associations, and collaborating with schools, universities, and training institutions to foster orientation and entry of young people into the job market. Furthermore, the significant presence of workers residing in neighboring areas strengthens the bond between the Group and local communities.				

S4 – Consumers and end-users

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Personal safety of consumers and/or end-users	The Group invests in the safety and reliability of its products through design compliant with standards, quality controls, technical documentation, and certified management systems, helping to protect end-users and reduce risks associated with product use.	Effective Positive	☒	☑	☑

G1 – Business conduct

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Corporate culture	The STM Group promotes a corporate culture based on integrity, responsibility, transparency, and respect for stakeholders. This approach generates a positive impact on organizational behaviors and decision-making processes, supported by continuously evolving governance controls. In this context, STM S.p.A., in its capacity as parent company, has adopted a Code of Ethics integrated with ESG principles, which serves as a reference for the Group's companies and all addressees, guiding business activities toward ethical, sustainable, and responsible conduct	Effective Positive	☑	☑	☑

	regarding people, the environment, and reference communities.				
Cybersecurity	The Group adopts organizational and technological measures for the protection of information systems and corporate data, helping to reduce the risk of cyberattacks, ensure business continuity, and safeguard the information of stakeholders and commercial partners.	Effective Positive	☑	☑	☑
Protection of whistleblowers	STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have adopted a Whistleblowing procedure that guarantees confidential reporting channels and adequate protection measures for whistleblowers, helping to promote transparency, integrity, and the prevention of non-compliant behavior. The Group is progressively evaluating the extension of similar controls to other subsidiaries, taking into	Effective Positive	☑	☑	☑

	account their respective organizational and size characteristics.				
Active and passive corruption	No cases of corruption have been recorded within the STM Group. The parent company has adopted a Code of Ethics that defines principles and behaviors based on integrity, transparency, and compliance with applicable regulations, promoting a corporate culture grounded in high ethical standards.	Potential Negative	☑	☑	☑

1.4 MANAGEMENT OF IMPACTS, RISKS, AND OPPORTUNITIES

Description of the process to identify and assess material impacts, risks, and opportunities [IRO-1]

With the introduction of Directive (EU) 2022/2464 on the Corporate Sustainability Reporting Directive (CSRD), the concept of materiality has evolved into the principle of double materiality (Double Materiality), which considers two complementary perspectives.

Impact materiality (impact materiality) concerns the positive and negative impacts, actual or potential, that the undertaking generates or may generate on the environment and on people through its activities and relationships along the value chain. Financial materiality (financial materiality) considers instead the risks and opportunities arising from environmental, social and governance (ESG) factors that may affect the undertaking's financial position, financial performance, cash flows, access to finance and cost of capital.

Within the scope of this document, prepared on a voluntary basis, the STM Group deemed it appropriate to focus primarily on the analysis of impact materiality, with the objective of identifying and assessing the most significant impacts generated by its activities on key stakeholders and the reference environmental and social context. The analysis was developed through a structured process involving the Sustainability Committee, key corporate functions and specialized external consultants, taking into account the characteristics of the sector of belonging, the Group's business model, the value chain and the expectations of primary stakeholders. To support the activity, key guidelines and benchmark publications on materiality and sustainability were also analyzed, including:

- Materiality Assessment – Implementation Guidance – EFRAG;
- From Materiality Analysis to Double Materiality: An Application Guide – CNDCEC;
- The Implementation of the Materiality Principle – Practical Guidelines – OIBR.

The outcome of the process enabled the identification of the sustainability matters most material to the STM Group and the identification of the key positive and negative impacts associated with corporate activities, which constitute the information base of this Sustainability Report.

Understanding the context

The process of identifying material impacts for the STM Group began with an in-depth analysis of the activities carried out by the Group's companies, commercial relationships, the operating context, and the main categories of stakeholders involved. This activity made it possible to map the value chain and identify interested parties across the various phases of corporate processes.

The analysis was developed through the examination of internal documentation, the involvement of key corporate functions, and an assessment of the reference sector's characteristics, in order to identify the sustainability matters most material to the Group.

To support the process, a benchmarking activity was also carried out with comparable industry peers, aimed at comparing the main ESG issues considered material by the market and ensuring an approach consistent with national and international best practices regarding sustainability.

The information gathered formed the basis for identifying and assessing positive and negative, actual and potential impacts associated with the Group's activities along the entire value chain, allowing for the subsequent definition of sustainability matters considered material for the purpose of this Reporting.

Stakeholder Engagement

Once the main categories of stakeholders were identified as part of the context analysis, the STM Group initiated a stakeholder engagement activity aimed at gathering useful insights for assessing material sustainability topics.

To this end, an anonymous online questionnaire was submitted to a representative sample of external and internal stakeholders, including customers, suppliers, employees, branches, agents, and distributors. The survey, conducted via the Google Forms platform, aimed to capture the perceptions, expectations, and priorities of interested parties regarding key environmental, social, and governance (ESG) topics.

Through the questionnaire, participants were asked to evaluate the level of materiality attributed to the various sustainability topics considered in the analysis.

The findings gathered provided an important supporting element to the process of identifying material impacts and contributed to guiding the definition of the Group's sustainability priorities, fostering greater alignment between stakeholder expectations and corporate strategic directions.

Stakeholder involvement therefore represents a fundamental tool for understanding interested parties' needs, enhancing the quality of the reporting process, and supporting the continuous improvement of the Group's sustainability policies and initiatives.

Determination of material impacts - Risk Assessment

Following the stakeholder engagement phase, the Sustainability Committee proceeded to assess the identified impacts through a structured Risk Assessment process aimed at determining their level of materiality for the purposes of this Reporting.

The assessment was conducted considering, for each impact, the criterion of severity and, in the case of potential impacts, also the criterion of likelihood of occurrence. Severity was analyzed based on three factors: scale of the impact, scope of the generated effects, and, for negative impacts only, irremediable character.

In particular:

- scale: measure of the benefit generated by a positive impact or the severity of the effect associated with a negative impact;
- scope: extent of the impact in terms of stakeholders or contexts affected;
- irremediability: degree of possibility to remedy or restore the effects of a negative impact;
- likelihood: possibility that a potential impact will materialize.

Each assessment parameter was assigned a score ranging from 1 (very low) to 5 (very high). The severity of the impact was determined through the average of the scores assigned to the relative factors, while for potential impacts, the level of likelihood of occurrence was also considered.

The final assessment of materiality was obtained through the combination of severity and likelihood scores, allowing an overall level of significance to be assigned to each matter.

At the end of the analysis, a materiality threshold of 3.5 was defined, above which the topic was considered material for the purposes of the Sustainability Reporting.

The results emerging from the assessment process were subsequently compared with the findings collected through stakeholder engagement, in order to verify consistency between the priorities identified by the Group and the expectations expressed by interested parties.

The activity made it possible to identify the most material sustainability topics for the STM Group, which form the basis for defining the content of this Consolidated Sustainability Reporting.

Below, for ease of presentation, is the list of the **16 material topics** of the STM Group:

MATERIAL TOPICS
ENVIRONMENTAL TOPICS
1. Greenhouse gas emissions
2. Energy consumption
3. Sustainable procurement
4. Product durability
5. Waste
SOCIAL TOPICS
1. Health and safety
2. Gender Equality
3. Training and skills development
4. Collective bargaining coverage and social dialogue
5. Adequate wages
6. Community relations
7. Product safety
GOVERNANCE TOPICS
1. Ethics and corporate culture
2. Whistleblower protection
3. Active and passive corruption
4. Information security

Policies, actions, metrics, and targets for material topics are described within the specific disclosure sections required by each of the ESRS standards.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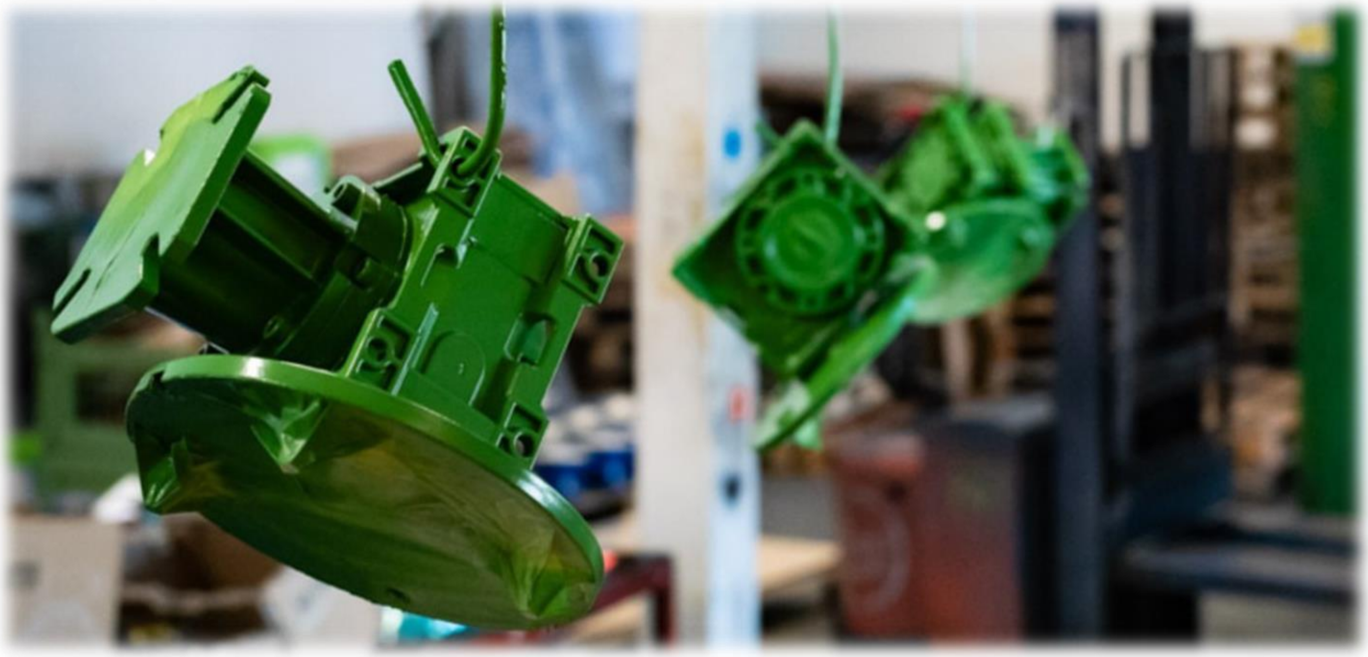


Highlights ENVIRONMENT 2025

6 photovoltaic systems

22M KWh of energy from renewable sources generated by the systems since their installation

4.880 tCO_2eq of GHG emissions avoided thanks to the energy produced by the photovoltaic systems

2.023 tCO_2eq of Scope 1 and Scope 2 emissions generated by the production companies

12 electric and hybrid vehicles in the corporate fleet

2. ENVIRONMENTAL INFORMATION

2.1 E1 – CLIMATE CHANGE

Integration of sustainability performance into incentive systems [ESRS 2 GOV-3]

To date, the STM Group has not implemented incentive systems linked to the achievement of greenhouse gas emission reduction targets in the remuneration of members of the administrative, management, and supervisory bodies.

Transition plan for climate change mitigation [E1-1]

Climate change represents a priority environmental topic, capable of generating direct and indirect effects on business operations, supply chains, and the regulatory and market context.

Aware of the growing importance of climate issues and the transition process toward a low-carbon economy, the Group initiated a process in 2025 to analyze and measure its greenhouse gas (GHG) emissions, with particular reference to its production companies.

The carbon footprint quantification activity constitutes the first step toward broader integration of climate issues into corporate processes and will allow for the identification of key emission sources, the assessment of risks and opportunities related to climate change, and the definition of any future emission reduction targets.

This commitment fits into a long-term vision oriented toward environmental sustainability and the creation of resilient value, also in response to the evolution of the European regulatory framework and stakeholder expectations.

As of the approval date of this Reporting, the Group has not yet adopted a specific Climate Change Policy nor a formalized Decarbonization Plan. However, for several years the Group's companies have been implementing interventions and investments aimed at improving energy efficiency, reducing consumption, and progressively decreasing the environmental impact of their activities. As illustrated in section "**Actions and resources in relation to climate change policies [E1-3]**," the Group has already implemented several initiatives in the energy and environmental fields, which constitute an important foundation for the future development of a structured climate strategy consistent with corporate sustainability objectives.

Description of the processes to identify and assess material climate-related impacts [ESRS 2 IRO-1]

The process adopted to identify and assess material impacts is described in detail in the first chapter, in the paragraph “IRO-1 Description of the process to identify and assess material impacts, risks and opportunities”.

In summary, the materiality analysis conducted first by STM S.p.A. and then extended to the Group's production companies highlighted the materiality of the following impacts regarding the topic of “climate change”:

E1 – Climate change

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Climate change	As manufacturing entities, the production companies of the STM Group generate greenhouse gas (GHG) emissions attributable to direct emissions from manufacturing processes and corporate vehicles (Scope 1), energy consumption (Scope 2), and indirectly from upstream and downstream value chain activities (Scope 3). In 2025, the Group initiated the measurement of Scope 1 and Scope 2 emissions alongside an initial analysis of climate risks and key emission sources, serving as a prerequisite for defining a future Decarbonization Plan aimed at the progressive reduction of CO_2 emissions.	Effective Negative	☑	☑	☑
Energy	The manufacturing companies of the STM Group record significant energy consumption linked	Effective Negative	☒	☑	☒

	to industrial processes; STM S.p.A. and Rettifiche Resca S.r.l. have been classified as energy-intensive enterprises since 2024. This aspect generates an actual environmental impact related to energy use and associated climate-altering emissions, which is mitigated through investments in renewable energy sources and energy efficiency interventions designed to progressively reduce consumption and emissions.				

The life cycle analysis of the gearmotor highlighted how the main environmental impacts manifest along the entire value chain. In the procurement phase, impacts are mainly attributable to the production and transport of purchased raw materials and components—in particular steel, aluminum, copper, and bronze—activities characterized by high energy consumption and greenhouse gas emissions.

During the production phase, the most significant impacts arise from the electricity consumption required for industrial processes and from the waste generated by manufacturing operations. In the distribution phase, impacts are associated with the transport of finished products and the related fuel consumption of the logistics carriers responsible for deliveries.

Finally, in the use and end-of-life phase, impacts depend on the energy efficiency of the gearmotors during their operation at customer facilities and on the methods used for recovering, reusing, or disposing of the products at the end of their life cycle.

Policies related to climate change mitigation and adaptation [E1-2]

In its Code of Ethics, the Group expresses the importance of environmental protection as a cornerstone of its corporate responsibility and concrete commitment toward a sustainable future.

Although it has not yet adopted a specific Climate Change Policy nor a formalized Decarbonization Plan, the Group has for several years undertaken a path aimed at curbing energy consumption, increasing the use of renewable sources, and reducing emissions associated with its production activities.

These objectives constitute an integral element of the corporate strategy and have guided significant investments over time in innovative technologies, energy efficiency, and renewable energy production, with a long-term perspective oriented toward environmental sustainability, industrial competitiveness, and business model resilience.

