

# Sustainability Report

2024

# Approach to reporting

This report was compiled as of 31<sup>st</sup> of December 2024. We have prepared this report in alignment with the Global Reporting Initiative (GRI) Standards (2021). In addition to the GRI Standards, the framework for our sustainability report is based on the Task Force for Climate-related Financial Disclosures (TCFD) recommendations and the 10 Principles of the UN Global Compact.

Our sustainability report covers all topics identified as material through the materiality assessment conducted in 2024. It outlines Tau Group's economic, environmental, and social impacts, alongside the management strategies we implement to address these aspects. The omission of any material issue from this report does not indicate it is not managed or considered by Tau Group. Rather, it reflects a conscious decision based on the materiality matrix and the scope of this reporting cycle.

This report reflects performance for the reporting period from January 1 to December 31, 2024. The data concerning health, safety, and social performance represents 100% of Tau Group employees. The environmental data, including energy use, emissions, water consumption, and waste management, has been sourced exclusively from the Pianezza plant, located at Strada Signagatta 41, Pianezza, Italy.

This report marks the benchmark year for all future sustainability reports, where feasible, to provide consistent and comparable data over time. Going forward, we aim to provide continuous, accurate updates reflecting both progress and challenges in achieving our sustainability goals.

As part of our ongoing commitment to improvement, Tau Group adheres to ISO management system standards. These standards define repeatable steps that organizations can follow to enhance their performance. The Pianezza plant is certified under ISO 14001, ISO 9001, and IATF 16949, each of which contributes to our commitment to quality, environmental performance, and industry-specific standards.

- › ISO 14001 provides the framework for a comprehensive Environmental Management System (EMS), helping organizations manage their environmental responsibilities.
- › ISO 9001 outlines requirements for an organization's quality management system (QMS), ensuring consistent quality in products and services.
- › IATF 16949 specifies the requirements for an automotive quality management system, ensuring the highest standards of product quality and continuous improvement within the automotive sector.

The Tau Group Sustainability Report 2024 includes forward-looking statements based largely on current expectations, estimates, and projections about factors that may influence our future performance. These

forward-looking statements, identified by terms like "commit," "intend," "will," "target," "goal," "expect," "plan," "continue," and similar expressions, are subject to risks, uncertainties, and assumptions. These include, but are not limited to, business risks related to the global volatile economic environment, costs of compliance, challenges in new market operations, and the development of new technologies and products.

We acknowledge that the results of our forward-looking statements may differ significantly due to the following factors: global economic fluctuations, changes in industry standards, regulatory shifts, raw material prices, supply chain dynamics, competition, and the evolving technological landscape. Despite our efforts to anticipate these factors, we cannot guarantee that our goals will be achieved. We do not undertake any obligation to publicly update or revise any forward-looking statements due to new information, future events, or other reasons.

We have taken utmost care to ensure the accuracy of the information presented in this report; however, we disclaim liability for any potential errors or omissions.

# Letter to the stakeholders

2024 has been a truly remarkable year for everyone at Tau Group. Thanks to the dedication, hard work, and collaboration of our entire team, we proudly opened our new Pianezza Production Facility. This milestone is not just a symbol of our growth, but a testament to the journey we've been on since day one—building a company that strives for excellence while staying true to our core values.

We are also proud to announce that our Pianezza Plant is now fully certified under ISO 9001 and IATF standards, a critical achievement that reinforces our commitment to quality, reliability, and operational excellence. These certifications underscore the trust our clients place in us, and we're excited to use this foundation to continue pushing the boundaries of innovation. In addition, we completed important rounds of financial investment this year, providing the resources we need to fuel our next stage of growth.

Our Pianezza facility has become more than just a production site. It has allowed us to welcome clients and partners into our home, giving them a first-hand look at the strides we've made in developing our production lines and processes. It's been incredibly rewarding to share these advancements, and to build deeper connections with those who share our vision for the future.

From the outset, Tau Group was built to be sustainable by design, ensuring that every decision we make—whether it's in production, operations, or innovation—serves not only our business goals but also the long-term health of our planet. At Tau Group, we believe that real progress comes from working together. Our customers, partners, employees, and our community are key to our success, and their contributions have shaped how we operate. Every step forward has been the result of close collaboration, shared goals, and a united effort to build a business that strives for a positive impact.

This first Sustainability Report is both a celebration of what we've achieved and a promise of what's to come. We are proud of our

progress, but we recognize that there is always room for improvement. The road to sustainability is a continuous one, and we are committed to evolving, learning, and bettering our processes, products, and impact at every opportunity.

This report is a summary of our 2024 efforts. We hope it reflects our ambition, sincerity, and commitment to creating a sustainable future.

Yours sincerely,  
**Francesco Taiariol**  
Co-founder and CEO, Tau Group

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Annex

# 1 Who we are



Redefining the industry,  
**achieving more with less.**

## Our mission

To revolutionize the wire industry by producing sustainable, solvent-free, high-performance magnet wire solutions that drive innovation and empower our customers to build a greener future.

## Our vision

We envision a reality where our pioneering technology sets the standard for wire production, enabling widespread electrification while minimizing our carbon footprint.

## Our values

**Target-driven**  
**Teamwork**  
**Transparency**

# Company overview

**A supplier of magnet wire for motors, generators and transformers with a proprietary production technology catering to global OEMs.**

In leading the way in the production of sustainable, solvent-free, high-performance magnet wire and establishing a new industry standard that enables the transition to electrification, Tau empowers its stakeholders by providing innovative solutions for a sustainable future. This involves promoting the efficient use of resources and optimizing process performance.

To deliver on this mission, Tau has developed DryCycle®, a patented technology that balances the need for sustainable manufacturing with the power, reliability, and performance required by electrification. The wire manufactured through this breakthrough process enables the electric machines of tomorrow: more powerful, compact, and eco-friendly.

Since its establishment in 2014, Tau has made significant strides. It has emerged as a pivotal figure in magnet wire innovation and production, forging partnerships with leading global players in the automotive, chemical, and various other industries. To date, Tau has raised €36M in equity investments, garnering support from prominent corporate and VC investors with profound expertise in Tau's field: Altana, Syensqo, Finindus, CDP VC, Santander and MITO Tech Ventures. Currently, Tau's dynamic team comprises over 50 individuals — a diverse group of engineers, scientists, strategists, specialists, and problem solvers who continually push boundaries to create a more sustainable world.