In line with this approach, the Group is also developing a process to measure its greenhouse gas (GHG) emissions, which will form the basis for the future definition of climate targets and potential structured emission reduction initiatives.

As illustrated in the following paragraph "**Actions and resources in relation to climate change policies [E1-3]**", these initiatives represent the main measures adopted by the Group to contribute to climate change mitigation and improve its environmental performance.

Actions and resources in relation to climate change policies [E1-3]

As part of its journey toward reducing climate impact and improving energy efficiency, over the years the STM Group has made numerous investments aimed at producing energy from renewable sources, improving the efficiency of production processes, digitalizing and monitoring energy consumption, as well as progressively transitioning toward mobility options with lower environmental impact.

To support this path, in 2025 the Group also proceeded to quantify Scope 1 and Scope 2 emissions with reference solely to its manufacturing companies (STM S.p.A., GSM S.p.A., VP Tornitura S.r.l., Rettifiche Resca S.r.l., and Neri Motori S.r.l.), with the objective of acquiring greater awareness of its emission profile and defining future reduction actions on a more precise basis.

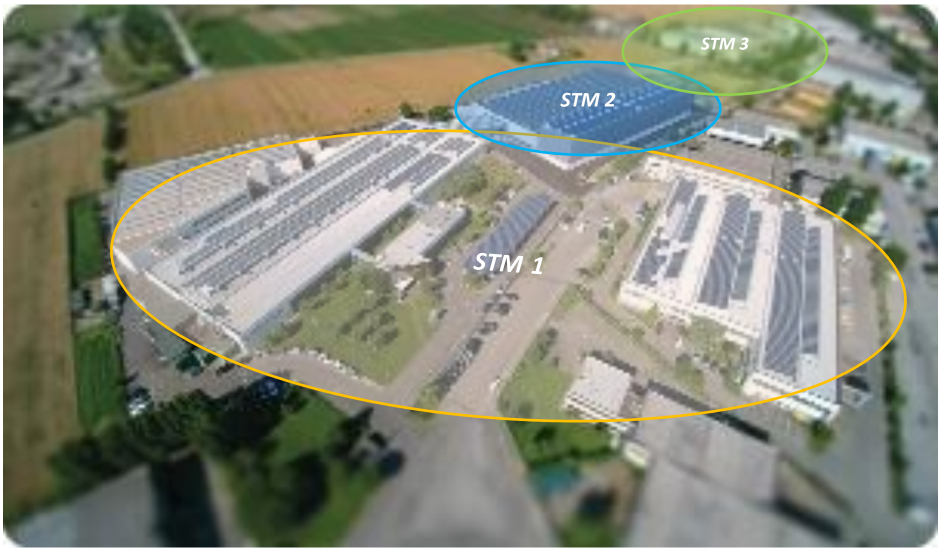
Production of energy from renewable sources

Self-production of energy from renewable sources constitutes a strategic lever for the STM Group, allowing it to reduce energy draw from the grid, increase the energy autonomy of its facilities, and curb emissions associated with energy consumption.

This commitment began in 2010 with the installation of the first photovoltaic system at the facility of the parent company STM S.p.A. and gradually expanded to include other Group companies.

Regarding the manufacturing companies, as of December 31, 2025, there are five photovoltaic systems installed at STM and Neri Motori, with a total capacity exceeding 1.8 MWp and a cumulative investment of over 4 million euros. Furthermore, during 2025, the STM 3 photovoltaic system, installed in 2024, reached full capacity, contributing to the increase in internal energy production from renewable sources.

Figure 7: Satellite photo of the plant



Photovoltaic plant - STM 1	
Year of installation:	2010
Investment value:	Approx. € 3M
Plant capacity:	903 kWp
Annual productivity '25:	918 KWh/kWp

Photovoltaic plant - STM 2	
Year of installation:	2015
Investment value:	Approx. € 550 K
Plant capacity:	525 kWp
Annual productivity '25:	1.078 KWh/kWp

Photovoltaic plant - STM 3	
Year of installation:	2024
Investment value:	Approx. € 250 K
Plant capacity:	250 kWp
Annual productivity '25:	1.132 KWh/kWp

Photovoltaic plant - NERI 1	
Year of installation:	2015
Investment value:	Approx. € 150 K
Plant capacity:	134 kWp
Annual productivity '25:	944 KWh/kWp

Photovoltaic plant - NERI 2	
Year of installation:	2021
Investment value:	Approx. € 75 K
Plant capacity:	80 kWp
Annual productivity '25:	1.045 KWh/kWp

In addition to the manufacturing companies, the Group's commercial companies also have photovoltaic systems installed at their premises, including STM South Africa and STM Deutschland, while STM Benelux has a system installed on the leased property.

In 2025, the total energy self-produced by the Group's photovoltaic systems amounted to 1,932 MWh, contributing significantly to reducing energy draw from the electricity grid and associated emissions.

Project 5.0 – Innovation and efficiency for sustainability

In parallel with investments in renewable energy production, the Group launched numerous initiatives aimed at reducing energy consumption and improving the efficiency of industrial processes.

In 2025, STM S.p.A. continued with a major investment project, launched during 2024 and named "Project 5.0", with an estimated total value of over 4 million euros. The initiative aims to optimize energy management and improve the Group's operational efficiency through the adoption of advanced technologies in production and management.

Thanks to these interventions, STM S.p.A. reached and exceeded the target set in 2024, achieving a 14% reduction in energy consumption compared to the previous financial year for the same production levels, against an initial target set at 10%.

Among the main interventions implemented or under implementation, the following stand out:

1. New ERP (Enterprise Resource Planning)

The Group implemented a new integrated ERP system at STM S.p.A., GSM S.p.A., and VP Tornitura S.r.l., aimed at the centralized management of key business processes, including production, logistics, administrative, commercial, and human resources processes.

The adoption of the new platform makes it possible to improve activity planning, optimize procurement management, increase information traceability, and support more timely and effective decision-making processes. The system also contributes to a more efficient management of resources along the entire value chain, fostering the reduction of material and energy waste and the improvement of the Group's operational and environmental performance.

The digitalization of business processes represents a fundamental element in supporting the path of innovation, competitiveness, and sustainability pursued by the Group in the long term.

2. Mod. CM19 metal washing system – STM S.p.A.

STM S.p.A. installed a new Mod. CM19 metal washing system, intended for the cleaning and treatment of metal components across the various phases of the production process. The system is designed to ensure high quality standards and greater operational efficiency, optimizing the use of water, chemical products, and other resources used in the washing cycle.

The investment contributes to improving the effectiveness of subsequent operations and reducing consumption and waste associated with the production process. From an environmental perspective, the system fosters a more efficient management of resources, contributing to curbing the impacts associated with industrial activities and to the overall improvement of the facility's environmental performance.

In summary, the main expected benefits:

- improvement in the quality of the washing process and subsequent operations;
- reduction in water and chemical product consumption;
- increase in operational and production efficiency;
- containment of environmental impacts associated with industrial washing activities;
- more efficient use of resources and reduction of waste.

3. Viper CNC Lathe – STM S.p.A.

STM S.p.A. introduced a new Viper CNC lathe for high-precision metal component machining. The investment is aimed at improving production efficiency and machining quality through automated processes capable of guaranteeing greater accuracy, reliability, and repeatability of operations.

Thanks to digital control of machining, the machinery allows for optimizing production times, reducing rework, and improving the use of production resources. From an environmental perspective, the investment contributes to limiting material scrap and curbing raw material and energy consumption associated with the production process, fostering an overall improvement in the facility's operational efficiency.

In summary, the main expected benefits:

- increase in efficiency and productivity of mechanical machining;
- improvement in the quality and precision of manufactured components;
- reduction of scrap and rework;
- more efficient use of raw materials;
- containment of energy consumption per unit of product manufactured.

4. "Energy Dashboarding" monitoring system – STM S.p.A.- GSM S.p.A. - NERI Motori - VP Tornitura

STM, GSM, NERI, and VP implemented the "Energy Dashboarding" energy monitoring system, a platform that allows real-time detection and analysis of energy consumption, self-produced energy, and self-consumed energy across the various company sites.

The system collects and processes data from systems and sensors installed in the facilities, enabling continuous monitoring of energy performance and greater visibility into key consumption factors. The investment is aimed at strengthening the oversight of company energy consumption, facilitating the identification of inefficiencies, anomalies, and improvement opportunities, as well as the evaluation of results obtained through energy efficiency interventions.

From an environmental perspective, the system contributes to optimizing energy use, reducing waste, and supporting the progressive containment of emissions associated with energy consumption. The availability of precise and continuously updated data also constitutes an essential information base for the development of future carbon footprint measurement activities and for defining the Group's emission reduction targets.

In summary, the main expected benefits:

- real-time monitoring of energy consumption and self-produced energy;
- timely identification of inefficiencies and energy saving opportunities;
- support for decision-making processes regarding energy efficiency;
- reduction of waste and optimization of resource use;
- improvement of environmental performance and progressive containment of emissions associated with energy consumption.

5. Manufacturing Execution System (MES) – STM S.p.A. e GSM S.p.A.

STM S.p.A. and GSM S.p.A. implemented a "MES" (Manufacturing Execution System) aimed at real-time monitoring and control of production processes. The platform integrates information from production plants with corporate management systems, improving visibility and coordination of activities along the entire production cycle.

The adoption of the system allows for optimizing work scheduling, increasing the operational efficiency of plants, and improving the monitoring of production performance, fostering more effective resource management and a reduction in machine downtime.

From an environmental perspective, the MES contributes to a more efficient management of production processes by curbing material waste, reducing rework, and optimizing energy consumption associated with production activities. The availability of real-time operational data also represents useful support for identifying further opportunities for improvement and efficiency enhancement in industrial processes.

In summary, the main expected benefits:

- improvement in production planning and control;
- increase in operational efficiency and reduction of plant downtime;
- optimization of the use of production resources;
- reduction of scrap and rework;
- more efficient management of energy consumption and consequent reduction of the environmental impact of production processes.

<u>6. Machine start-up/shut-down automation ("On-Off") – STM S.p.A.</u>

STM S.p.A. implemented an automation system for the smart management of starting up and shutting down production machinery, capable of automatically activating or deactivating plants according to periods of use and inactivity.

The intervention is aimed at improving the energy efficiency of facilities, avoiding unnecessary consumption during production downtime phases and optimizing the use of energy resources. The system also allows for monitoring and rationalizing machine operating times, contributing to the improvement of overall operational performance.

From an environmental perspective, the automation of start-up and shut-down cycles allows for reducing unnecessary energy consumption and related indirect greenhouse gas emissions associated with electricity use. The initiative forms part of the broader path toward energy efficiency and environmental impact reduction undertaken by the Group.

In summary, the main expected benefits:

- reduction of energy consumption during plant inactivity periods;
- optimization of the use of production machinery;
- decrease in indirect emissions associated with energy consumption;
- improvement of facility operational efficiency;
- support for the Group's energy efficiency and environmental sustainability targets.

7. New TRM-2032T Milling machine – GSM S.p.A.

GSM S.p.A. introduced a new high-technology TRM-2032T milling machine, aimed at improving production performance and the reliability of mechanical machining. The investment allows for increasing the precision and quality of manufactured components, while simultaneously optimizing machining times and production activity management.

Thanks to the technical characteristics of the new machine, the intervention contributes to improving the overall efficiency of the production process, reducing the need for rework and fostering a more effective use of employed resources.

From an environmental perspective, the adoption of more advanced technology contributes to curbing production scrap and the raw material and energy consumption associated with mechanical machining. The machine's superior performance compared to previously used solutions also enables an increase in resource efficiency and a reduction in the overall environmental impact of the production process.

In summary, the main expected benefits:

- improvement in the precision and quality of mechanical machining;
- increase in the efficiency and reliability of the production process;
- reduction of scrap and rework;
- more efficient use of raw materials;
- reduction in energy consumption compared to previously used technologies;
- improvement of the overall environmental performance of the facility.

Corporate fleet and sustainable mobility

In line with its commitment to reducing climate-altering emissions, the STM Group has initiated a process of progressive evolution of its corporate fleet toward mobility solutions with lower environmental impact. As of December 31, 2025, the Group's vehicle fleet consists of approximately 75 vehicles, 12 of which are low- or zero-emission, divided between 8 hybrid vehicles and 4 fully electric vehicles.

The introduction of these vehicles represents a first concrete step in the decarbonization path of corporate mobility, contributing to the reduction of fossil fuel consumption and CO_2 emissions associated with travel. The initiative forms part of the Group's broader commitment aimed at promoting more sustainable operational solutions and fostering a progressive reduction of its environmental impact.

To support this path, the Group is also developing dedicated infrastructure for charging electric vehicles at its sites. During 2025, a new charging station was installed at Neri Motori, which joins the two already operational at STM S.p.A. and enables vehicle charging using, where available, energy produced by the photovoltaic systems present at the corporate sites.

Similarly, some foreign subsidiaries, such as STM Benelux and STM Deutschland, have also installed charging infrastructure for electric vehicles at their premises, contributing to the spread of low-emission mobility solutions and optimizing the use of energy produced from renewable sources.

Other energy efficiency interventions of the Group

The Group's companies have promoted further initiatives aimed at improving the energy efficiency of facilities, optimizing resource utilization, and reducing environmental impacts associated with manufacturing activities.

In particular, Neri Motori initiated an efficiency path that includes the installation of timing systems to manage energy consumption during inactive hours, the progressive replacement of traditional lighting with LED technology, and the renewal of certain production equipment through the introduction of higher-efficiency electronic screwdrivers. These interventions make it possible to reduce electricity consumption, improve operational performance, and foster a more rational use of energy in production processes.

Rettifiche Resca developed an articulated program for energy monitoring and efficiency that includes replacing lighting with LED systems, installing sensors to monitor machine tool consumption, and analyzing the compressed air system aimed at identifying and reducing potential leakages. The company also implemented heat recovery solutions for the heat generated by compressors, used to heat corporate premises during the winter period, and installed fans, destratifiers, and air curtains to limit building heat loss.

GSM also carried out several initiatives aimed at curbing energy consumption, including replacing traditional lighting with LED technology, automated schedule management for shutting down compressors, extractors, industrial washing machines, and paint tunnels during inactive periods, and installing consumption monitoring systems on machine tools. These actions make it possible to avoid unnecessary consumption, improve control over energy performance, and identify further efficiency opportunities.

As a whole, these initiatives contribute to reducing energy consumption and related indirect greenhouse gas emissions, foster more efficient management of production resources, and support the continuous improvement path of the Group's environmental performance.

Below is a summary of the actions taken by the STM Group regarding topic E1-Climate change:

<table>
<tr><th colspan="2">Actions taken 2025</th></tr>
<tr><td rowspan="2">Energy consumption reduction</td><td>Full-capacity operation of the "STM 3" photovoltaic system, resulting in an increase in self-produced energy</td></tr>
<tr><td>Project 5.0 Investments:
1. New ERP
2. Mod. CM19 metal washing system
3. Viper VT-17 lathe
4. Energy Dashboarding monitoring system
5. MES (Manufacturing Execution System)</td></tr>
</table>

	6. Machine start-up/shut-down automation 7. New GSM milling machine
	Reduction of STM S.p.A.'s energy consumption by 14% compared to 2024, for the same production levels
	Installation of timers for energy consumption optimization at Neri Motori
	Lighting efficiency improvement through conversion to LED technology (GSM, Neri Motori, and Rettifiche Resca)
	Replacement of pneumatic screwdrivers with higher energy efficiency electronic models at Neri Motori
	Reduction of leaks in the compressed air system at Rettifiche Resca
	Installation of sensors for measuring machine tool consumption at Rettifiche Resca
	Implementation of heat recovery systems at Rettifiche Resca
	Automated schedule management for machinery and utility shut-downs at GSM
Greenhouse gas emissions reduction	Scope 1 and Scope 2 calculation for manufacturing companies
	Progressive electrification of the corporate fleet and strengthening of charging infrastructure across Group premises

Targets related to climate change mitigation and adaptation [E1-4]

The STM Group has initiated a structured process aimed at measuring, managing, and progressively reducing its greenhouse gas emissions, with the goal of defining a decarbonization strategy based on measurable data and concrete improvement actions.

In the coming years, the calculation of greenhouse gas emissions will also be extended to commercial companies, making it possible to determine the Group's overall carbon footprint and provide a complete information base for identifying key emission sources.

Based on the results obtained, the Group plans to develop a Decarbonization Plan at a consolidated level, aimed at defining action priorities, emission reduction targets, and related mitigation measures. The Plan will serve as the reference roadmap to guide the Group through the transition toward an increasingly efficient and lower-impact operating model.

In parallel with measurement and planning activities, the Group intends to continue investments already launched in the energy and technological fields. In particular, STM S.p.A. plans the revamping and repowering project of the STM 1 photovoltaic system for 2026, which will increase renewable energy production by approximately 50% compared to current levels, helping to further reduce reliance on energy drawn from the grid.

In line with the strategic directions defined by the parent company, other Group companies have also scheduled interventions aimed at increasing self-production of energy from renewable sources, improving energy efficiency, and reducing emissions associated with their activities.

Among the main scheduled initiatives, the following stand out:

- the design of a new photovoltaic system of approximately 100 kWp at the Rettifiche Resca facility in Via F.lli Rosselli 1;
- the installation of a new 35 kWp photovoltaic system at SEF Motoriduttori;
- the installation of a photovoltaic system of approximately 100 kWp at STM South Africa;
- the completion of the project to replace traditional lighting with LED technology at Neri Motori;
- the completion of the compressed air leak analysis at Rettifiche Resca;
- the strengthening at STM – GSM – VP and NERI of energy monitoring systems through the integration of a dedicated platform for viewing and analyzing consumption data, with the goal of improving the identification of inefficiencies and supporting increasingly optimization-oriented energy decisions;
- the redevelopment of the roof of the GSM plant in Via Serra 33 through the construction of a new structure characterized by improved thermal insulation performance and energy efficiency, on which a new photovoltaic system will subsequently be installed.

Taken together, these interventions will contribute to increasing the share of energy produced from renewable sources, improving the energy efficiency of facilities, reducing grid-covered energy requirements, and supporting the decarbonization path undertaken by the STM Group in the medium to long term.

Below is a summary of the targets planned by the STM Group regarding topic E1-Climate change:

Targets 2026-2027	
Reduction of greenhouse gas emissions	Calculation of Scope 1 and 2 for the entire Group (production + distribution)
	Definition of the Decarbonization Plan
Reduction of energy consumption	Revamping and repowering STM 1
	New installations of photovoltaic systems (SEF Motoriduttori and STM South Africa)
	Completion of the LED lighting replacement in Neri Motori
	Installation of a photovoltaic system in Rettifiche Resca
	Completion of the compressed air leak analysis in Rettifiche Resca
	Implementation of a new energy KPI dashboard to enhance consumption monitoring in the companies STM, GSM, VP, and NERI
	Replacement of the roof at Via Serra 33 and future installation of a photovoltaic system in GSM

Energy consumption and energy mix [E1-5]

Energy consumption is mainly related to production activities, in addition to heating, air conditioning, lighting of facilities, and the operation of IT equipment.

The following table summarizes the energy consumption of the STM Group[4], highlighting the different energy sources used.

Table 11: Energy consumption and energy mix[5]

	Unit of measure	2025
1) Consumption of coal and coal-derived fuel (MWh)	MWh	0
2) Consumption of crude oil and petroleum products (MWh)	MWh	937
3) Consumption of natural gas fuel (MWh)	MWh	3.456
4) Consumption of fuels from other non-renewable sources (MWh)	MWh	0
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	MWh	4.836
6) Total energy consumption from fossil sources (MWh) (sum of rows 1 to 5)	**MWh**	**9.229**
Share of fossil sources in total energy consumption (%)	*%*	*81,2%*
7) Consumption from nuclear sources (MWh)	**MWh**	**267**
Share of nuclear sources in total energy consumption (%)	*%*	*2,4%*
8) Consumption of fuels from renewable sources, including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	MWh	0
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	MWh	534
10) Consumption of self-produced renewable energy without fuel use (MWh)	MWh	1.329
11) Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)	**MWh**	**1.863**
Share of renewable sources in total energy consumption (%)	*%*	*16,4%*
Total energy consumption (MWh) (sum of rows 6, 7 and 11)	**MWh**	**11.359**

[4] Please note that the reported data does not include energy consumption related to the company STM Argentina.

[5] In order to determine the energy mix related to electricity consumption, reference was made to the "European Residual Mix 2024" report prepared by the AIB (*Association of Issuing Bodies*).

With reference to self-produced energy, please refer to the table below.

Table 12: Production of energy, from renewable sources or not[6]

	Unit of measure	2025
Energy production from non-renewable sources	MWh	0
Energy production from renewable sources	MWh	1.916

With reference to energy intensity, please refer to the table below.

Table 13: Energy intensity (total energy consumption in respect to total net revenues)

	Unit of measure	2025
Total energy consumption	MWh	11.359
Total net revenues	M €	132
Energy Intensity	**MWh/M €**	**86**

Gross Scope 1 and Scope 2 GHG Emissions [E1-6]

The total value of emissions for the year 2025 of the STM Group's production companies equals 2,023.1 tCO_2eq, broken down as follows:

Table 14: Scope 1 and Scope 2 emissions of manufacturing companies

	Unit of measure	STM Spa	GSM Spa	Neri Motori Srl	Rettifiche Resca Srl	VP Tornitura Srl	TOTAL 2025
Scope 1 – Direct Emissions	tCO_2eq	427,7	225,2	102,4	53,5	24,8	**833,6**
Scope 2 – Indirect Emissions *(Location Based)*	tCO_2eq	480,4	223,5	60,6	282,3	142,7	**1.189,5**
TOTAL 2025	**tCO_2eq**	**908,1**	**448,7**	**163,0**	**335,8**	**167,5**	**2.023,1**

The results were determined using a consolidation approach based on operational control and in accordance with the UNI ISO 14064-1 standard, utilizing primary data regarding the consumption of electricity, natural gas, and fuels used by the Group's production companies.

Scope 2 emissions represent approximately **59%** of the total emissions considered, while Scope 1 emissions account for the remaining **41%**. This distribution reflects the energy-

[6] *Source: Dashboard "E-Solar"*

intensive nature of the Group's production activities, in which electricity consumption constitutes the main emission factor.

At the individual company level, emission contributions reflect the different production characteristics, activity volumes, and energy consumption profiles of the respective plants. In particular, STM S.p.A. accounts for the largest overall emission contribution with 908.1 tCO_2eq, followed by GSM S.p.A. with 448.7 tCO_2eq, Rettifiche Resca S.r.l. with 335.8 tCO_2eq, VP Tornitura S.r.l. with 167.5 tCO_2eq, and Neri Motori S.r.l. with 163.0 tCO_2eq. The distribution of emissions among the different companies serves as an information base for identifying the main areas of intervention and defining future initiatives to reduce climate-altering emissions.

2.2 E5 – RESOURCE USE AND CIRCULAR ECONOMY

Description of the processes to identify and assess material impacts related to resource use and circular economy [ESRS 2 IRO-1]

The process adopted to identify and assess material impacts is described in detail in the first chapter, section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities". In summary, the materiality analysis

In summary, the materiality analysis conducted by STM Team highlighted the relevance of the following impacts with regard to the topic of "circular economy":

E5 – Circular economy

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Resource inflows, including resource use	The STM Group contributes to the reduction of virgin resource consumption by purchasing materials from recycled sources and using consumables and materials with reduced environmental impact, progressively integrating sustainability criteria into procurement and supplier selection processes.	Effective Positive	☑	☑	☒
Resource outflows related to products and services	STM has developed a predictive monitoring service aimed at extending product lifespan, reducing resource waste and consumption, and promoting eco-design and circular	Potential Positive	☒	☑	☑

	economy principles. The system is currently being promoted on the market.				
Waste	The Group uses materials and components that, in part, exhibit limited recyclability or recoverability features at the end of their life cycle, generating a negative impact on resource circularity and requiring improvement initiatives in product design and supply chain management.	Effective Negative	☒	☑	☑

Policies related to resource use and circular economy [E5-1]

The STM Group adopts an approach oriented towards sustainability throughout the entire supply chain, with the objective of promoting a responsible use of resources and contributing to the development of a circular economy. In particular, the Group is committed to prioritizing, where compatible with the technical specifications of its products, the procurement of materials from renewable, biological, or low environmental impact sources, integrating these criteria into purchasing decision-making processes.

Consistent with this approach, the Group also pursues a procurement strategy based on proximity, aimed at reducing emissions associated with transport and strengthening relationships with local suppliers. This orientation makes it possible to contain the environmental impacts related to logistics, ensure greater traceability of materials, and generate economic and employment benefits for the local area. As a testament to this commitment, currently over 90% of the production companies' suppliers consist of Italian companies, of which a significant portion, equal to over 60%, is located in the provinces of Bologna, Modena, Milan, and Brescia.

These choices are part of a broader vision of sustainable resource management, which aims not only to reduce direct environmental impacts, but also to stimulate virtuous practices throughout the entire value chain, contributing to the resilience, transparency, and circularity of production flows.

Actions and resources related to resource use and circular economy [E5-2]

Sustainable procurement

In recent years, the Group has progressively integrated sustainability criteria into its procurement choices, moving towards the purchase of raw materials and packaging containing recycled material, as well as bio-based or lower environmental impact consumables. This approach contributes to promoting a more responsible management of the supply chain, while encouraging a more efficient use of resources and a greater focus on the principles of the circular economy.

To support this path, in 2024 the parent company adopted the digital platform “Compri”, with the aim of making the procurement process more structured, integrated, and traceable. Indeed, the platform allows for centralizing purchasing information, enriching it with data from external sources, and automating numerous operational and monitoring activities along the supply chain.

In the ESG field, the platform represents a tool to support the assessment and monitoring of suppliers' sustainability performance. Through this tool, in December 2025, the Group launched an audit plan aimed at the suppliers of the production companies, with the objective of collecting useful information for an initial mapping of their environmental, social, and governance profile. During 2026, the responses received will be analyzed in order to identify the subsequent steps in the supply chain assessment and monitoring process.

Product durability

In recent years, the STM Group has invested in research and development activities aimed at increasing the reliability, performance, and useful life of its products, contributing to the reduction of environmental impacts associated with their life cycle. Within this scope fits the development of a Condition Monitoring and Predictive Maintenance system, designed to monitor in real time the operating status of gearmotors and promptly identify any anomalies or signals of degradation.

The WiseGear system, currently being introduced to the market, will make it possible to adopt a predictive maintenance approach, allowing interventions before failures or malfunctions occur. This promotes the extension of the useful life of products, improves the operational continuity of customers' plants, and contributes to reducing resource consumption, the need for premature replacements, and waste generation. Although the system is still in the implementation phase, the growing spread of smart monitoring and predictive maintenance solutions in the industrial machinery sector highlights the strategic relevance of the investment, both from an environmental perspective and in terms of competitiveness and long-term value creation.

Furthermore, starting in 2025, the Group initiated the testing of a new semi-synthetic oil with the aim of improving the technical performance of its products and reducing their environmental impact. The initiative led to the revision of the first-fill oil used in planetary gearboxes, introducing a solution characterized by better operational performance and greater efficiency in product use over time.

The following table summarizes the actions implemented by the STM Group in the field of E5-Resource use and circular economy.

Actions taken	
Sustainable procurement	Purchase of raw materials and packaging from recycled sources, as well as consumable materials from bio-based and low environmental impact sources
	Adoption of the "Compri" platform and launch of the ESG audit program on suppliers of production companies
Product durability	WiseGear project: completion of the testing phase of the control and predictive monitoring system on the product
	Semi-synthetic oil test in order to improve product performance and durability

Targets related to resource use and circular economy [E5-3]

In the two-year period 2026–2027, STM Team has defined an environmental action plan structured into three priority areas: sustainable procurement, product durability, and waste management.

Sustainable procurement

On the sustainable procurement front, in 2026 the audit program for the supply chain of the production companies will continue, aimed at evaluating supplier performance against ESG criteria and promoting a progressive improvement of sustainability standards throughout the chain. In parallel, the companies will initiate a systematic collection of declarations from suppliers regarding the content of recycled or bio-based material present in the purchased products. This information will make it possible to strengthen supply traceability, improve the monitoring of environmental impacts associated with the supply chain, and support a more conscious management of strategic suppliers.

Starting in 2026, the Group also plans to standardize the units of measurement used for recording the different categories of purchased products, in order to increase the reliability, comparability, and quality of the collected data. This measure will allow for quantifying with greater accuracy the proportion of recycled materials and other lower-impact raw materials on total purchases, strengthening the Group's ability to monitor its progress towards increasingly sustainable procurement targets.

Product durability

During 2026, the Group plans to complete the market introduction and rollout of WiseGear, the predictive monitoring and maintenance system developed to improve the reliability of gearmotors, optimize their performance, and extend their useful life. Thanks to its ability to promptly detect any anomalies and degradation signals, the system will allow for preventive measures to be taken, reducing the risk of failures and contributing to a more efficient use of resources throughout the entire product life cycle.

Waste management

In terms of waste management, the Group has defined a set of initiatives aimed at improving the efficiency of production processes, optimizing scrap recovery, and strengthening the oversight of environmental issues.

For the parent company STM S.p.A., an evaluation of an investment in briquetting systems for metallic residues derived from mechanical processing is planned for 2026, with the objective of reducing their volume, facilitating their handling, and promoting their recovery.

During 2026, the reorganization activities of the waste storage areas at the STM site will also continue, with the aim of making internal waste sorting more efficient, optimizing the logistical management of waste flows, and reinforcing the correct application of operating procedures, including through the dissemination of a dedicated specific procedure.