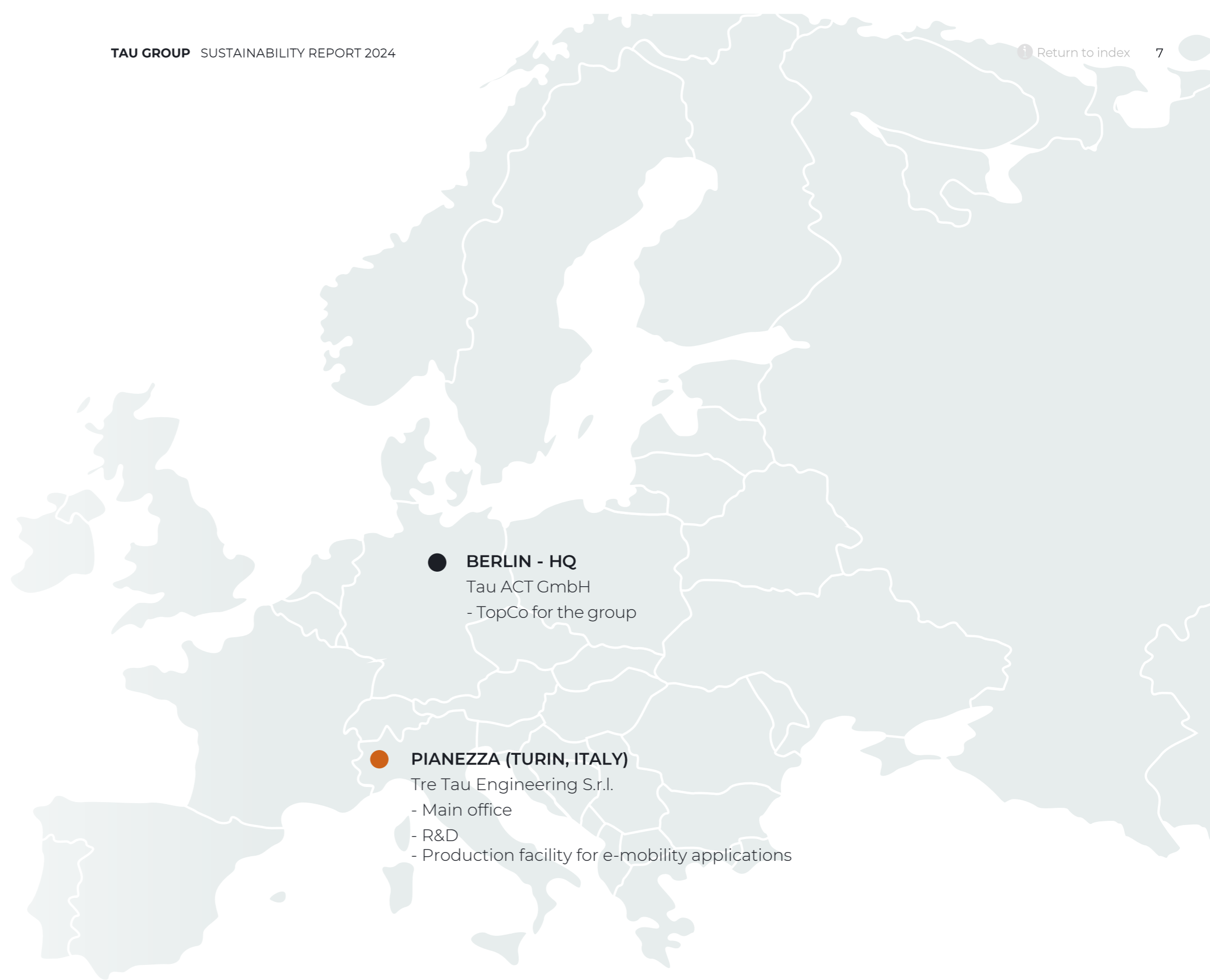
# 36 mln

**Total financing secured (in €)\***

# 53

**Total employees\***

\*Numbers by 31<sup>st</sup> of Dec. 2024



# Production facility

Tau Group's Pianezza Plant, serving as both the group's primary office and a cutting-edge facility, is fully equipped for the development, validation, and production of high-performance, solvent-free magnet wire with lowest carbon footprint. The plant operates as an R&D ecosystem dedicated to advancing magnet wire innovation and refining DryCycle technologies continually.

Furthermore, the facility serves as a pivotal “blueprint” platform for the industrialization of magnet wire. The plant’s production capacity is set to scale, targeting an annual output of up to 12,000 tons\* of wire.

## Certified facility

Tau Group has obtained several key certifications that underscore our commitment to excellence, quality, and sustainability. We are ISO 9001 certified, ensuring a strong foundation in quality management. In November 2024, we reached a major milestone with the certification of our new production facility in Pianezza under IATF 16949, demonstrating our adherence to the highest automotive industry standards. Additionally, we obtained ISO 14001 certification, reinforcing our dedication to environmental responsibility and sustainable operations.

Certifying our state-of-the-art Pianezza facility was a crucial step in aligning our growth with the rigorous standards that define our industry. This achievement highlights our focus on maintaining the highest levels of quality, efficiency, and sustainability across all aspects of our operations. As we move forward, we remain committed to renewing and strengthening our existing certifications while actively expanding our certification portfolio. By taking a proactive approach, we aim to further solidify our leadership in quality assurance and sustainable manufacturing, ensuring we continue to meet evolving industry expectations.

These ongoing efforts reflect our broader mission—delivering exceptional value to our stakeholders while upholding the principles of environmental stewardship and operational excellence. Through continuous improvement and innovation, we are positioning Tau Group for long-term success in a rapidly changing global landscape.

**ISO 9001**  
Certified

**IATF 16949**  
Certified

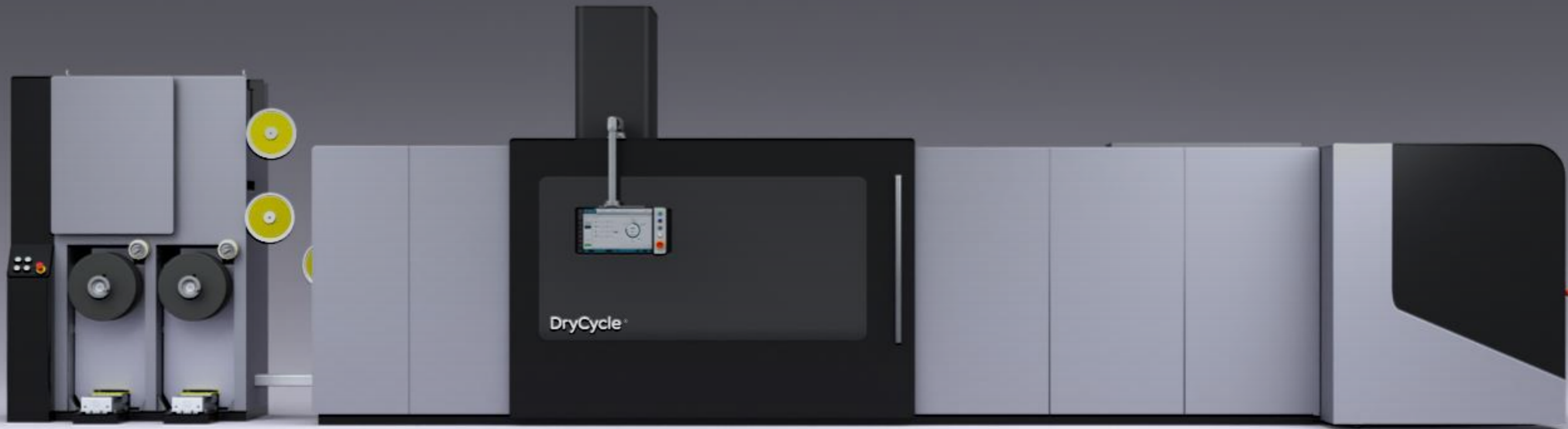
**ISO 14001**  
Certified

\*Estimated number





# Sustainable by design.





## DryCycle®

DryCycle® is a cutting-edge technology that merges the strengths of both enameling and extrusion while addressing their key limitations. At the heart of the process is a solvent-free, monolayer coating system that eliminates the need for multiple polymer layers typically required in enameling. This drastically reduces emissions and operational complexity. The coating process is designed to handle both thermoset and thermoplastic resins, which provides enhanced versatility and allows for superior performance across a range of applications. Continuous sensor monitoring ensures precision throughout the process, guaranteeing compliance with stringent quality standards.

The innovative nature of DryCycle® is reinforced by Tau Group's extensive intellectual property portfolio, with 70 patents related to this technology. These patents cover proprietary advancements in coating, sensor monitoring, and energy efficiency, ensuring that DryCycle® continues to lead the way in sustainable magnet wire manufacturing. This solid patent protection allows Tau Group to continuously refine and develop its technology, making DryCycle® an essential part of our sustainable, high performance wire solutions for the future of electric motors.