In parallel, the Industry 5.0 investment plan involving STM, GSM, Neri Motori, and Rettifiche Resca will continue, aimed at modernizing and optimizing production processes. The planned interventions are oriented towards improving operational efficiency, reducing the generation of processing scrap and waste, and containing the energy consumption associated with production activities.

Below is a summary of the targets set by the STM Group under topic E5-Resource use and circular economy:

Targets 2026	
Sustainable procurement	Advancement of the ESG audit program on suppliers of production companies
	Standardization of units of measurement to monitor with greater accuracy the impact of recycled and lower environmental impact materials on purchases
Product durability	Full market rollout of the "WiseGear" project
Circular economy	Investment in briquetting machine
	Layout revision and procedure definition for waste storage inside the plants
	Industry 5.0 investment plan aimed at modernizing and optimizing production processes and reducing waste

Resource inflows [E5-4]

The tables below present the quantitative flows of resource inflows[7], distinguished into production materials, consumables, and packaging, which constitute the main components used by the STM Group in its production and logistical processes.

[7] Please note that the reported data does not include incoming materials related to the company STM Mexico.

The procurement of production materials, such as steel, aluminum, copper, and bronze, is based on the quantity of recycled material declared by suppliers, who provide specific information on the percentage of recycled material contained in the products. On this point, it is important to clarify that, for these types of raw materials, the production processes adopted by the various suppliers (typically steel mills, foundries) are substantially homogeneous; consequently, the percentages of recycled material could, in reality, be significantly higher than those reported in the table. For this reason, the companies intend to strengthen the process of collecting supplier declarations during 2026, in order to obtain a complete mapping of purchased products.

Within the scope of consumables, the percentage of use of lower environmental impact lubricants and paints, such as bio-based and water-based products, was determined. These choices respond to eco-design criteria and the reduction of polluting agents, contributing to improving the sustainability of maintenance and finishing processes, as well as reducing associated emissions and hazardous waste.

With regard to packaging, the analysis highlights the significant share of materials of recycled origin, particularly for paper and cardboard packaging. The adoption of packaging with recycled content reflects the STM Group's commitment to promoting a circular economy also in the packaging and shipping phases, contributing to reducing the consumption of primary resources and decreasing the overall environmental impact along the entire value chain.

Table 15: Incoming production materials[8]

Production material	Unit of measure	Total 2025	Technicals	From recovery	*% recovery*
Steel commercial components	Kg	**421.927**	421.927		
Steel commercial components	Pc	**681.412**	681.412		
Aluminum commercial components	Kg	**57.759**	57.759		
Other commercial components	Kg	**137.973**	137.049	924	*1%*
Other commercial components	Pc	**18.170**	18.170		
Steel raw materials	Kg	**1.356.408**	608.794	747.614	*55%*
Steel raw materials	Pc	**731.762**	731.762		
Aluminum raw materials	Kg	**364.616**	21.881	342.735	*94%*

[8] The category "Steel commercial components" includes components such as, for example, bolts, screws, and bearings. The category "Aluminum commercial components" includes components such as, for example, nameplates. The category "Other commercial components" includes components such as, for example, gaskets, oil seals, plugs, circlips, couplings.

Bronze raw materials	Kg	**210.896**	43.493	167.403	*79%*
Plastic raw materials	Kg	**478**	478		
Plastic raw materials	Pc	**26.581**	26.581		
Steel semi-finished products	Kg	**1.721.842**	1.630.329	91.513	*5%*
Aluminum semi-finished products	Kg	**463.662**	274.400	189.262	*41%*
Cast-iron semi-finished products	Kg	**2.355.067**	2.355.067		
Bronze semi-finished products	Kg	**22.443**	22.443		
Copper semi-finished products	Kg	**169.823**	139.255	30.568	*18%*
Goods	Pc	**400.827**	400.827		
Goods	Kg	**713.644**	713.644		

Table 16: Incoming consumable materials[9]

Consumable materials	Unit of measure	Total 2025	Technicals	Bio-/Water-based	% Bio-/Water-based
Lubricants	Kg	**295.715**	263.334	32.381	*11%*
Paints	Kg	**9.808**	9.188	620	*6%*

Table 17: Incoming packaging

Packaging	Unit of measure	Total 2025	Technicals	From recovery	% Recovery
Paper and cardboard packaging	Kg	**99.369**	52.107	47.262	*48%*
Paper and cardboard packaging	Pc	**53.298**	53.198	100	*0,2%*
Plastic packaging	Kg	**26.996**	26.849	148	*1%*
Plastic packaging	Pc	**209**	209		
Wooden packaging	Kg	**533.785**	345.740	188.045	*35%*
Wooden packaging	Pc	**3.249**	3.249		

[9] For approximately 35% of expenditure on consumable materials, it is not possible to identify the corresponding units of measure. These include hobs, tools, chemical products (e.g., solvents), personal protective equipment (PPE), etc.

Resource outflows [E5-5]

The tables below report detailed information regarding resource outflows[10] connected to company activities. The presented data originate from internal management systems and are based on direct measurements.

Table 18: Rate of recyclable content in packaging

	Unit of measure	2025
Plastic (in meters)	%	40%
Plastic (in pieces)	%	15%
Paper	%	n.d.
Wood	%	n.d.

Table 19: Total quantity of waste generated by own operations

Hazardous/Non-hazardous waste	Unit of measure	2025	%
Total hazardous waste	**Kg**	**338.171**	***24%***
Hazardous waste sent for disposal	Kg	315.758	93%
Hazardous waste sent for recovery	Kg	22.413	7%
Total non-hazardous waste	**Kg**	**1.044.144**	***76%***
Non-hazardous waste sent for disposal	Kg	11.733	1%
Non-hazardous waste sent for recovery	Kg	1.032.411	99%
Total quantity of waste produced	**Kg**	**1.382.315**	***100%***

Recovered/Disposed waste	Unit of measure	2025	%
Total recovered waste	Kg	1.054.824	76%
Total disposed waste	Kg	327.491	24%
Total quantity of waste produced	**Kg**	**1.382.315**	***100%***

Table 20: Waste by type and disposal method

Non-hazardous waste	Unit of measure	Sent for recovery	% recovery	Sent for disposal	% disposal	Total 2025
Printing toner	Kg	14	*0%*			**14**
Degreasing waste	Kg			8.930	*76%*	**8.930**
Ferrous metal shavings and turnings	Kg	710.300	*69%*			**710.300**

[10] Please note that the reported data does not include resource outflows related to the companies STM Mexico, STM Do Brasil, and STM Argentina.

Ferrous metal dust	Kg	68.890	*7%*			**68.890**
Non-ferrous metal filings, swarf, and turnings	Kg	41.035	*4%*			**41.035**
Non-ferrous metal dust and particulate	Kg	1.260	*0%*			**1.260**
Waste abrasive stones	Kg	658	*0%*	1.530	*13%*	**2.188**
Paper and cardboard packaging	Kg	52.929	*5%*	180	*2%*	**53.109**
Plastic packaging	Kg	720	*0%*	100	*1%*	**820**
Wooden packaging	Kg	77.970	*8%*			**77.970**
Mixed packaging	Kg	21.440	*2%*			**21.440**
Discarded equipment (electronic and other)	Kg	3.740	*0%*	993	*8%*	**4.733**
Aluminum	Kg	2.385	*0%*			**2.385**
Iron and steel	Kg	48.870	*5%*			**48.870**
Paper and cardboard	Kg	2.200	*0%*			**2.200**
TOTAL NON-HAZARDOUS WASTE	**Kg**	**1.032.411**	***99%***	**11.733**	***1%***	**1.044.144**

Hazardous waste	Unit of measure	Sent for recovery	% recovery	Sent for disposal	% disposal	Total 2025
Paints and varnishes	Kg	620	*3%*			**620**
Sludge from paint or varnish removal, containing organic solvents or other hazardous substances	Kg	1.120	*5%*			**1.120**
Machinery emulsions	Kg	4.067	*18%*	198.370	*63%*	**202.437**
Metallic material containing hazardous substances	Kg			27.655	*9%*	**27.655**

Spent tool bodies and grinding materials	Kg	480	*2%*			**480**
Aqueous washing solutions	Kg			45.440	*14%*	**45.440**
Waste mineral engine oils	Kg	130	*1%*			**130**
Other engine, gear and lubricating oils	Kg	860	*4%*			**860**
Other halogenated solvents and solvent mixtures	Kg	470	*2%*			**470**
Packaging contaminated with oil	Kg	6.738	*30%*	5.440	*2%*	**12.178**
Metallic packaging containing a porous solid matrix	Kg	30	*0%*			**30**
Absorbents, filter materials, wiping cloths and protective clothing, contaminated	Kg	7.050	*31%*	1.179	*0%*	**8.229**
Absorbents, filter materials, wiping cloths and protective clothing, contaminated	Kg	420	*2%*			**420**
Discarded equipment containing hazardous components	Kg	340	*2%*			**340**
Oil-containing waste	Kg	80		20.554	*7%*	**20.634**
Hazardous aqueous solutions	Kg			17.120	*5%*	**17.120**
Fluorescent tubes	Kg	8	*0%*			**8**
TOTALE NON-HAZARDOUS WASTE	**Kg**	**22.413**	***7%***	**315.758**	***93%***	**338.171**


SEFT
Global Experience
MBBR
MEDIA
STM
team

Highlights SOCIAL 2025

556 employees on staff as of 31.12

99.5%* permanent contracts

100%* employees covered by collective bargaining agreements (CCNL)

UNI/Pdr 125:2022 Certification for STM

7033* total training hours

*data referring only to production companies located in Italy

3. SOCIAL INFORMATION

3.1 S1 – OWN WORKFORCE

Material impacts and their interaction with strategy and business model [ESRS 2 SBM-3]

Human resources, with their skills, capabilities, and passion, represent the cornerstone of competitiveness and growth for the STM Group.

A solid strategic vision, constant attention to customer satisfaction, and a drive for innovation guide every action of the Group, with the goal of generating value for all stakeholders. In an increasingly dynamic and competitive international context, people represent the fundamental lever to face challenges and seize market opportunities.

This is why the STM Group places people at the center of its organization, guaranteeing their respect and protection.

The process adopted to identify and assess material impacts is described in detail in the first chapter, under the section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities."

In summary, the materiality analysis conducted by STM Team highlighted the relevance of the following impacts regarding the topic of "Own workforce":

S1 – Own workforce

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Health and safety	The STM Group's workforce, comprising an average of 549 employees, is exposed to the typical risks of manufacturing activities, with potential impacts on health and safety arising from workplace accidents or occupational illnesses. To mitigate these risks, the Group adopts specific prevention and protection systems, periodic training activities, operational procedures, and control measures aimed at ensuring a safe working environment and reducing	Effective Negative	☒	☑	☒

	the likelihood of harmful events occurring.				
Gender Equality	STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have adopted a specific gender equality policy and obtained UNI/PdR 125:2022 certification, confirming the Group's commitment to promoting equal opportunities, inclusion, and the enhancement of diversity. These initiatives help foster fair conditions for access, professional development, and growth within the organization. However, there remains room for improvement regarding female representation in top management and positions of greater responsibility.	Effective Positive	☒	☑	☒
Training and skills development	The Group promotes the continuous training and upskilling of its employees, contributing to the development of professional skills, the personal growth of its people, and the strengthening of the company's human capital.	Effective Positive	☒	☑	☒
Collective bargaining and social dialogue	The Group's manufacturing companies guarantee the full application of national collective bargaining agreements and promote constructive and continuous dialogue with worker representatives. Furthermore, STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have signed supplementary corporate agreements aimed at	Effective Positive	☒	☑	☒

	recognizing additional benefits for employees. The presence of major trade unions and Unitary Workplace Union Structures (RSU) fosters stable, participatory, and dialogue-oriented industrial relations, contributing to organizational well-being and the protection of workers.				
Adequate wages	The Group provides economic remuneration that meets or exceeds the levels established by collective bargaining and supplements the compensation system through corporate agreements and welfare measures. The adopted policies promote pay equity, equal opportunities, and the valorization of personnel.	Effective Positive	☒	☑	☒

The actual positive impacts on the workforce, identified through the materiality analysis, are closely linked to the company strategy and business model. These impacts include the strengthening of gender equality, continuous training and skills development, the maintenance of an active social dialogue, and the guarantee of adequate wages. Regarding negative impacts, such as workplace accidents, preventive measures have been adopted to minimize such events, promoting a culture of safety within the company.

Policies related to own workforce [S1-1]

Personnel management policies

The STM Group recognizes the central value of people within its organizational model and is committed to ensuring fair, safe, inclusive working conditions that respect individual dignity.

Recruitment, hiring, and personnel management are conducted in compliance with the principles of equal opportunity, transparency, and merit, in alignment with business needs and required professional profiles. Each Collaborator receives adequate information regarding their job duties, applicable employment contract, and the rights and duties associated with their role.

The Group protects health and safety in the workplace and considers respect for workers' rights to be fundamental in carrying out its economic activities. Employment relationship management is aimed at ensuring equal opportunities and fostering the professional growth of every individual.

Anyone who becomes aware of substantiated non-compliant behavior is required to report it in good faith, using the dedicated internal reporting channel, in accordance with the Whistleblowing Policy published on the website https://stmteam.wallbreakers.it/#/.

Gender Equality, Non-discrimination and Inclusion Policy

The STM Group offers equal opportunities in every aspect of working life, from the selection stage to all decisions concerning remuneration, task assignment, training, and career development. In particular, it firmly believes that work of equal value must be rewarded with equal pay, for example between women and men, and actively works to promote gender equality. Decisions regarding employee career advancement are made exclusively on the basis of skills, experience, professional potential, and achievements, without any distinction based on gender, sexual orientation, marital status, pregnancy status, age, disability (mental or physical), skin color, ethnic origin, nationality, religious belief, socio-economic and/or cultural background, trade union affiliation, political opinions, or any other status.

The Group has always been committed to ensuring that all individuals involved in its activities (employees, suppliers, clients, interns, etc.) enjoy an environment characterized by working and commercial relationships where everyone is treated and treats others with dignity and respect, free from any form of verbal, psychological, or physical harassment (sexual or non-sexual), abuse, coercion, or violence, as well as any discrimination.

The Group has always implemented an inclusive culture that values the individual and their sense of belonging to the corporate community. Dialogue, trust, and participation have always been considered fundamental elements of organizational well-being, enabling people to fully develop their potential and participate in corporate life.

The parent company, STM S.p.A., adopted a specific Gender Equality Policy in 2023 and obtained the UNI/PdR 125:2022 certification in 2024; the company guarantees the monitoring and promotion of equal pay, the prevention of gender discrimination, and the enhancement of an inclusive working environment.

In 2026, the UNI/PdR 125:2022 certification is also expected to be obtained for the Group's other two major manufacturing companies, namely GSM and Neri Motori.

Processes for engaging own workforce and workers' representatives about impacts [S1-2] Interests and views of stakeholders [ESRS 2 SBM-2]

Employees and trade union representatives are identified as stakeholders.

The paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" describes the stakeholder engagement activity that involved the workforce.

Processes for remediating negative impacts and channels for own workforce to raise concerns [S1-3]

The manufacturing companies of the STM Group have established and made available to their employees several formal channels for reporting concerns, grievances, or situations that may represent negative impacts within the organization. Among these, the whistleblowing channel (https://stmteam.wallbreakers.it/#/) is active, ensuring confidentiality and the protection of the reporter's identity, in compliance with current regulations.

Furthermore, workers can directly and confidentially contact a designated representative within the Human Resources Department, fostering direct and timely dialogue on any issues encountered. To further facilitate communication and the collection of reports, STM S.p.A. has also set up an internal suggestion box, allowing employees to leave written communications anonymously.

These integrated tools make it possible to promptly identify potential negative impacts, manage them effectively, and promote a transparent, safe working environment that respects workers' rights.

Actions takes on material impacts on own workforce, and effectiveness of those actions [S1-4]

The STM Group has implemented a series of initiatives aimed at managing and mitigating material impacts on its workforce.

Health and Safety

The STM Group continued to strengthen its workplace health and safety measures, ensuring consistent investments in Personal Protective Equipment (PPE) and promoting regular control and prevention activities. Key initiatives carried out include machine vibration assessments, monthly departmental audits, and the review/updating of the Risk Assessment Document (DVR) by the Health and Safety Manager (RSPP), including the stress-at-work analysis for GSM and Neri Motori. These activities contribute to the continuous improvement of the prevention system and to the reduction of risks associated with operational activities.

Gender Equality

Following the adoption of the Gender Equality Policy in 2023, STM S.p.A. obtained the UNI/PdR 125:2022 certification in 2024, confirming its commitment to promoting an inclusive and fair corporate culture. The policy aims to ensure equal opportunity and equal treatment throughout individuals' professional journeys, from recruitment and hiring to career development, valuing individual merit and skills. At the same time, it seeks to foster an inclusive working environment where diversity is recognized as a strategic asset and a driver of growth, innovation, and organizational development.

In line with the path undertaken by the parent company, GSM and Neri Motori also initiated the process in 2025 to adapt to the requirements of UNI/PdR 125:2022, with the goal of achieving certification by 2026.

Training and professional growth

In 2025, the Group invests in mandatory training for its employees, in alignment with regulatory requirements and business needs. Key training interventions include:

- mandatory Safety training pursuant to Legislative Decree 81/08, essential to ensure a safe working environment compliant with current regulations;
- First Aid and BLSD (Basic Life Support & Defibrillation) courses;
- fire safety training;
- gender equality training, to raise awareness and promote equality between men and women within the organization, contributing to reinforcing an inclusive culture.

In addition to mandatory training, the Group has also undertaken a series of optional training programs aimed at enhancing the skills of managers and employees, with a focus on strategic topics and corporate development:

- training on sustainability topics and sustainability reporting, aimed at members of the Board of Directors and department heads, with the objective of integrating sustainability into business decisions and overall company strategy;
- course on oils and proper lubrication of gearboxes, aimed at making material choices increasingly accurate, technically efficient, and sustainable;
- in-depth course and training on the use of the "Dadistel" system, aimed at improving operational efficiency and optimizing production processes, while fostering technological innovation and digitalization of business activities (STM S.p.A. only);
- training for STM and GSM employees on the features and usage methods of the new ERP system;
- IoT and Digital Twin course for STM and GSM employees, aimed at guiding the Group toward an increasingly deeper digital transition rooted in corporate processes;
- AI course for STM and GSM employees, in order to better understand this new technology and leverage its full potential to optimize business processes.

These training initiatives highlight a structured and integrated approach to human resource management, designed not only to mitigate risks related to safety and compliance, but also to support the development of human capital and capitalize on growth opportunities related to sustainability. In this way, STM S.p.A. not only responds to operational needs, but also invests in the continuous improvement of its people, supporting the creation of a safer, more inclusive, and innovative working environment.

Employee well-being and parental support

The Group's manufacturing companies, particularly STM, GSM, and Neri Motori, promote initiatives supporting parental well-being and work-life balance. Within this framework, pre- and post-natal parental coaching services, additional leave for fathers, and enhanced salary advance options for new parents are provided. These measures demonstrate the companies' commitment to creating a more inclusive work environment that is attentive to employees' personal and family needs.

Collective bargaining

In addition to the remuneration provided by the National Collective Labor Agreement (CCNL), the Group is committed to providing its workforce with an annual performance bonus, based on variables such as "turnover", "punctuality", and "number of customer returns". Pursuant to the CCNL, each employee benefits from a corporate welfare tool, usable through a dedicated platform, to access various services such as nursery schools, babysitters, textbooks, master's degrees, school canteens, or to contribute the amount to a pension fund.

The following table summarizes the actions implemented by the STM Group in the field of S1-Own workforce.

Actions taken	
Health and safety	Provision of PPE and suitable clothing
	Machine vibration assessments
	Monthly departmental audits and review/updating of the DVR by the Health and Safety Manager: stress-at-work analysis (GSM – Neri Motori)
Gender Equality	Initiation of the process to obtain UNI/PdR 125:2022 certification for GSM and Neri Motori
Mandatory training	Fire safety course
	BLSD course
	First aid course
	Forklift operator training
Optional training	Training on sustainability topics and sustainability reporting
	Course on oils and lubricants
	"Dadistel" software training

	Training on the new ERP system
	IoT and Digital Twin course
	Artificial Intelligence course
Employee well-being and parental support	Measures dedicated to new parents, including parental coaching, additional leave for fathers, and enhanced salary advance options
Collective bargaining	Provision of an annual performance bonus linked to corporate targets and provision of welfare tools usable via a dedicated platform

Targets related to managing material negative impacts and enhancing positive impacts [S1-5]

In the 2026–2027 two-year period, the STM Group has scheduled an action plan with significant impacts in the areas of health and safety, gender equality, and staff training, both mandatory and optional.

Gender Equality

In continuity with the journey undertaken in previous years, the Group will continue to strengthen its gender equality management system in compliance with UNI/PdR 125:2022. In 2026, STM S.p.A. will proceed with the renewal of its existing certification, while GSM S.p.A. and Neri Motori S.r.l. will achieve certification for the first time, thereby further extending the adoption of practices and processes oriented toward equity and inclusion across the Group.

Training and professional growth

In the 2026–2027 two-year period, the STM Group will maintain its commitment to skill development and the enhancement of human capital through a comprehensive training program, aimed at ensuring both compliance with regulatory obligations and the continuous professional updating of its people.

In the area of health and safety, 2026 will see the renewal of licenses for forklift operators and training for working at heights, in line with regulatory requirements and with the goal of maintaining high operational safety standards. The program will also include specific training paths dedicated to overhead crane operation and supervisor training.

In parallel, the Group will promote numerous specialized training and professional development initiatives designed to strengthen the technical, managerial, and digital skills within the organization. Key activities planned for 2026 include English language courses at various levels, training modules on the use of the new Microsoft Business Central ERP system, courses on sales techniques, mechanical drawing reading and interpretation, purchasing management, business planning, and monitoring of related KPIs, as well as dedicated paths in project management and Power BI usage.

Through this training plan, the Group aims to support the professional growth of its people, foster the dissemination of strategic skills for innovation and organizational efficiency, and contribute to building an increasingly safe, qualified working environment focused on continuous improvement.

Below is a summary of the targets set by STM Team under the topic S1-Own workforce:

Targets 2026-2027	
Gender Equality	Renewal of UNI/PdR 125:2022 certification for STM and achievement of certification by GSM and Neri Motori
Mandatory training – occupational health and safety	Renewal of licenses for forklift operators
	Training for working at heights
	Overhead crane operation course
	Supervisor training
Optional training – career management	English language course (basic, intermediate, and advanced) for STM, GSM, and Neri Motori employees
	New ERP system training
	Sales techniques
	Mechanical drawing reading and interpretation
	Purchasing course (basic and advanced)
	Business plan and KPI measurement course
	Project management course
	Power BI course

Characteristics of Group employees [S1-6]

Below are the quantitative details regarding the STM Group's own workforce, extracted and processed from internal management systems[11]. It should be noted that the metrics reported below refer exclusively to Italian manufacturing companies.

Table 21A: Number of employees broken down by gender (Manufacturing companies)

Manufact. companies	Employees as of 01.01.2025	Hires 2025	Terminations 2025	Employees as of 31.12.2025	Average No. of employees
Men	319	12	21	310	315
Women	81	4	5	80	81
Total	**400**	**16**	**26**	**390**	**396**

During 2025, the Group's manufacturing companies recorded 26 terminations and 16 hires.

[11] In some cases, the data presented in the table have been rounded to the nearest unit.

Table 22: Number of employees broken down by contract type and gender (Manufacturing companies)

	Men	Women	Total	%
Average number of employees	**315**	**81**	**396**	
• Of which permanent employees	313	80	393	*99%*
• Of which temporary employees	2	1	3	*1%*
• Of which with flexible hours				
• Of which under apprenticeship contracts				
Average number of full-time employees	303	67	370	*94%*
Average number of part-time employees	11	15	26	*6%*

Characteristics of non-employee workers in the Group [S1-7]

The STM Group primarily employs direct staff: it relies on self-employed workers and/or agency workers to a very minor extent that is not material for ESG reporting purposes, and in all cases in full compliance with the provisions of the relevant Collective Agreements.

Collective bargaining coverage and social dialogue [S1-8]

Within the STM Group's manufacturing companies, social dialogue represents a fundamental tool for building a fair, participatory, and collaboration-oriented work environment. The Companies actively promote engagement with trade union representatives, in the conviction that the involvement of workers and their representatives is an essential element for effective governance of workplace dynamics.

The entire workforce is governed by the relevant National Collective Labor Agreement (CCNL), which is fully applied to guarantee uniform rights and consistent protections for all employees. Single Trade Union Representations (RSU), elected by the workers, operate within STM, GSM, and Neri Motori, with whom the companies maintain an ongoing and structured dialogue. Labor relations are further consolidated by the presence of the main national trade union federations, including FIOM-CGIL, CISL, and UIL, which are actively involved in negotiation and consultation processes.

The relationship between management and employee representatives is characterized by an open, constructive approach focused on finding shared solutions that reconcile the company's operational goals with the needs of protecting, supporting, and valuing its people. This balance has enabled the development of a mature relational climate, where discussions never take conflictual forms, but rather serve as a mechanism to transparently address key organizational, contractual, and managerial issues.

The STM Group considers these relations a strategic lever for workplace stability and for strengthening trust between the company and its workforce, promoting a relational model based on respect, mutual listening, and a sense of shared responsibility.

Diversity metrics [S1-9]

Table 23: Gender distribution by number and percentage at top management level (Manufacturing companies)

	Men	Women	Total
Average number of Executives	4		4
Average number of Managers	12	1	13
Average number of White-collars	82	55	137
Average number of Blue-collars	217	25	242
Average number of Executives and Managers	16	1	17
Average number of employees	**315**	**81**	**396**
Percentage of executives and managers	**5%**	**1%**	**4%**

Table 24: Employee distribution by age group and gender (Manufacturing companies)

	Men	Women	Total
Average number of employees < 30	129	37	166
Average number of employees 30-50	153	39	192
Average number of employees > 50	33	5	38
Average number of employees	**315**	**81**	**396**

Adequate wages [S1-10]

STM, GSM, and Neri Motori have a supplementary company agreement in place that enhances remuneration beyond the parameters established by the National Collective Labor Agreement (CCNL) and applies to 100% of employees. In addition to providing increased pay, the agreement includes further benefits such as:

- an annual performance bonus linked to the following variables: "turnover", "adherence to scheduled delivery dates", and "number of customer returns";
- a "welfare" tool usable for numerous services such as nursery schools, babysitters, textbooks, master's degrees, school canteens, as well as the option to allocate this amount to pension funds.

Social protection [S1-11]

All direct employees of the STM Group's manufacturing companies benefit from statutory social protection measures provided by law, guaranteed by the Italian public system, as well as those established under national supplementary agreements. These measures protect workers in the event of circumstances leading to full or partial loss of income. In particular, the public protection system covers risks related to:

- sickness;
- workplace injuries and acquired disabilities;
- unemployment;
- parental leave;
- retirement.

Furthermore, the Group actively supports parenthood through pre- and post-natal parental coaching services, additional leave for fathers, and enhanced salary advances for new parents employed at STM, GSM, and Neri Motori.

Persons with disabilities [S1-12]

Table 25: Number of employees with disabilities, by gender (Manufacturing companies)

	Men	Women	Total
Average number of persons with disabilities	19	6	25
Average number of employees	315	81	396
Percentage of persons with disabilities	**6%**	**7%**	**6%**

Training and skills development metrics [S1-13]

Table 26: Hours of training by employee category, manufacturing companies only

	Men	Women	Total
Executives			
Average number of Executives	4		4
Total training hours	234		234
Average training hours	59		59
Managers			
Average number of Managers	12	1	13
Total training hours	633	9	642
Average training hours	55	9	49
White-collar employees			
Average number of White-collars	82	55	137
Total training hours	1.741	1.249	2.990
Average training hours	21	23	22
Blue-collar employees			
Average number of Blue-collars	217	25	242
Total training hours	3.074	169	3.243
Average training hours	14	7	13
-			
Average number of employees	**315**	**81**	**396**
Total training hours	**5.682**	**1.427**	**7.109**
Average training hours per employee	**18**	**18**	**18**

Health and safety metrics [S1-14]

The STM Group monitors the health and safety of all its employees in compliance with the provisions of Legislative Decree 81/2008.

The assessment, monitoring, and reporting of workplace hazards that may pose a risk of injury are carried out in the Risk Assessment Document (DVR), which is periodically updated.

Table 27: Number and rate of work-related injuries for manufacturing companies[12]

	2025
Number of work-related injuries	9
Number of hours worked	619.269
Work-related injury rate	**14,5**

It should be noted that the injuries recorded during the observation period are of low severity, often related to worker distraction or commuting (home-to-work route).

Work-life balance metrics [S1-15]

In compliance with the national collective labor agreement, all employees hired in Italy, without distinction, are guaranteed the right of access to the following types of leave, subject to statutory conditions:

- marital leave;
- parental leave;
- maternity leave;
- leave for special events and causes and pursuant to Article 33, Law no. 104/1992;
- unpaid leave and leave of absence for special events and causes;
- educational leave.

Table 28: Number of employees who took family-related leave (Manufacturing companies)

	Men	Women	Total
Average number of employees who took leave	52	16	68
Average number of employees	315	81	396
Percentage of employees who took leave	**17%**	**20%**	**17%**

Similar leave policies also apply across the Group's controlled subsidiaries, in accordance with local regulations.

[12] The work-related injury rate is calculated as follows: number of cases divided by total number of hours worked, multiplied by 1,000,000.

Remuneration metrics (pay gap and total remuneration) [S1-16]

Below is a representation of the average gender pay gap across the STM Group's manufacturing companies, calculated considering the percentage difference in average hourly pay between men and women, for each role and classification level.