DryCycle® is designed in-house, which streamlines production with a smaller equipment footprint and lower energy consumption, further contributing to a reduced carbon footprint. The machinery is capable of scaling production quickly while maintaining tight control over the supply chain and ensuring constant improvements to the process.

# No Solvents

### Solvent-free, no pre-treatment with highest adhesion

- › Record  $\geq 2.0$  N/mm PEEK adhesion stripping force
- › Monolayer coating with best-in-class dielectric
- › Superior ageing behavior
- ›  $\leq 1.0$  mm bending radius rectangular wire

### Peace-of-mind operations

- › Designed to process both thermoset and thermoplastic resins
- › Operational settings and production quality controlled in real-time
- › Proprietary software and analytics with predictive capabilities

### Efficient and compact machine, designed in-house

- › Fast scale up
- › Supply chain control
- › Constant improvement

# Global trends

Across industries and society, there is an unprecedented momentum towards a sustainable economy. Global Net-Zero goals and the urgent need to address climate change are driving a fundamental shift, with the aim of tripling the electricity market by 2050. This transition is boosting demand for renewable energy sources, as well as the infrastructure needed to support it, such as generators, transformers, and advanced power systems.

We have identified five key trends shaping the markets in which we operate. Our strategic approach places us in a strong position to navigate this evolving landscape, ensuring resilience while delivering high-value, sustainable solutions to our customers.

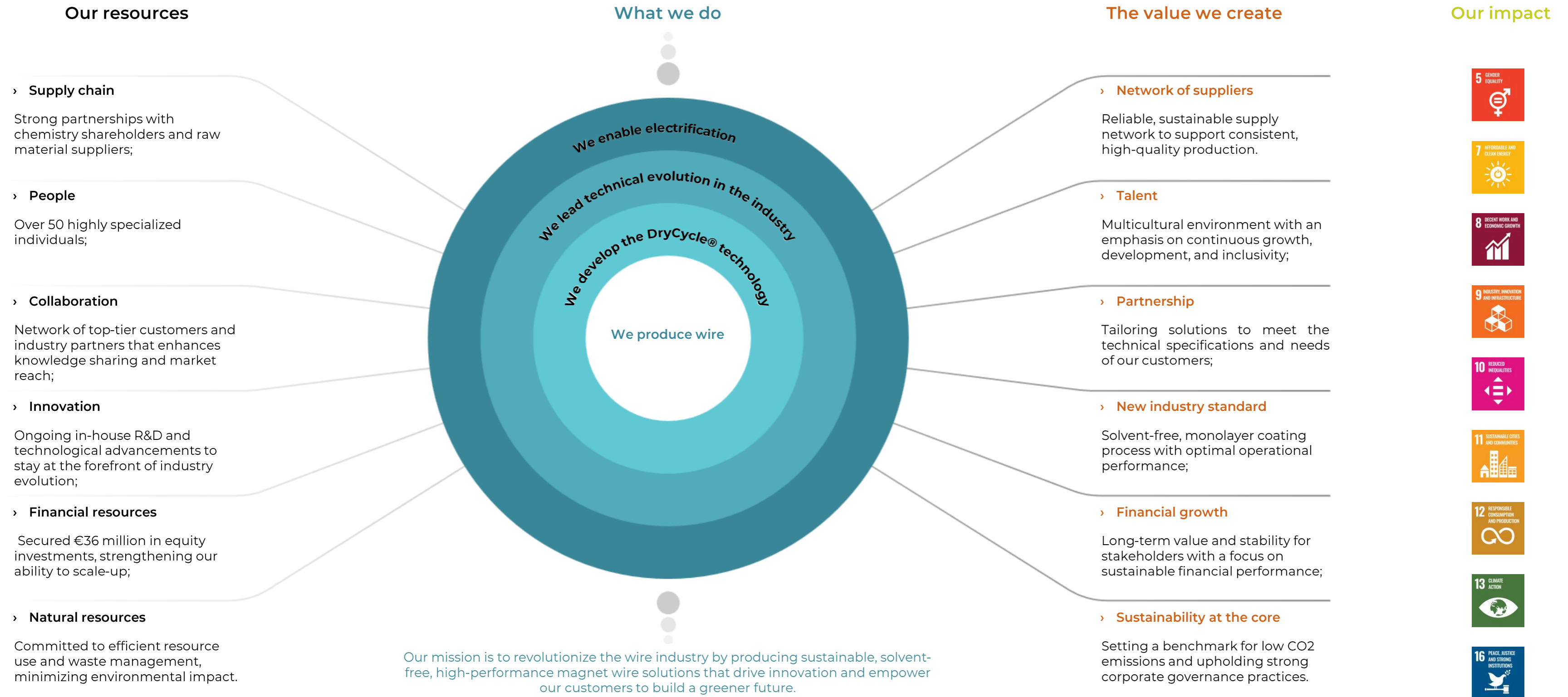
Trend	Description	Tau Group's approach
<b>Renewable Energy and Electrification</b>	The shift to renewable energy and electrification is accelerating, reducing fossil fuel dependence and increasing demand for clean power infrastructure. Electrification is expanding beyond traditional sectors, pushing the boundaries of energy demand and reshaping industrial landscapes.	<ul style="list-style-type: none"> <li>› Collaborate with customers and suppliers to support full value chain decarbonization.</li> <li>› Provide competitive, sustainable wire coating solutions that meet OEMs' carbon footprint goals.</li> <li>› Technical readiness to meet Net-Zero goals.</li> </ul>
<b>Power and energy density</b>	Increasing grid loads are driving the need for higher energy efficiency across industries. Companies are prioritizing energy-saving technologies and reliable performance.	<ul style="list-style-type: none"> <li>› Offer solutions with higher power density and optimized performance.</li> <li>› Collaborate with local suppliers to reduce lead times and environmental impact.</li> <li>› Provide customers with wire technology that meets stringent efficiency demands.</li> </ul>
<b>Copper shortage</b>	Copper demand is expected to surge due to electrification, as copper becomes the "new oil." This impacts supply chains and calls for more efficient resource use.	<ul style="list-style-type: none"> <li>› We produce wires that reduce copper use without compromising performance.</li> <li>› For suppliers of our key components, we have a strategic supply chain partnership.</li> <li>› Focus on sustainable sourcing and material efficiency throughout production.</li> </ul>
<b>Data-Driven Optimization</b>	Sensors and real-time data analytics are transforming manufacturing, improving performance, reducing maintenance, and enhancing operational insights.	<ul style="list-style-type: none"> <li>› Leverage in-line, non-invasive quality control and process monitoring.</li> <li>› Integrate predictive analytics to enhance decision-making.</li> <li>› Continuously innovate our processes for optimal product reliability and minimized downtime.</li> </ul>
<b>Sustainability and Net-Zero in supply chains</b>	Companies are shifting towards transparency, circularity, and low-carbon practices across the entire value chain. This involves close collaboration with partners to reduce emissions, eliminate waste, and align with global Net Zero targets, reshaping how products are sourced, manufactured, and delivered.	<ul style="list-style-type: none"> <li>› By leveraging advanced technologies and sustainable practices, we empower our partners and customers to achieve their Net Zero goals, fostering a resilient and eco-conscious supply chain.</li> <li>› Our solutions are designed to optimize energy use, ensuring maximum performance with minimal energy consumption, supporting a more sustainable future.</li> </ul>

# Our strategy

By combining a strong network with a novel approach to manufacturing, we are building the future of magnet wire production.

Strategic pillars	Description	Key components
<b>Unique vertical integration</b>	Tau leverages in-house machine design and strategic partnerships with chemistry players. With lead times up to 80% faster than industry norms, we can rapidly scale production to meet evolving market demands. This model allows rapid scaling and independence from third-party suppliers.	<ul style="list-style-type: none"> <li>› Partnerships with key chemistry suppliers;</li> <li>› Proprietary, in-house machinery design optimized for precision, energy efficiency, and scalability;</li> <li>› Reduced lead times vs. industry standards.</li> </ul>
<b>Industry-leading proprietary technology</b>	Tau's DryCycle® technology redefines the efficiency and performance of magnet wire production. Our solvent-free, monolayer coating process offers three key benefits: it reduces operational complexity, minimizes environmental impact and enhances durability, precision and quality. Our production process is key to our commitment to providing high-performance, eco-friendly wire solutions for the future of electric motors.	<ul style="list-style-type: none"> <li>› In-line, non-invasive quality control and monitoring;</li> <li>› Compatibility with thermoplastic chemistries;</li> <li>› Internal IP department and 70 patents covering this set of technologies.</li> </ul>
<b>Product development</b>	We collaborate closely with our customers to develop tailored solutions that meet their technical specifications. Our in-house tooling allows us to produce custom, high-performance solvent-free magnet wire to exact customer requirements.	<ul style="list-style-type: none"> <li>› Strong partnerships with top-tier customers;</li> <li>› Talent and expertise;</li> <li>› Flexibility to meet industry requirements;</li> <li>› Tooling for low volumes.</li> </ul>
<b>Cost efficiency</b>	Tau's horizontal, solvent-free, single-layer coating process significantly reduces labor, energy and material costs, eliminating the need for additional coating layers and minimizing scrap. Our modular factory layout requires 80% less machinery per ton of output, optimizing space and reducing overall costs. This streamlined efficiency allows us to provide high-performance products at a competitive cost while significantly lowering our environmental impact.	<ul style="list-style-type: none"> <li>› Optimizing raw materials and reducing waste;</li> <li>› Partnerships with chemistry shareholders;</li> <li>› Proprietary, in-house machinery design optimized for precision, energy efficiency, and scalability;</li> <li>› Space-saving, modular setup with 80% reduced footprint.</li> </ul>
<b>Sustainable value creation</b>	Sustainability means ensuring that current needs are met without compromising the well-being of future generations. It encompasses environmental responsibility, social equity and economic resilience. We build on a robust foundation of ethical governance and responsible practices to integrate sustainability into every aspect of our business. This enables us to drive innovation, reduce our environmental impact and deliver lasting value for our stakeholders.	<ul style="list-style-type: none"> <li>› Lowest CO2 footprint;</li> <li>› Strong corporate governance and procedures;</li> <li>› Commitment to continuous improvement and innovation;</li> <li>› Efficiency and long-term value for stakeholders.</li> </ul>

# Creating value



# Stakeholders

At Tau, our commitment to sustainability drives us to create value that extends beyond our immediate operations, engaging all stakeholders in our ecosystem. We recognize that each stakeholder brings unique perspectives and needs.

We prioritize continuous, open dialogue with our stakeholders to align our objectives and ensure that our strategies reflect their priorities. Through close relationships with customers, employees, and suppliers, we foster transparency and collaboration. Regular updates to investors provide insight into our operations and market dynamics, empowering them to make informed decisions. Together with governments, communities, and strategic partners, we work to create lasting, positive impact.

By understanding what our stakeholders value most—across economic, environmental, and social dimensions—we shape our strategic decisions, manage risks, and identify opportunities. This informed approach allows us to act transparently and responsibly, enhancing our accountability. Consistent engagement helps us anticipate trends, meet evolving customer needs, and adapt to changing market demands.



Stakeholders	Description	Key points
<b>Collaborative partnerships</b>	We work alongside strategic partners, including industry leaders, research institutions, and academic bodies, to drive innovation and accelerate knowledge exchange. Together, we push the boundaries of technology, contributing to a more sustainable and efficient future.	<ul style="list-style-type: none"> <li>› Innovation-focus partnerships with other companies;</li> <li>› Collaborations with research and educational institutions such as the Politecnico di Torino and Università di Torino.</li> </ul>
<b>Customers</b>	Our customers are central to our business. By maintaining close, responsive relationships, we gain valuable insights that enable us to exceed their expectations and deliver impactful, tailored solutions. Our commitment to quality and reliability ensures that we remain a trusted partner.	<ul style="list-style-type: none"> <li>› Attend industry trade shows and conferences to stay in touch with evolving customer needs;</li> <li>› Maintain dedicated key account contacts to ensure personalized support.</li> </ul>
<b>Employees</b>	Our employees are the backbone of Tau Group's success. We invest in their growth and well-being through a culture of respect, inclusion, and ongoing development. Their skills and dedication drive our innovation and shape our commitment to excellence.	<ul style="list-style-type: none"> <li>› Conduct bi-annual employee engagement and awareness surveys;</li> <li>› Regular one-on-one meetings;</li> <li>› Offer comprehensive learning and development programs.</li> </ul>
<b>Governments &amp; Local community</b>	We engage actively with governments, local authorities, and community groups to ensure our operations benefit society at large. Through meaningful dialogue, we support local economic growth, contribute to social development, and address global challenges like climate change.	<ul style="list-style-type: none"> <li>› Direct dialogue with community representatives to understand and address local and national priorities;</li> <li>› Participate in national and international initiatives on climate change, sustainability, and social responsibility.</li> </ul>
<b>Financial community</b>	Our investors give us access to the capital that fuels our progress. We maintain transparent communication, sharing strategic updates and performance insights to enable informed decision-making. By aligning on both financial and ESG priorities, we ensure sustainable growth and long-term value.	<ul style="list-style-type: none"> <li>› Provide regular financial and non-financial updates, including ESG performance.</li> </ul>
<b>Suppliers</b>	Our suppliers play a crucial role in our supply chain's resilience and sustainability. By building strong, ethical partnerships, we promote responsible sourcing and ensure that the materials and services we rely on meet the highest standards of quality and integrity.	<ul style="list-style-type: none"> <li>› Conduct regular evaluations and audits to ensure responsible sourcing practices;</li> <li>› Co-develop initiatives that promote innovation and resource efficiency;</li> <li>› Prioritize ethical sourcing and transparency in the supply chain.</li> </ul>