It should be highlighted that the analysis covers exclusively the Group's manufacturing companies located in Italy, for which a breakdown into levels and roles is available, as shown in the table below. Furthermore, since GSM falls under a different National Collective Labor Agreement (CCNL) than STM, Neri Motori, Rettifiche Resca, and VP Tornitura, it was analyzed individually.

It is specified that, regarding part-time contracts, the remuneration value used as a reference for calculating the pay gap has been normalized to align it with the base pay of full-time contracts. For this reason, the values reported here differ from those calculated for the purposes of UNI/PdR 125:2022 Certification, which considers the actual pay received for part-time contracts in its gap calculation.

Table 29: Gender pay gap (Manufacturing companies)

Gross annual remuneration 2025					
Employees by professional category and classification level	**STM**	**GSM**	**NERI**	**RESCA [13]**	**VP**
Blue-collar employees	**-0,2%**	**n.a.**	**0,3%**	**-16,3%**	**n.a.**
- Level B1	n.a.	n.a.	1,5%	n.a.	n.a.
- Level C2	2,0%	n.a.	0,3%	n.a.	n.a.
- Level C3	n.a.	n.a.	n.a.	-0,4%	n.a.
- Level D2	-2,4%	n.a.	-1,0%	n.a.	n.a.
White-collar employees	**0,5%**	**-2,5%**	**7,7%**	**38,8%**	**n.a.**
- Level B1	n.a.	n.a.	14,4%	n.a.	n.a.
- Level B2	-1,7%	n.a.	n.a.	34,2%	n.a.
- Level B3	n.a.	n.a.	-7,6%	n.a.	n.a.
- Level C2	4,7%	n.a.	9,8%	5,3%	n.a.
- Level C3	-1,6%	n.a.	14,4%	6,4%	n.a.
- Level 4	n.a.	0,3%	n.a.	n.a.	n.a.
- Level 5	n.a.	1,8%	n.a.	n.a.	n.a.
- Level 6	n.a.	16,3%	n.a.	n.a.	n.a.
- Level 7	n.a.	-28,5%	n.a.	n.a.	n.a.
Managers	**n.a.**	**n.a.**	**4,4%**	**n.a.**	**n.a.**
- Level A1	n.a.	n.a.	4,4%	n.a.	n.a.
Executives	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

[13] The gender pay gap observed in 2025 within the "White-collar" category is affected by the presence, within the same category, of department heads with high professional specialization, whose job classification is currently being adjusted. The data therefore does not reflect pay differences for equal roles and duties, but rather a different composition of professional skills within the same category.

It is specified that the employees of VP Tornitura are exclusively men, and therefore the pay gap calculation is not applicable.

Table 30: Total remuneration ratio (Manufacturing companies)

Employees by professional category	Total remuneration ratio 2025				
	STM	GSM	NERI	RESCA	VP
Executives	1,21	1	n.a.	n.a.	n.a.
Managers	1,62	n.a.	1,3	n.a.	n.a.
White-collar employees	2,15	2,3	1,47	1,21	n.a.
Blue-collar employees	1,66	1,67	1,45	1,52	1,38
Total	**2,98**	**2,86**	**2,94**	**1,78**	**1,38**

The total remuneration ratio expresses the relationship between the highest fixed remuneration paid to an employee and the median annual remuneration of all employees.

Incidents, complaints and severe human rights impacts [S1-17]

Table 31: Reported incidents of discrimination and complaints

	2025
Number of incidents of discrimination	0
Number of complaints submitted through the Whistleblowing channel	0
Amount of fines, sanctions, and damages resulting from complaints	0
Severe human rights incidents	0

All manufacturing companies within the Group manage potential discrimination incidents and complaints submitted through the Whistleblowing channel. No complaints were recorded during the observation period.

3.2 S3 – AFFECTED COMMUNITIES

Material impacts and their interaction with strategy and business model [ESRS 2 SBM-3]

The process adopted to identify and assess material impacts is described in detail in the first chapter, paragraph “IRO-1 Description of the process to identify and assess material impacts, risks and opportunities”.

In summary, the materiality analysis conducted by STM Team highlighted the relevance of the following impacts with regard to the topic of “Affected communities”:

S3 – Affected communities

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Impacts related to the local community	The manufacturing companies of the STM Group contribute to the economic and social development of the territories in which they operate by creating local employment, supporting regional initiatives and associations, and collaborating with schools, universities, and training institutions to foster orientation and entry of young people into the job market. Furthermore, the significant presence of workers residing in neighboring areas strengthens the bond between the Group and local communities.	Effective Positive	☒	☑	☑

Policies related to affected communities [S3-1]

For the STM Group, the reference local communities primarily coincide with the areas neighboring the manufacturing companies' facilities, in particular the territories of Calderara di Reno (BO) and San Giovanni in Persiceto (BO), where the industrial plants of STM and Neri Motori are located.

Indeed, since their foundation, STM and Neri Motori have established a direct and ongoing relationship with the local area, aiming not only to generate economic and employment value, but also to play an active social, cultural, and educational role. Over time, this commitment has translated into a wide range of initiatives oriented toward:

- promoting sport as an educational lever and a driver of social cohesion;
- supporting vulnerable individuals through donations, services, and inclusion projects;
- fostering the dissemination of corporate values such as innovation, creativity, ethics, respect for the environment, and active community participation;
- protecting women's rights and promoting gender equality by supporting entities, associations, and services dedicated to the prevention and elimination of gender-based violence, as well as female empowerment.

The operational management of activities benefiting local communities is entrusted to the Marketing & Communication Department, which coordinates recurring initiatives and responds to specific local requests. Although the STM Group has not yet adopted a formal Policy specifically dedicated to local communities or related human rights, the annual actions implemented represent an established practice, effectively constituting an unformalized, yet systematic and consistent operational policy over time.

Relationships with the local community are governed by the principles outlined in the Code of Ethics, which provides for active listening, transparency, respect for individual dignity, and the enhancement of relationships with local stakeholders.

In this context, the STM Group is committed to contributing to the sustainable development of local communities, strengthening its role as a responsible group of companies deeply rooted in the social fabric.

Processes for engaging affected communities about impacts [S3-2]

The STM Group has established an informational approach to local community engagement, without providing for active engagement (for example, in carrying out the materiality analysis).

STM S.p.A., in its capacity as parent company, will commit in the coming years to reviewing stakeholder engagement, reconfirming and/or expanding its current approach.

Processes for remediating negative impacts and channels for affected communities to raise concerns [S3-3]

Within the framework of its materiality analysis, the STM Group did not identify material negative impacts related to affected communities.

The Group's manufacturing companies make available to affected communities a Whistleblowing channel accessible via their websites, open to all company stakeholders. This tool provides a secure and confidential means to report potential negative impacts or issues related to corporate activities.

In parallel, the companies remain open to engaging in direct dialogue with local communities to foster constructive and timely discussion on any potential concerns.

To date, no formal reports have been received from affected communities.

Actions on material impacts on affected communities [S3-4]

The STM Group is committed to contributing to the economic well-being and development of the communities in which it operates by generating employment and creating growth opportunities within the local area. Over the years, the companies have confirmed and strengthened their commitment to the local community by promoting social and cultural initiatives. These activities are part of a broader journey of corporate social responsibility, fully aligning with corporate values of sustainability and inclusiveness.

Inclusion and equal opportunities

The STM Group recognizes the importance of promoting a corporate and social culture based on equality, respect for fundamental rights, and opposition to any form of discrimination. Inclusion and gender equality are not merely ethical principles, but also strategic levers for the sustainable and cohesive development of the communities where the company operates.

As enshrined in the Code of Ethics and as evidence of the desire to embed these values into daily corporate culture, manufacturing companies periodically issue formal invitations to suppliers and customers requesting that they refrain from sending gifts or extending preferential treatment to employees that could influence business decisions; in this regard, STM S.p.A., as the parent company, actively suggests donating support to non-profit organizations. Among the recommended entities and associations are:

- "Casa delle Donne per non subire violenza" (Bologna), active for years in welcoming and protecting female victims of abuse;
- "CHIAMA chiAMA", an anti-violence center and support service operated by MondoDonna Onlus, dedicated to assisting Italian and foreign women who are victims of violence, abuse, or in difficulty.

In 2025, STM, GSM, and Neri Motori supported the associations "Casa delle Donne per non subire violenza" and "Mondo Donna" through charitable donations.

Collaboration with universities for skills growth and local connections

The manufacturing companies of the STM Group recognize the strategic role of collaborating with the academic world to promote innovation, the growth of technical and scientific skills, and the qualified entry of young people into the labor market.

STM, GSM, and Neri Motori collaborate with secondary schools in the Bologna area for school-work transition programs.

In addition, partnerships with universities represent a bridge between theoretical knowledge and industrial application, generating value for the company as well as for the students and local areas involved.

In 2025, STM S.p.A. consolidated structured relationships with key universities and schools in the region, including by way of example:

- Secondary schools in the Bologna area (e.g., Aldini-Valeriani, Salesiani Institute, ITIS);
- University of Bologna (UNIBO);
- University of Ferrara (UNIFE).

These collaborations resulted in applied research projects, curricular internships, company thesis projects, job placement pathways, and technical-scientific exchange opportunities, aimed at fostering the mutual exchange of skills and the development of professional profiles aligned with the needs of the mechanical and industrial sector.

In particular, the students involved were able to:

- contribute to continuous improvement and technological innovation projects for gearmotors;
- gain training experiences within the company, integrating classroom learning with operational and real-world problem-solving activities;
- engage with company professionals, receiving mentorship and career orientation.

These initiatives are part of a long-term strategy aimed at:

- facilitating the transition from education to employment;
- promoting the retention of skills within the local region;
- contributing to the sustainable development of the regional industrial ecosystem.

Support for sport as a driver of social cohesion, well-being, and participation

STM and Neri Motori recognize sport as a fundamental tool for promoting physical and mental well-being, educating in values of solidarity and respect, and strengthening connections with the local territory. Sporting activity, especially at the local level, serves as a concrete platform for social inclusion, encouraging intergenerational participation and the involvement of individuals from diverse backgrounds.

In 2025 as well, STM and Neri Motori confirmed their commitment to supporting the development and spread of grassroots sports through financial and organizational backing for amateur organizations and sporting events capable of generating positive impacts on the local community, not only in terms of health, but also in social cohesion and urban vitality.

In detail, the companies contributed to a range of sports associations and teams operating in the area, including:

- "Alpi Racing Team Sas" (Cuneo), active in national-level regattas with a strong focus on technical preparation;
- "U.P. Calderara", a historic amateur sports association based in Calderara di Reno and a point of reference for young athletes and families;
- "Bocciofila E. Baldini – STM A.S.D." (Bologna), an entity deeply rooted in the local community that promotes bocce as a tool for social interaction and multi-generational aggregation;
- "Padel Club Calderara" (Calderara di Reno), an association active in promoting padel that has engaged a broad audience, fostering accessibility to an emerging sport;
- "Rosti Cycling Team", active in road cycle racing circuits with a special focus on developing young athletic talent;
- "Giornale Rossoblù", an informational newspaper linked to the activities of Bologna Football Club;
- "Unione Polisportiva Persicetana", an amateur sports association operating in San Giovanni in Persiceto and a point of reference for young athletes across multiple sports and families;
- "Bocciofila Persicetana", on the occasion of its annual tournament bringing together different generations and local entities in a dynamic, social event.

Through these initiatives, STM and Neri Motori actively contribute to enhancing the local social capital, supporting not only sports in a strict sense, but also their educational, inclusive, and relational roles. These efforts fall fully within the companies' vision as responsible social actors committed to generating lasting positive impacts for the communities where they operate.

Enhancing the local area and promoting community life

Furthermore, STM and Neri Motori recognize the value of local traditions as an essential component of social cohesion and the cultural identity of the regions where they operate. In 2025, the companies actively supported various local events, including village festivals, neighborhood celebrations, and recreational events, contributing to the vitality of community life and the transmission of local cultural heritage.

The support provided aimed to:

- strengthen the sense of belonging and participation among citizens of all ages;
- support local volunteer efforts, which often form the organizational core of these initiatives;
- encourage opportunities for gathering and socializing, particularly in small towns or peripheral neighborhoods;
- promote the local circular economy, generating positive spillover effects for local artisans, producers, and commercial businesses.

Through these actions, STM and Neri Motori intended to contribute not only to the material well-being but also to the relational and cultural vitality of local communities, in line with corporate social responsibility principles.

Targets related to managing material negative impacts and enhancing positive impacts [S3-5]

The manufacturing companies annually promote the initiatives described above, confirming their commitment to tackling inequalities and promoting human rights.

Annual actions and targets	
Activities supporting affected communities	Formal invitation to suppliers and customers requesting that they refrain from sending gifts or extending preferential treatment to company employees, suggesting as an alternative that donations be made to associations dedicated to promoting women's rights and empowerment
	Support provided to the association “Casa delle Donne per non subire violenza” and the association “Mondo Donna Onlus – CHIAMA chiAMA”
	Promotion of and contribution to various local events (e.g., village festivals)
Schools and Universities	Collaboration on school-work transition programs for secondary school students Active partnerships with universities: - University of Ferrara (UNIFE) - University of Bologna (UNIBO)
Sports Associations and Events	STM and Neri Motori support sports as a tool for social cohesion, well-being, and community participation through backing various organizations: - Alpi Racing Team SAS (participation in national regattas) - U.P. Calderara (amateur sports association) - Bocciofila E. Baldini - STM A.S.D. - Padel Club Calderara (amateur sports association) - Rosti Cycling Team - Giornale Rossoblù - Unione Polisportiva Persicetana - Bocciofila Persicetana

3.3 S4 - CONSUMERS AND END-USERS

Interests and views of stakeholders [ESRS 2 SBM-2]

The direct customer base of the STM Group includes both B2B companies operating globally across various manufacturing sectors, and wholesalers, dealers, and agents, as well as a local and extensive distribution network. The STM Group relies on a structured commercial network across its main target markets; this network represents a strategic lever for building and consolidating solid, long-lasting relationships with end customers, while simultaneously serving as a primary channel for managing business relations and promoting corporate identity, values, and brand image.

The stakeholder engagement process involving the STM Group's customers is outlined in the paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities".

Material impacts and their interaction with strategy and business model [ESRS 2 SBM-3]

The process adopted to identify and assess material impacts is described in detail in the first chapter, paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities".

In summary, the materiality analysis conducted by the STM Team highlighted the relevance of the following impacts regarding "Consumers and end-users":

S4 – Consumers and end-users

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Personal safety of consumers and/or end-users	The Group invests in the safety and reliability of its products through design compliant with standards, quality controls, technical documentation, and certified management systems, helping to protect end-users and reduce risks associated with product use.	Effective Positive	☒	☑	☑

Policies related to consumers and end-users [S4-1]

The STM Group aims to achieve product excellence and considers quality a cornerstone of its strategy in order to deliver products tailored to ensure maximum customer satisfaction.

Within the framework of the ISO 9001-certified Quality Management System adopted across its manufacturing facilities, STM, GSM, Neri Motori, and Rettifiche Resca foster a company-wide commitment to quality, involving all organizational levels. The Companies identify critical processes and associated inherent risks, regulating business activities aimed at continuous improvement in product quality and reliability. These characteristics are defined as compliance with regulations and technical specifications, ease of use and maintenance, and the ability to maintain required performance and functionality over time.