# Materiality matrix

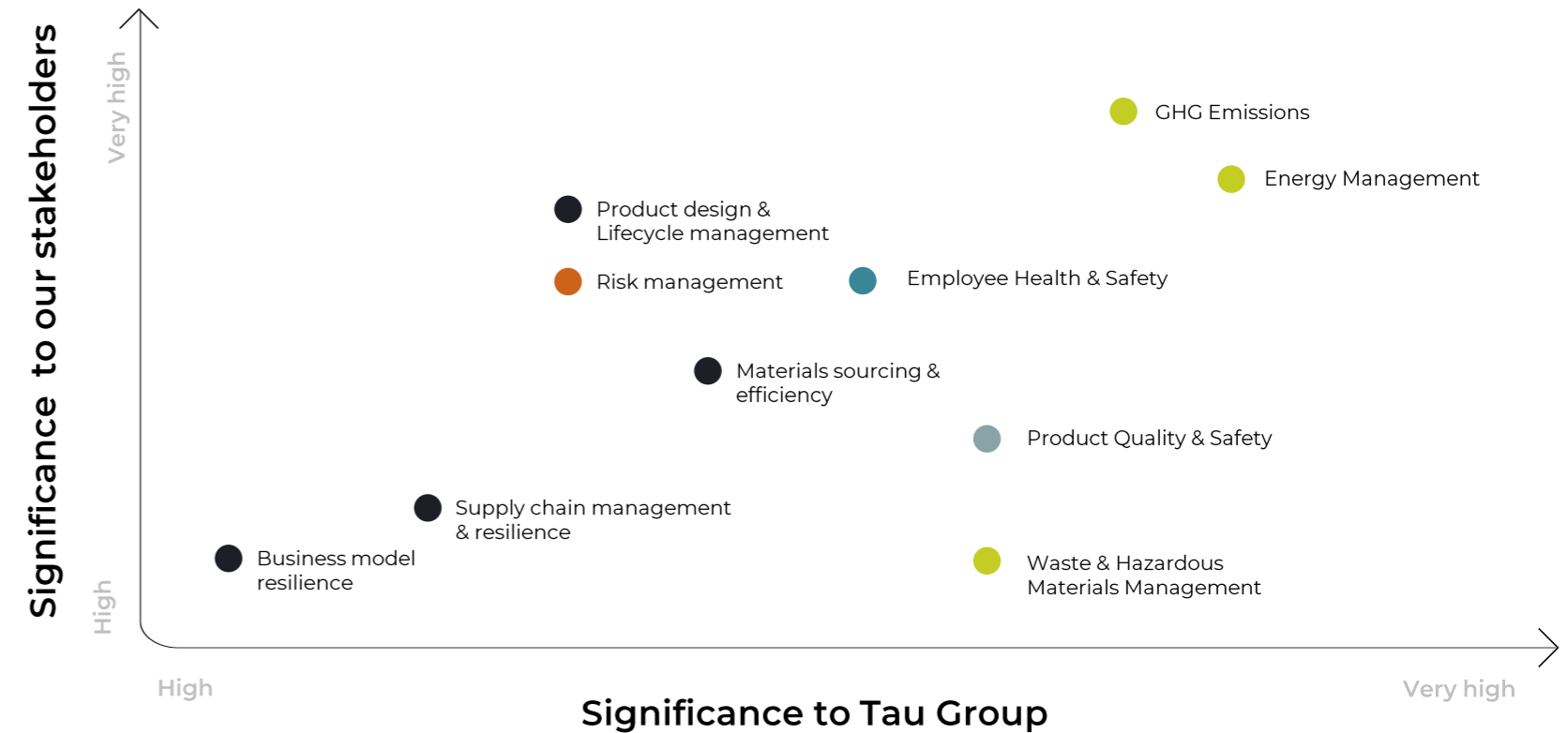
The Materiality Matrix is a key tool in Tau Group’s sustainability strategy, allowing us to identify and prioritize the environmental, social, and governance (ESG) issues that matter most to our stakeholders and our business. By assessing the relevance and impact of these issues, the Matrix guides our focus toward areas where we can drive the most value and foster meaningful change. This structured approach ensures that our sustainability initiatives are aligned with stakeholder expectations, reinforce our business objectives, and support our long-term commitment to responsible growth.

The topics included in this analysis represent those with the greatest impact on our current operations, as determined by stakeholder input and our business’s strategic needs. However, this does not mean that other topics are unimportant or excluded from our broader sustainability goals. Every topic in the ESG landscape contributes to the bigger picture, and we remain committed to progress across all relevant areas, even those not highlighted in this year’s Matrix. To structure the Materiality Matrix, we identified and prioritized ESG topics based on both stakeholder feedback and business relevance, following established standards such as the SABS standard, GRI guidelines, and Tau Group’s proprietary ESG Screening Tool. This process, conducted annually, allows us to stay responsive to evolving priorities and challenges.

This year marks our first implementation of the Materiality Matrix. Through a comprehensive survey, we gathered insights from our stakeholder groups to understand their perspectives on critical ESG topics and their perceived impacts. This initial process has provided valuable information that will guide our sustainability efforts going forward. Recognizing that this topic is dynamic, we view this analysis as an ongoing and evolving process.

To assess the impact of each ESG issue, we conducted a series of focus groups to explain and gather information on each indicator. These focus groups were conducted over a three-month period with participation from different stakeholder groups. The results showed that the most relevant issues for our stakeholders, were energy management, greenhouse gas emissions, risk management, product design and lifecycle management, and employee health and safety. At Tau Group, we care deeply about these areas and believe we have a significant impact, and we have therefore set out to improve our performance in these areas. Based on this analysis, we've focused this report on the issues with an overall score over 4.0 out of 5. All other issues are relevant and have a significant impact on our broader sustainability goals but have not been analyzed in depth for the purposes of this report.

We are committed to refining our approach and updating the matrix annually to ensure that our ESG efforts remain relevant and meaningful as stakeholder needs, industry standards and global issues evolve.



## Environment

1. GHG emissions
2. Air quality
3. Energy management
4. Water & wastewater management
5. Waste & Hazardous Materials Management
6. Ecological impacts

## Social Capital

7. Human rights & community relations
8. Customer privacy
9. Data security
10. Access & affordability
11. Product quality & safety
12. Customer welfare
13. Selling practices & product labeling

## Human Capital

14. Labor practices
15. Employee health & safety
16. Employee engagement, diversity & inclusion

## Business Model & Innovation

17. Product design & lifecycle management
18. Business model resilience
19. Supply chain management & resilience
20. Materials sourcing & efficiency
21. Physical impacts on climate change

## Leadership & Governance

22. Business ethics
23. Competitive behavior
24. Management of the legal & regulatory environment
25. Risk management
26. Tax transparency

# Sustainable development goals

At Tau Group, we align our sustainability efforts with the United Nations Sustainable Development Goals (SDGs), a global framework designed to address critical challenges like climate change, resource scarcity, and social inequality. While there are 17 SDGs in total, we focus on 9 goals that align most closely with our purpose of enabling a more sustainable and resource-efficient future. These selected SDGs reflect the areas where we believe our strengths allow us to make the greatest impact.

While we concentrate our resources on these areas, we acknowledge the importance of all 17 SDGs and remain committed to supporting their broader mission. This focused approach enables us to direct our technology and expertise where it matters most, helping to address global challenges and drive progress toward a sustainable future for all.

SDGs	Tau Group's approach	Baseline year (2024)
<b>Gender equality</b>	Tau Group is committed to promoting gender equality within our workforce. As of December 31st, 2024, women make up 31% of our employees, compared to 69% for men. Even if this value is exceeding the industry standards, we believe that it can be better.	<ul style="list-style-type: none"> <li>31% of women vs. 69% men in total workforce;</li> <li>20% of women vs. 80% men in leadership roles.</li> </ul>
<b>Affordable and clean energy</b>	Our technologies support the transition to sustainable energy systems, advancing energy infrastructure and enabling businesses and communities to reduce their environmental impact.	<ul style="list-style-type: none"> <li>Regular audits of our suppliers to ensure they meet our standards and are aligned with our commitment to sustainability. By collaborating closely with suppliers, we foster transparency, reduce emissions across the supply chain, and support the shift to renewable energy sources.</li> </ul>
<b>Decent work and economic growth</b>	We prioritize creating safe, fair, and inclusive workplaces, complying with tax regulations, and supporting local communities. Continuous control with the Labor External Consultant and External Lawyers to fully comply with local regulations.	<ul style="list-style-type: none"> <li>100% of employees covered by collective bargaining agreements;</li> <li>80% of employees actively participated in professional development courses.</li> </ul>
<b>Industry, innovation and infrastructure</b>	Tau Group is at the forefront of sustainable industrialization, leading innovation in our industry and enhancing infrastructure. We are dedicated to advancing scientific research and investing in new technologies that improve operational efficiency, reduce environmental impact, and support long-term growth across sectors.	<ul style="list-style-type: none"> <li>Tau Group's R&amp;D team published a study on thermal aging's impact on electrical performance to offer actionable insights for industry professionals seeking to optimize electrical system's reliability and performance.</li> </ul>
<b>Reduced inequalities</b>	We actively work to reduce inequalities of outcome by creating an inclusive environment, implementing policies that support diverse representation, and fostering a culture of respect and fairness throughout the organization.	<ul style="list-style-type: none"> <li>Multi-cultural workforce with 8 different nationalities;</li> <li>Average age: 34</li> </ul>
<b>Sustainable cities and communities</b>	Our technologies and partnerships focus on building resilient infrastructure, enhancing community well-being, and driving sustainable growth in the cities and communities where we operate.	<ul style="list-style-type: none"> <li>Established the goal to achieve total recyclability of our coated copper magnet wire.</li> </ul>
<b>Responsible consumption and production</b>	Tau Group is dedicated to the efficient use of natural resources, as well as the safe handling of chemicals and waste throughout their lifecycle. We strive to reduce releases into air, water, and soil, minimize waste generation, and responsibly report our sustainability performance, supporting a circular economy approach across our operations.	<ul style="list-style-type: none"> <li>305-1 Direct (Scope 1) GHG emissions: 109,881 tCO<sub>2</sub>e *</li> <li>305-2 Indirect (Scope 2) GHG emissions: 106,574 tCO<sub>2</sub>e *</li> <li>Waste generated (total): 43724 kg *</li> <li>Waste destination: Disposal 4159 kg - Recovery: 39565 kg *</li> </ul>
<b>Climate action</b>	We are committed to reducing our carbon footprint and helping our stakeholders lower their emissions. As a leader in electric motor technology, Tau Group empowers decarbonization and climate action by offering solutions that optimize energy use and lower greenhouse gas emissions, aligning with global efforts to combat climate change.	*Pianezza Production Facility
<b>Peace, justice and strong institutions</b>	We uphold non-discriminatory policies across our operations, striving to create a fair, just, and inclusive environment for all. This commitment is foundational to building trust with our stakeholders and supporting peaceful, resilient communities.	<ul style="list-style-type: none"> <li>Number of incidents of corruption caused by the company itself or its representatives: 0</li> <li>Number of significant instances of non-compliance issues with laws and regulation in a year: 0</li> <li>Number of instances, trials, fines due to non-compliance with the national fiscal regulation: 0</li> </ul>





# 2 Sustainable by nature

# Environmental footprint

At Tau Group, sustainability is embedded in every aspect of our operations. Our approach emphasizes efficiency, technological innovation, and the development of a fossil-free energy infrastructure across our supply chain. A core element of this commitment is our DryCycle® technology, a cutting-edge, solvent-free coating process that merges the strengths of both enameling and extrusion, addressing their limitations while dramatically reducing emissions and operational complexity. DryCycle® utilizes a monolayer coating system that eliminates the need for multiple polymer layers, reducing waste and enabling a streamlined, efficient process.

Recognizing our role in advancing the decarbonization of transport, energy, and manufacturing industries, we address our environmental footprint and promote sustainable growth through three pillars:

## › Low-carbon operations

Our production processes are continuously optimized to maximize efficiency. By implementing a data driven approach and refining our operations, we reduce energy consumption, minimize waste and water usage, ultimately reducing our overall carbon footprint. This commitment to optimization is part of our ongoing effort to deliver sustainable products with the lowest environmental impact.

## › Sustainable manufacturing through innovation

Sustainable manufacturing is at the core of our innovation strategy. Our proprietary DryCycle® manufacturing process exemplifies this commitment by eliminating solvents, significantly reducing raw material usage, and minimizing waste. This process not only lowers our environmental footprint but also simplifies the recycling and repurposing of our products at the end of their lifecycle.

For instance, Tau's solvent-free coated wire—composed solely of polymer and conductor—offers a streamlined approach to recycling compared to traditional alternatives. This unique composition

supports easier separation and processing, aligning with our broader goal of enabling a circular economy where materials are fully recyclable and repurposed.

Through continuous technological advancement, we aim to maximize efficiency while supporting sustainable resource recovery, contributing to a future where innovation drives environmental responsibility.

## › Responsible sourcing

A sustainable supply chain is vital to achieving our decarbonization goals. We conduct regular audits of our suppliers to ensure they meet our standards and are aligned with our commitment to sustainability. By collaborating closely with suppliers, we foster transparency, reduce emissions across the supply chain, and support the shift to renewable energy sources.

## › Our Impact

By actively reducing carbon emissions through our own operations and those of our partners, we ensure the promotion of sustainable practices throughout the value chain.

## Goals by 2030

**100%**  
Climate neutral energy

**100%**  
Of the copper of Tau's wire can be recycled to make new wire

**≥ 95%**  
Energy used for wire production from renewable sources

**100%**  
Of the polymer of Tau's wire can be recycled to make new wire

## Key points

- › Data-driven approach to sustainable growth;
- › Implement the adoption of environmentally conscious operations in logistics to reinforce our commitment to responsible supply chain;
- › Circular economy focused on the total recyclability of the product.

# Limiting our environmental footprint

We are dedicated to minimizing the environmental impact of our operations across the entire value chain—from raw material sourcing to product design, manufacturing, and lifecycle management. This commitment drives our pursuit of innovative technologies, such as our solvent-free DryCycle® process, and efficient manufacturing practices that prioritize sustainability, safety, and quality.

As part of our efforts to reduce our carbon footprint, we actively measure and manage Scope 1 and Scope 2 emissions, focusing on optimizing energy use and transitioning to greener practices. Emissions are monitored internally enabling us to track performance, identify opportunities for improvement, and implement corrective actions promptly. Looking ahead, we aim to extend our environmental accountability by calculating and addressing Scope 3 emissions, thereby capturing the full impact of our value chain and reinforcing our commitment to a more resource-efficient and sustainable future. Understanding our climate impact empowers us to drive meaningful change, leading the way in reducing CO<sub>2</sub> emissions within a centenary industry through our innovative solutions.

## › Energy management

During 2024, Tau Group’s energy consumption focused on both direct and indirect sources. Direct energy use includes natural gas consumption and gasoline, amounting to 0,502 GWh. Indirect energy consumption from our Pianezza manufacturing plant reached 0,414 GWh. This year’s energy consumption serves as a benchmark for future optimization as we scale operations. We are committed to improving efficiency and reducing our energy footprint across direct and indirect sources.