As highlighted in the Code of Ethics, STM S.p.A., as parent company, places customer satisfaction and protection at the core of its activities, offering products and services compliant with quality, safety, reliability, and innovation standards. Active listening to customer needs represents a key element.

The STM Group is committed to providing complete, accurate, and transparent information regarding product specifications, managing potential feedback and complaints promptly and constructively, and maintaining business relationships founded on fairness and regulatory compliance. Unfair practices, misleading promises, or improper advantages are strictly prohibited, as is the offering or acceptance of money, gifts, or preferential treatment that could improperly influence business decisions.

Processes for engaging consumers and end-users about impacts [S4-2]

The STM Group promotes a continuous, structured, and responsible dialogue with its customers, aimed at ensuring transparency, service quality, and active listening to market needs. Relationships with customers are managed through an extensive network of channels, including direct contact via the sales force, Customer Service, technical support, and local representatives, as well as official occasions such as trade fairs, corporate events, and plant visits. Complementing these tools are digital channels—dedicated portals, newsletters, and corporate communications—which ensure timely, accessible, and clear information. These interaction methods not only foster the consolidation of relationships based on trust and fairness, but also serve as an essential mechanism for gathering feedback, suggestions, and complaints, which are managed promptly and constructively to quickly identify potential issues and implement corrective actions.

Processes for remediating negative impacts and channels for consumers and end-users to raise concerns [S4-3]

The STM Group places customer satisfaction and protection at the core of its strategy, offering products compliant with the highest standards of quality, safety, reliability, and innovation. In order to prevent and mitigate potential negative impacts arising from product defects or malfunctions, the Companies have developed a structure dedicated to customer support and proactive management of customer needs.

To ensure ongoing, effective, and timely dialogue, the STM Group provides its customers with a variety of communication and interaction channels. The official website features a section dedicated to support services, providing direct contact information—both phone and email—for technical and commercial assistance, enabling swift problem resolution and structured feedback collection. Online forms are also available for submitting specific requests, allowing for traceable interaction aimed at efficient case management.

In addition to traditional channels, the STM Group actively utilizes social media platforms—specifically LinkedIn and Facebook—to strengthen engagement with customers and end-users. Through these platforms, the companies foster direct, interactive communication, facilitating the exchange of views, sharing updates, and responding to inquiries or observations in a timely manner.

This multi-channel approach reflects the company's commitment to maintaining an open, transparent, and continuous dialogue with its consumers.

Actions on material impacts on consumers and end-users [S4-4]

Under the ISO 9001-certified quality management system, STM, GSM, Neri Motori, and Rettifiche Resca ensure that all products placed on the market comply with applicable regulations and required technical specifications, guaranteeing high standards in terms of reliability, operational safety, and long-term performance. The commitment to quality and transparency also translates into providing accurate and clear information regarding product specifications, protecting customer rights and safeguarding the integrity of commercial relationships.

Over the past two years, the Companies successfully renewed their ISO 9001 Quality Management System certification, confirming their ongoing commitment to improving production processes and organizational efficiency.

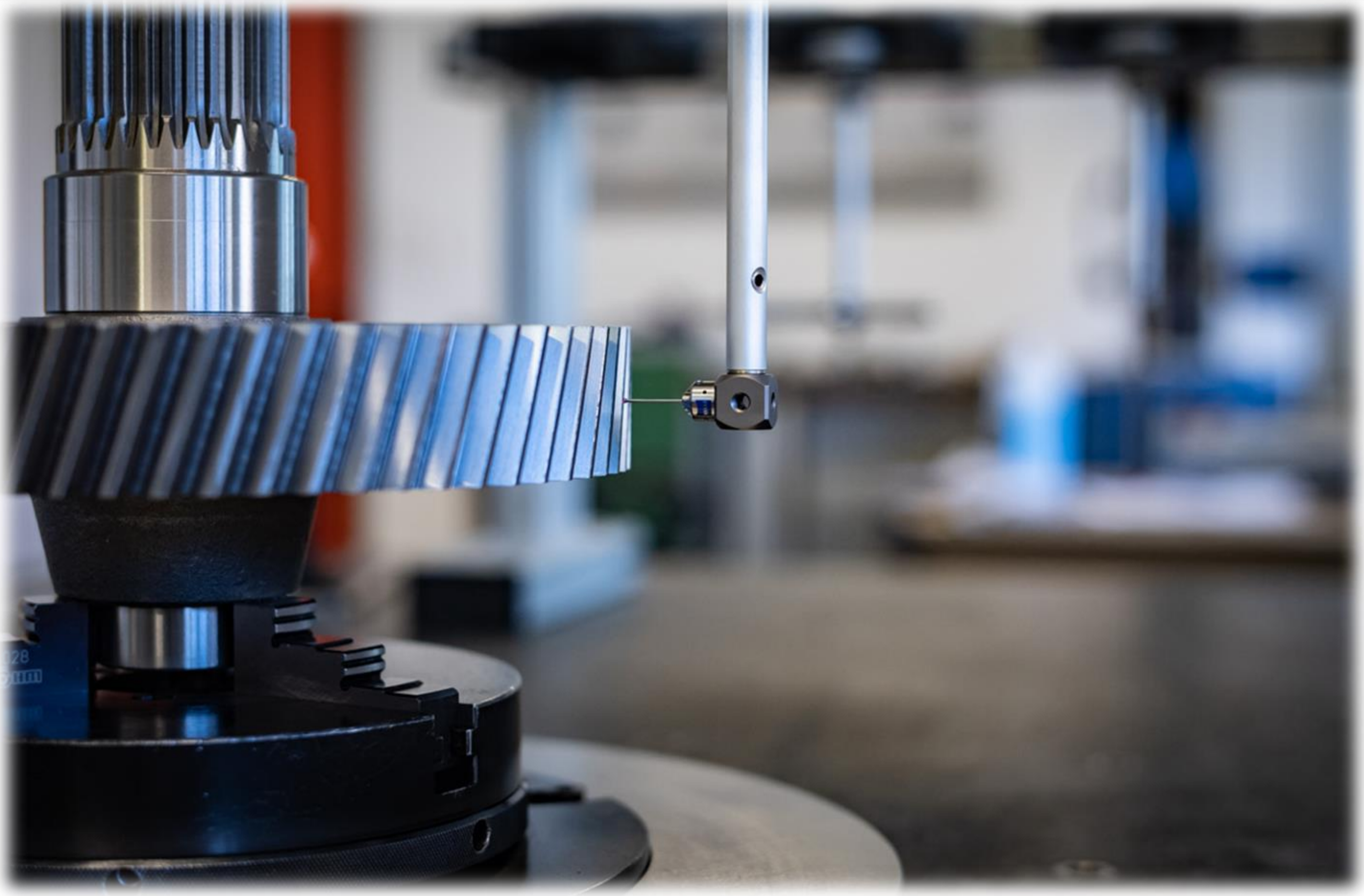
In 2025, STM S.p.A. renewed its ATEX certification, issued pursuant to Directive 2014/34/EU regarding equipment and protective systems intended for use in potentially explosive atmospheres. This certification attests to the compliance of STM products with the essential safety requirements mandated for operation in high-risk industrial environments.

Actions taken	
Product safety	Renewal ISO 9001 Certification
	Renewal ATEX Certification

Targets related to managing material negative impacts and enhancing positive impacts [S4-5]

As previously noted under the "Circular economy" section, the rollout of the predictive maintenance system ("*WiseGear*") applied to gearmotors, currently in its start-up phase, will enable interventions on products before failures or malfunctions occur. This innovative, prevention-oriented system, in addition to significantly extending the product's useful life and contributing to the reduction of negative environmental impacts, will certainly help identify anomalies proactively. This safeguards against potential risks arising from accidental gearmotor breakdowns, thereby protecting the end-user.

Targets 2026-2027	
Product safety	Commercialization of the WiseGear system



4. GOVERNANCE INFORMATION

4.1 G1 - BUSINESS CONDUCT

This section describes the corporate culture, company values, as well as the Codes and Policies that direct behavior and principles to be followed in business management, with particular reference to the topics identified as material in the materiality analysis.

Role of the administrative, management and supervisory bodies [GOV-1]

For an in-depth and detailed analysis of STM's Corporate Governance system, please refer to the section "Role of the administrative, management and supervisory bodies [GOV-1]" in the "General Information" chapter. For the remaining manufacturing companies of the Group, the main governance structures are summarized below.

Board of Directors di GSM

The Board of Directors of GSM, elected during the Shareholders' Meeting held on April 29, 2024, and remaining in office until the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2026, is composed as follows:

Table 32: Composition and diversity of the Board of Directors of GSM S.p.A.

Member	Position	Executive position	Gender
Lorenzo Vignoli	Chairman of the Board – Chief Executive Officer	Yes	M
Tiziano Girotti	Chief Executive Officer	Yes	M

The Board of Directors currently in office consists of 2 executive members, does not include independent directors, and does not provide for employee representatives among its members.

In GSM, as in the parent company, the Board of Directors plays a central role in guiding and managing the Company. In addition to the responsibilities mandated by law and the Articles of Association, the Board retains exclusive competence regarding decisions of major economic and strategic importance, as well as those essential to defining business development guidelines, including from a sustainability perspective.

Boards of Directors of NERI Motori, Rettifiche Resca, and VP Tornitura

The Boards of Directors of the three manufacturing companies indicated above, elected by their respective Shareholders' Meetings, were composed as follows at the end of fiscal year 2025:

Table 33: Composition and diversity of the Board of Directors of NERI Motori S.r.l.

Member	Position	Executive position	Gender
Lorenzo Vignoli	Chairman of the Board – Chief Executive Officer	Yes	M
Manuela Girotti	Chief Executive Officer	Yes	F

The Board of Directors of NERI currently in office (appointed on June 3, 2024, for an indefinite term) consists of 2 executive members, does not include independent directors, and does not provide for employee representatives among its members.

Table 34: Composition and diversity of the Board of Directors of Rettifiche Resca S.r.l.

Member	Position	Executive position	Gender
Michele Resca	Chairman of the Board – Chief Executive Officer	Yes	M
Alessandro Resca	Chief Executive Officer	Yes	M
Lorenzo Vignoli	Chief Executive Officer	Yes	M
Manuela Girotti	Chief Executive Officer	Yes	F

The Board of Directors currently in office (appointed in 2022 for an indefinite term) consists of 4 executive members, does not include independent directors, and does not provide for employee representatives among its members.

Table 35: Composition and diversity of the Board of Directors of VP Tornitura S.r.l.

Member	Position	Executive position	Gender
Lorenzo Vignoli	Chairman of the Board – Chief Executive Officer	Yes	M
Tiziano Girotti	Chief Executive Officer	Yes	M
Manuela Girotti	Chief Executive Officer	Yes	F
Michele Pedrazzi	Chief Executive Officer	Yes	M
Francesco Veratti	Chief Executive Officer	Yes	M

The Board of Directors currently in office (appointed on April 30, 2020, for an indefinite term) consists of 5 executive members, does not include independent directors, and does not provide for employee representatives among its members.

In these three manufacturing companies, as in the parent company and GSM, the Board of Directors plays a central role in guiding and managing the Company. In addition to the responsibilities mandated by law and the Articles of Association, the Board retains exclusive competence regarding decisions of major economic and strategic importance, as well as those essential to defining business development guidelines, including from a sustainability perspective.

Description of the processes to identify and assess material impacts related to resource use and circular economy [ESRS 2 IRO-1]

The process adopted to identify and assess material impacts is described in detail in the first chapter, paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities".

In summary, the materiality analysis conducted by the STM Team highlighted the relevance of the following impacts with regard to the topic of "Business conduct":

G1 – Business conduct

Reference sub-topic or sub-sub-topic	Description of the impact	Type of the impact	Upstream value chain	Own activities	Downstream value chain
Corporate culture	The STM Group promotes a corporate culture based on integrity, responsibility, transparency, and respect for stakeholders. This approach generates a positive impact on organizational behaviors and decision-making processes, supported by continuously evolving governance controls. In this context, STM S.p.A., in its capacity as parent company, has adopted a Code of Ethics	Effective Positive	☑	☑	☑

	integrated with ESG principles, which serves as a reference for the Group's companies and all addressees, guiding business activities toward ethical, sustainable, and responsible conduct regarding people, the environment, and reference communities.				
Cybersecurity	The Group adopts organizational and technological measures for the protection of information systems and corporate data, helping to reduce the risk of cyberattacks, ensure business continuity, and safeguard the information of stakeholders and commercial partners.	Effective Positive	☑	☑	☑
Protection of whistleblowers	STM S.p.A., GSM S.p.A., and Neri Motori S.r.l. have adopted a Whistleblowing procedure that guarantees confidential reporting channels and adequate protection measures for whistleblowers,	Effective Positive	☑	☑	☑

	helping to promote transparency, integrity, and the prevention of non-compliant behavior. The Group is progressively evaluating the extension of similar controls to other subsidiaries, taking into account their respective organizational and size characteristics.				
Active and passive corruption	No cases of corruption have been recorded within the STM Group. The parent company has adopted a Code of Ethics that defines principles and behaviors based on integrity, transparency, and compliance with applicable regulations, promoting a corporate culture grounded in high ethical standards.	Potential Negative	☑	☑	☑

Policies related to corporate culture and business conduct [G1-1]

Code of Ethics

For the STM Group, the Code of Ethics is a key tool of corporate governance, aimed at promoting conduct based on legality, integrity, and responsibility. It defines the principles and values that guide the organization's actions in its relationships with employees, customers, suppliers, and stakeholders, helping to prevent ethical, reputational, and compliance risks.

The STM Group has updated its Code of Ethics. The updated version introduces new topics relevant to responsible governance, including ESG principles and Whistleblowing provisions.

Through the Code of Ethics, the STM Team affirms its commitment to recognizing and guaranteeing respect for universally accepted human rights, as enshrined in major international Conventions, including the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the relevant ILO principles. In particular, all Group Companies protect personal dignity, individual rights, and maintain an absolute prohibition on any form of discrimination.

These principles, already substantially present in corporate values and operational practices, have been explicitly formalized in the Code of Ethics to strengthen their consistency with the ethical and social values that inspire the actions of the STM Team. The STM Team ensures maximum dissemination of the Code of Ethics, making it accessible through its corporate channels, such as the company intranet and website (STM Documentation). The document is shared with all new hires via the intranet portal to ensure they are fully aware of and comply with its contents. Furthermore, the Code is shared with suppliers, partners, and other relevant third parties to foster a shared ethical culture across the entire value chain.

STM S.p.A. periodically organizes training and refresher sessions for staff, managers, and control bodies, aimed at:

- fostering the understanding of ethical and behavioral principles;
- promoting a culture of legality, gender equality, ESG responsibility, and organizational well-being.

Understanding and adhering to the principles of the Code of Ethics form an integral part of the STM Team's identity and corporate culture.