## › Greenhouse Gas Emissions

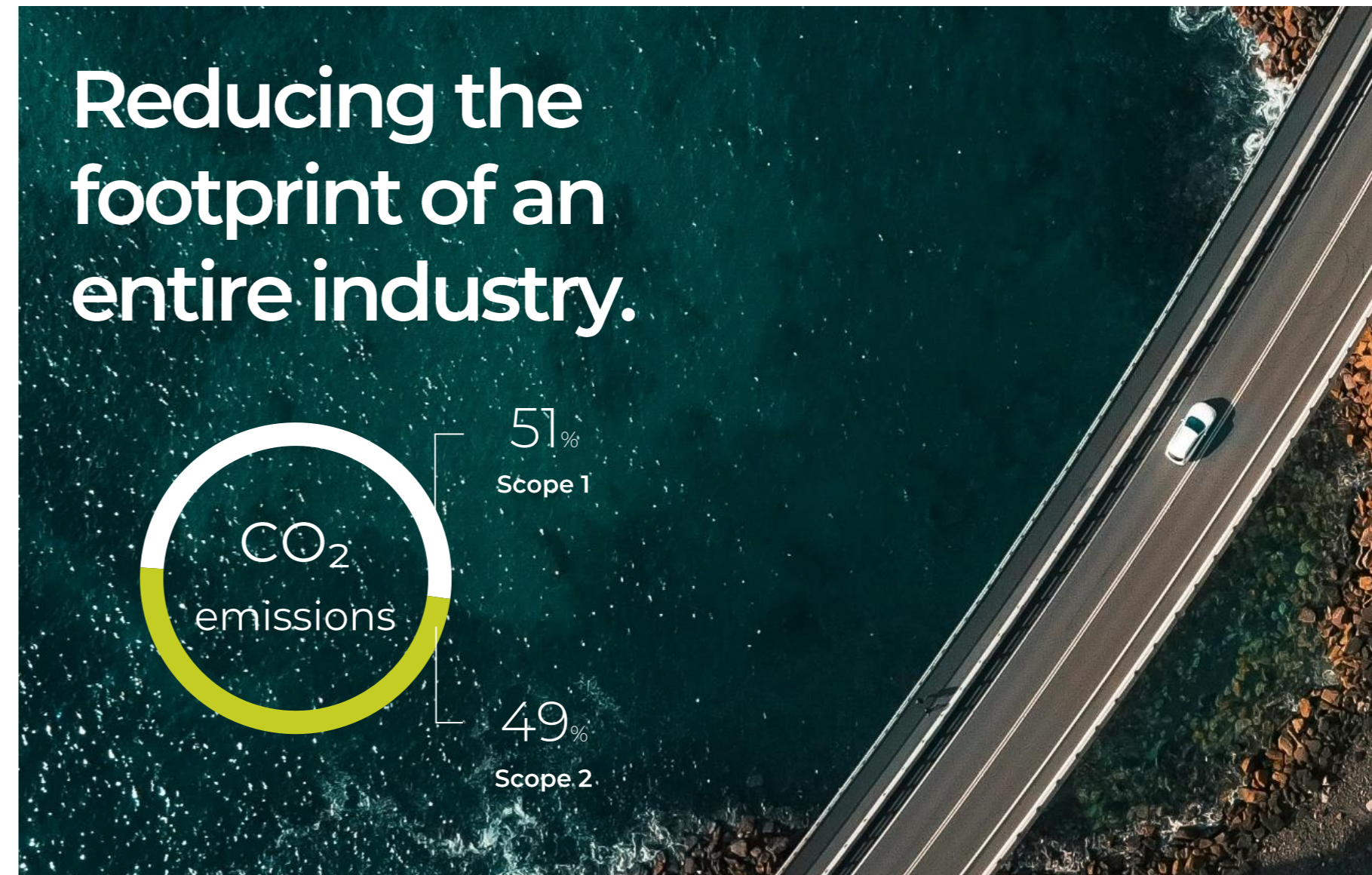
The greenhouse gas (GHG) emissions recorded this year provide a clear snapshot of our current operational footprint, serving as a benchmark to drive process optimization and the transition to lower-carbon energy sources as we continue to grow. In 2024, our Scope 1 direct emissions—primarily from natural gas and gasoline use—totaled 109,881 tCO<sub>2</sub>e, while Scope 2 indirect emissions, from electricity consumption at our manufacturing plant, amounted to 106,574 tCO<sub>2</sub>e. Together, these represent a combined total of 216,456 tCO<sub>2</sub>e. Our commitment to minimizing environmental impact is deeply rooted in accurate data measurement, enabling us to identify key areas for improvement. A crucial metric we monitor is the emissions intensity required to produce our final product.

We aim to significantly reduce our footprint. These values will represent our benchmark for the years to come; we are committed to make our processes more efficient by identifying areas of improvement through data analysis and monitoring.

## › Transportation

Transportation-related emissions are primarily associated with the fuel consumption of our company fleet. In 2024, we inaugurated the new Pianezza production facility, which had a significant impact on Scope 1 emissions, particularly those related to transport. This was monitored throughout the period and data was collected that will be used to define the initial efforts to make our new site a key point for operations, logistics and a solid base for future development.

By continuing to monitor data in this area, we will be able to better understand our impact and set meaningful and achievable targets to reduce it in the future. Measuring our activities and implementing a focused action plan are key steps in enhancing process efficiency and driving our collective effort toward a decarbonized future.





**“Tau is all about using  
energy efficiently.”**

**Francesco Taiariol**  
TAU GROUP'S FOUNDER & CHIEF EXECUTIVE

# Waste & Hazardous Materials Management

We have implemented a comprehensive procedure to ensure proper handling, separation, storage, and disposal of waste generated across our operations. Our process begins with identifying the sources of waste production and categorizing waste into hazardous and non-hazardous materials, aligned with the appropriate European Waste Codes (CER). Correct separation is a critical step in safeguarding the environment and optimizing recycling and disposal efforts. Dedicated storage systems for each CER category ensure compliance with safety regulations and maintain operational efficiency. Finally, we work with certified transporters and disposal partners to manage waste responsibly, adhering to the highest environmental standards. This structured approach helps us minimize our environmental footprint while supporting a circular economy mindset.

## Waste generated

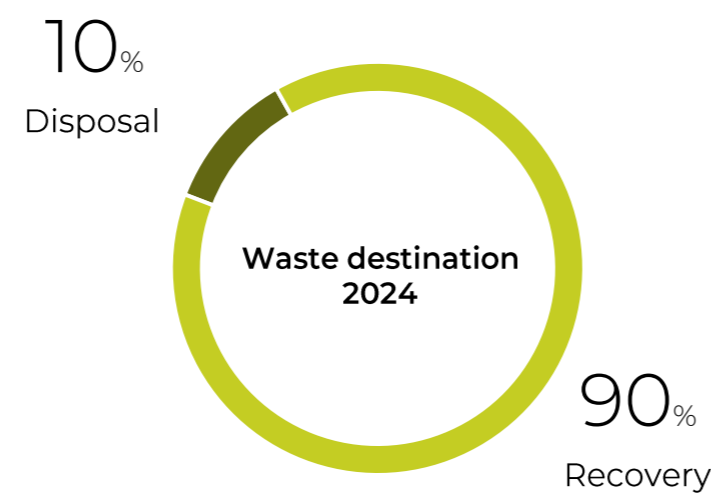
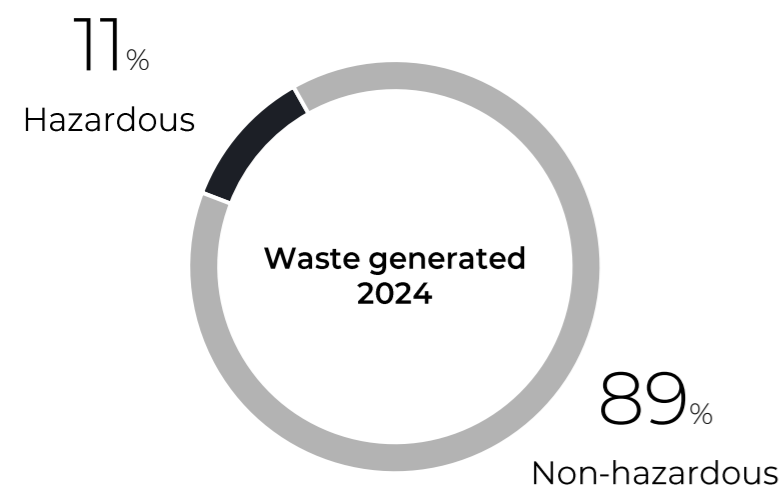
At Tau Group, we are committed to minimizing waste throughout our manufacturing process, prioritizing the recovery and reuse of materials whenever possible. Our focus is on responsible handling, disposal, and ensuring compliance with environmental standards.