In the course of 2026, the Group plans to further consolidate its sustainability governance system through the approval of a Group Environmental Policy and a Group Social Policy, with the aim of formalizing common principles, commitments, and guidelines regarding ESG matters, encouraging their integration into business processes and across the entire value chain.

Anti-corruption Policy

During 2025, the STM Group further strengthened its safeguards to protect corporate integrity and transparency through the formal adoption by the parent company of a new, comprehensive Anti-Corruption Policy. This foundational document and procedural framework define a rigorous set of rules of conduct aimed at preventing, detecting, and combating any corrupt or illegal phenomena in the performance of business activities. The introduction of the policy is part of the ongoing alignment of corporate governance with the highest international standards and ESG requirements regarding business ethics. The document is not limited to establishing guidelines for parent company employees, but sets out the ethical and moral principles with which all subsidiaries and commercial partners along the value chain must comply, consolidating a widespread culture of legality and zero tolerance toward unethical behavior.

Sistema di Whistleblowing

In pursuit of improving its governance and with the goal of ensuring a transparent, responsible, and inclusive work environment, the STM Group has activated a secure, dedicated internal reporting channel (Whistleblowing), accessible online at: https://stmteam.wallbreakers.it/#/. Through this tool, personnel can report—confidentially—unlawful conduct, violations of regulations, internal procedures, or potentially risky situations. All reports are managed with the utmost confidentiality, ensuring the protection of the identity of the whistleblower and of the persons involved, as well as the prompt analysis of the case and, if necessary, the adoption of corrective measures.

In compliance with current legislation, it should be noted that the Whistleblowing channel is not intended for managing strictly personal disputes or matters related to employment relationships with hierarchical superiors. In such cases, employees are invited to contact ordinary personnel management channels under the Human Resources area, so that reports are handled according to standard company procedures.

Privacy – Information Security

Following the full entry into force of Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data (GDPR), the Companies completed the necessary compliance process to conform with the relevant regulatory provisions.

As "Data Controller", the Companies are legally responsible for all operations involving the processing of personal data and, in this capacity, adopt appropriate and proportionate security measures relative to the risks to the rights and freedoms of data subjects.

To ensure proper and secure information management, STM, GSM, and Neri Motori have implemented a structured system of technical, organizational, and procedural measures, including:

- training: all personnel have been formally designated and trained regarding good data management practices through mandatory courses on data processing;
- management of external suppliers: third parties processing personal data on behalf of STM, GSM, and Neri Motori have been mapped, evaluated, and formally appointed as "Data Processors". The relevant contractual conditions and annual audits are monitored via a dedicated platform;
- data breach management: a specific procedure has been established for detecting, managing, and notifying potential security breaches (data breaches) to ensure prompt and effective intervention;
- Data Protection Impact Assessment (DPIA): STM, GSM, and Neri Motori conducted mapping and analysis of potential risks associated with data processing to identify and mitigate any vulnerabilities;

- external audits and GDPR compliance checks: a specialized company annually conducts formal and substantive audits on the effectiveness of measures adopted regarding personal data protection;
- cybersecurity and business continuity: as part of the Cybersecurity Project initiated in 2023, STM, GSM, and Neri Motori implemented additional controls and defined a plan for periodic updates to reinforce IT security. Specific disaster recovery plans based on a virtualized architecture, along with dedicated procedures for managing IT incidents—including ransomware, DDoS, and malware attacks—are also operational for STM and GSM;
- data processing monitoring platform: all personal data processing, both general and special categories, is tracked and monitored through a dedicated IT privacy management platform;
- compliance with the NIS 2 Directive: in implementation of the measures mandated by Directive (EU) 2022/2555 (NIS 2), STM, GSM, and Neri Motori appointed Managers for the compliance project, tasked with coordinating necessary interventions for the security of corporate networks and information systems.

It is highlighted that during the year 2025, no incidents of privacy violations or personal data loss occurred. Furthermore, a Vulnerability Assessment was conducted and successfully passed to evaluate the resilience of the IT infrastructure and promptly remediate any potential vulnerabilities.

As part of strengthening IT security measures and responsible personal data management, STM, GSM, and Neri Motori defined a series of strategic targets to be achieved in the coming years, aimed at ensuring information protection and compliance with current regulations.

For 2025, the implementation of a Multi-Factor Authentication (MFA) system was completed, representing a fundamental step to improve access control and reduce risks associated with unauthorized use of corporate credentials.

Finally, activation of the Cyber Guru platform is scheduled for the 2026-2027 two-year period, an innovative training tool that will enable the company to strengthen staff awareness and skills in cybersecurity through customized and updated educational paths.

This plan is part of a broader strategy for integrated digital risk management and demonstrates a concrete commitment to data protection and safeguarding corporate information assets.

Management of relationships with suppliers [G1-2]

Suppliers represent a strategic element for the Group's competitiveness, as the quality of components directly impacts the value of the final product and, consequently, customer satisfaction.

The companies aim to establish stable, transparent, and collaboration-oriented relationships with their suppliers, valuing their respective expertise and technical capabilities, while prioritizing geographical proximity.

As reported in the section "Strategy, business model and value chain [SBM-1]", the majority of suppliers are located in Italy and, in particular, in the Emilia-Romagna region. This arrangement represents a key element in the short supply chain strategy adopted by the STM Group, generating positive impacts on multiple fronts. From an environmental perspective, it reduces transport-related emissions and logistical impact; from a social standpoint, it enhances the local manufacturing fabric, strengthens skills, and supports employment in the region.

The manufacturing companies of the STM Group are progressively strengthening their approach to supply chain sustainability by evaluating the integration of environmental, social, and governance (ESG) criteria into supplier qualification and monitoring processes, including through the use of ESG ratings provided by specialized platforms such as EcoVadis and Open-es. The objective is to consolidate the ability to manage risks along the supply chain and promote responsible behavior on the part of commercial partners.

In this context, the supplier audit program already commenced in December 2025 with the dispatch of a questionnaire aimed at collecting preliminary qualitative information on ESG aspects. During 2026, the collected information will be analyzed and examined in depth in order to define a structured supplier selection and assessment strategy, identifying priorities, risk levels, and areas for action. This path will form the basis for conducting targeted audits of commercial partners, enabling the Group to strengthen supply chain monitoring and develop a control system increasingly aligned with growing regulatory and market expectations regarding sustainability.

Finally, during 2025, STM S.p.A. requested suppliers to sign the Code of Ethics. For the 2026-2027 two-year period, the Group plans to extend this practice to suppliers of the other controlled manufacturing companies and to adopt a Supplier Code of Conduct, with the aim of reinforcing the integration of ethical and sustainability principles within the supply chain.

Prevention and detection of active and passive corruption [G1-3]

As part of its commitment to ethical, transparent corporate management compliant with the highest standards of integrity, the STM Group has defined a series of concrete actions to prevent risks related to active and passive corruption.

The Companies adopt a zero-tolerance approach toward any form of corruption, whether active or passive, direct or indirect, in any context and toward any entity, public or private.

The Code of Ethics explicitly prohibits all covered individuals from offering, promising, giving, requesting, or accepting—directly or through third parties—monetary sums, undue benefits, advantages, or other perks for the purpose of obtaining or retaining an unlawful advantage, influencing decisions, or securing preferential treatment.

This prohibition applies to every operational context, including relationships with public administrations, customers, suppliers, consultants, business partners, and other stakeholders.

As previously described, a specific "Anti-Corruption Policy" was approved in 2025, serving as the corporate reference for monitoring high-risk conduct and implementing preventive measures consistent with international compliance best practices.

In parallel, STM S.p.A. has scheduled a specific training course on anti-corruption and anti-money laundering for key department heads, budgeted for 2027.

These initiatives form part of a broader journey to strengthen the internal control system and foster a culture of legality, in the awareness that preventing corrupt practices is not merely a regulatory obligation, but an essential prerequisite for consolidating stakeholder trust and ensuring the long-term sustainability of the company.

Confirmed cases of active or passive corruption [G1-4]

As shown in the table below, the STM Group recorded no cases of active or passive corruption.

Table 36: Cases of active and passive corruption

	2025
Total number of cases of active corruption	0
Total number of cases of passive corruption	0
Total number of convictions for corruption	0
Total amount of fines	0
Total own workers disciplined	0
Total own workers dismissed	0
Total commercial contracts terminated/not renewed due to corruption	0

Payment practices [G1-6]

The STM Group pays invoices according to agreed contractual terms and in line with market standards. Payment practices and terms apply equally to SMEs.

5. SUMMARY OF ACTIONS AND TARGETS OF THE STM GROUP

E1 – Climate change

Actions taken 2025	
Energy consumption reduction	Full-capacity operation of the "STM 3" photovoltaic system, resulting in an increase in self-produced energy
	Project 5.0 Investments: 1. New ERP 2. Mod. CM19 metal washing system 3. Viper VT-17 lathe 4. Energy Dashboarding monitoring system 5. MES (Manufacturing Execution System) 6. Machine start-up/shut-down automation 7. New GSM milling machine
	Reduction of STM S.p.A.'s energy consumption by 14% compared to 2024, for the same production levels
	Installation of timers for energy consumption optimization at Neri Motori
	Lighting efficiency improvement through conversion to LED technology (GSM, Neri Motori, and Rettifiche Resca)
	Replacement of pneumatic screwdrivers with higher energy efficiency electronic models at Neri Motori
	Reduction of leaks in the compressed air system at Rettifiche Resca
	Installation of sensors for measuring machine tool consumption at Rettifiche Resca
	Implementation of heat recovery systems at Rettifiche Resca
	Automated schedule management for machinery and utility shut-downs at GSM
Greenhouse gas emissions reduction	Scope 1 and Scope 2 calculation for manufacturing companies
	Progressive electrification of the corporate fleet and strengthening of charging infrastructure across Group premises
Targets 2026-2027	
Reduction of greenhouse gas emissions	Calculation of Scope 1 and 2 for the entire Group (production + distribution)
	Definition of the Decarbonization Plan
Reduction of energy consumption	Revamping and repowering STM 1
	New installations of photovoltaic systems (SEF Motoriduttori and STM South Africa)
	Completion of the LED lighting replacement in Neri Motori
	Installation of a photovoltaic system in Rettifiche Resca
	Completion of the compressed air leak analysis in Rettifiche Resca

	Implementation of a new energy KPI dashboard to enhance consumption monitoring in the companies STM, GSM, VP, and NERI
	Replacement of the roof at Via Serra 33 and future installation of a photovoltaic system in GSM

E5 – Use of resources and circular economy

Actions taken	
Sustainable procurement	Purchase of raw materials and packaging from recycled sources, as well as consumable materials from bio-based and low environmental impact sources
	Adoption of the "Compri" platform and launch of the ESG audit program on suppliers of production companies
Product durability	WiseGear project: completion of the testing phase of the control and predictive monitoring system on the product
	Semi-synthetic oil test in order to improve product performance and durability
Targets 2026	
Sustainable procurement	Advancement of the ESG audit program on suppliers of production companies
	Standardization of units of measurement to monitor with greater accuracy the impact of recycled and lower environmental impact materials on purchases
Product durability	Full market rollout of the "WiseGear" project
Circular economy	Investment in briquetting machine
	Layout revision and procedure definition for waste storage inside the plants
	Industry 5.0 investment plan aimed at modernizing and optimizing production processes and reducing waste

S1- Own workforce

Actions taken	
Health and safety	Provision of PPE and suitable clothing
	Machine vibration assessments
	Monthly departmental audits and review/updating of the DVR by the Health and Safety Manager: stress-at-work analysis (GSM – Neri Motori)
Gender Equality	Initiation of the process to obtain UNI/PdR 125:2022 certification for GSM and Neri Motori
Mandatory training	Fire safety course
	BLSD course
	First aid course
	Forklift operator training
Optional training	Training on sustainability topics and sustainability reporting

	Course on oils and lubricants
	"Dadistel" software training
	Training on the new ERP system
	IoT and Digital Twin course
	Artificial Intelligence course
Employee well-being and parental support	Measures dedicated to new parents, including parental coaching, additional leave for fathers, and enhanced salary advance options
Collective bargaining	Provision of an annual performance bonus linked to corporate targets and provision of welfare tools usable via a dedicated platform
Targets 2026-2027	
Gender Equality	Renewal of UNI/PdR 125:2022 certification for STM and achievement of certification by GSM and Neri Motori
Mandatory training – occupational health and safety	Renewal of licenses for forklift operators
	Training for working at heights
	Overhead crane operation course
	Supervisor training
Optional training – career management	English language course (basic, intermediate, and advanced) for STM, GSM, and Neri Motori employees
	New ERP system training
	Sales techniques
	Mechanical drawing reading and interpretation
	Purchasing course (basic and advanced)
	Business plan and KPI measurement course
	Project management course
	Power BI course

S3 – Affected communities

Annual actions and targets	
Activities supporting affected communities	Formal invitation to suppliers and customers requesting that they refrain from sending gifts or extending preferential treatment to company employees, suggesting as an alternative that donations be made to associations dedicated to promoting women's rights and empowerment
	Support provided to the association “Casa delle Donne per non subire violenza” and the association “Mondo Donna Onlus – CHIAMA chiAMA”
	Promotion of and contribution to various local events (e.g., village festivals)
Schools and Universities	Collaboration on school-work transition programs for secondary school students Active partnerships with universities: - University of Ferrara (UNIFE) - University of Bologna (UNIBO)

Sports Associations and Events	STM and Neri Motori support sports as a tool for social cohesion, well-being, and community participation through backing various organizations: - Alpi Racing Team SAS (participation in national regattas) - U.P. Calderara (amateur sports association) - Bocciofila E. Baldini - STM A.S.D. - Padel Club Calderara (amateur sports association) - Rosti Cycling Team - Giornale Rossoblù - Unione Polisportiva Persicetana - Bocciofila Persicetana

S4 – Consumers and end-users

Actions taken	
Product safety	Renewal ISO 9001 Certification
Product safety	Renewal ATEX Certification
Targets 2026-2027	
Product safety	Commercialization of the WiseGear system

G1- Business conduct

Actions taken 2025	
Ethics and corporate culture	Update of the STM Team Code of Ethics
Active and passive corruption	Preparation of the Anti-Corruption Policy
Information security	Implementation of Multi-Factor Authentication (MFA) system
Management of relationships with suppliers	Signing of the Code of Ethics by STM S.p.A. suppliers
	Launch of the supplier audit program for manufacturing companies
Targets 2026-2027	
Information security	Cyber Guru platform and employee training
Management of relationships with suppliers	Signing of the Code of Ethics by all suppliers of manufacturing companies
	Progress on the ESG supplier audit program for manufacturing companies
	Adoption of a Supplier Code of Conduct to be signed by suppliers
Active and passive corruption	Inclusion in the 2027 budget of an anti-corruption and anti-money laundering training course for department heads
Ethics and corporate culture	Approval of the Group Environmental Policy
	Approval of the Group Social Policy

"We design and engineer innovative and reliable solutions for power transmission and control in the industrial sector, promoting sustainable and inclusive development worldwide."

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