To reinforce this commitment, we conduct annual workshops to educate our team on the importance of waste management and to ensure alignment with ISO 14001:2015 standards.

## Waste recovery

As part of our strategy, we are committed to implementing advanced waste reduction practices, improving segregation efficiency, and exploring innovative recycling technologies. Our goal is to divert waste from landfills and ensure that valuable resources are reclaimed and reused to their fullest potential.

Moving forward, we will continue to monitor and evaluate our waste streams, set measurable reduction targets, and work closely with suppliers and stakeholders to achieve higher recovery rates, reinforcing our dedication to sustainable manufacturing.



# Water & wastewater management

Water is a fundamental resource, and we are committed to limiting its use wherever possible by implementing best practices across our operations. At the Pianezza Plant, water consumption is primarily for office facilities, while its use in production is carefully minimized.

Industrial water, which accounts for 3% of our total water usage, is managed with the utmost care to prevent spills and environmental impact. This water is treated as special waste and handled by a certified third party to ensure responsible disposal.

We closely monitor industrial water throughout its lifecycle, whether it is discharged into municipal sewerage systems or collected for specialized disposal. By adhering to rigorous standards, we reaffirm our commitment to safeguarding water resources and maintaining environmental compliance.

## › Total quantity withdrawal

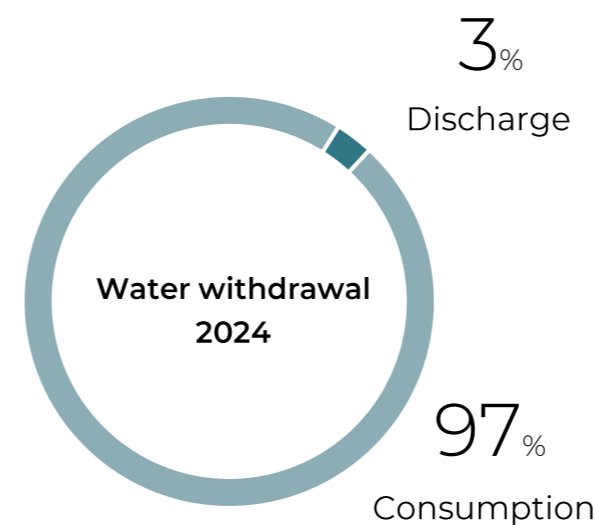
The total water withdrawn is a metric that reflects the needs of both our production processes and civil uses within our facilities. This data serves as a baseline to optimize water efficiency and reduce dependency on this critical resource as we scale our operations. During 2024, the total quantity withdrawn in our Pianezza Plant amounts to 713 m<sup>3</sup>. Through close monitoring and targeted improvements, Tau Group is determined to optimize water management across all areas of the business, supporting our broader mission of sustainable growth.

## Water discharge

Water used in production processes is carefully managed to limit consumption wherever possible, during 2024 we used 21,38 m<sup>3</sup> Although minimal compared to industrial benchmarks, this water is integral to our operations and is handled with precision to prevent waste and minimize environmental impact.

## Water consumption

The water consumed for civil purposes, such as bathrooms and other office-related needs, represents a greater share of our total withdrawals. Nonetheless, we are committed to applying best practices in water conservation, ensuring that all uses contribute to our overall efficiency goals.



# Responsibility within the supply chain

As a technology company, we recognize the significant role our supply chain plays in achieving our sustainability goals and ensuring the highest standards of quality and integrity in our operations.

Our strategy integrates ethical sourcing practices with rigorous supply chain management. We select our suppliers and sub-suppliers through a structured approval process that ensures compliance with our standards for quality, sustainability, and ethical business conduct. This procedure applies to finished and semi-finished goods that directly influence the quality of our products, underscoring our responsibility to deliver value while fostering long-term partnerships.

## › Screening and Monitoring

We are committed to maintaining a responsible and sustainable supply chain through a rigorous yet collaborative approach to supplier screening and monitoring. Our evaluation process ensures that every supplier meets the necessary standards to align with our values, comply with industry regulations, and contribute to the quality and reliability of our products.

The selection of new suppliers involves a thorough pre-evaluation, focusing on key areas such as product compliance, quality systems, production capacity, and adherence to our Conflict Mineral Policy. Suppliers are assessed for certifications such as ISO 9001, IATF 16949, and ISO 14001, with expectations tailored to the nature of their business. In cases where certifications are lacking, we provide a pathway for improvement through self-assessments and development plans. For critical suppliers, particularly in the automotive sector, we prioritize their alignment with stringent quality standards, ensuring they meet our criteria for direct impact on final products.

We continuously monitor their performance, reviewing key metrics such as quality, logistics, and commercial performance on a quarterly basis. This structured evaluation helps us identify any gaps against predefined objectives and implement targeted improvement plans

where necessary. Suppliers are expected to maintain a high standard, achieving a qualification threshold to remain part of our trusted network.

Standard	2024
ISO 9001	› 92%*
IATF 16949	› 18%* <small>required for automotive suppliers only</small>
ISO 14001	› 64%*

\*Suppliers of finished and semi-finished goods that directly influence the quality of our products.

## › Code of conduct

Tau Group's Code of Conduct sets clear standards to ensure ethical operations, business integrity, and the protection of employee rights and responsibilities. These principles guide our employees, temporary workers, and collaborators, forming the foundation of our corporate culture.

Suppliers working with Tau Group are required to respect and align with our Code of Conduct, ensuring a shared commitment to ethical practices, legal compliance, and human rights. This alignment fosters transparency, professionalism, and accountability across our supply chain.

## › Conflict Mineral Policy

We are committed to responsible sourcing practices that align with global standards for transparency, ethical conduct, and human rights. Our Conflict Mineral Policy reflects compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as well as EU Regulation 2017/821, which address the trade of conflict minerals originating from the Democratic Republic of Congo (DRC)

and its adjoining countries, as well as other conflict-affected and high-risk areas.

These regulations aim to prevent the financing of armed groups and human rights abuses through the trade of conflict minerals, defined as tin, tungsten, tantalum, and gold (3TG), or any other minerals identified under applicable laws. Although Tau Group does not directly source 3TG, we are committed to ensuring transparency across our supply chain by requiring our suppliers to comply with this policy and support our adherence to these regulations.

Tau Group and its subsidiaries are firmly dedicated to sourcing conflict-free materials and supporting efforts to end violence and human rights violations in conflict-affected regions. We will only purchase products that are DRC conflict free, meaning they do not contain 3TG minerals that directly or indirectly finance or benefit armed groups in these areas.

To support our compliance with applicable regulations and ensure responsible sourcing, Tau Group expects its suppliers to implement due diligence measures in line with internationally recognized standards, such as the OECD Due Diligence Guidance. Suppliers are required to maintain robust traceability systems, provide documentation upon request, and cascade similar conflict mineral policies throughout their own supply chains.

As part of our supplier selection process, we assess compliance with this policy as a key factor. Failure to meet these requirements or provide the necessary transparency may result in corrective measures or, if necessary, the discontinuation of the business relationship.

Through this policy, Tau Group aims to promote ethical practices, ensure compliance with regulatory requirements, and contribute to global efforts to eliminate conflict-related human rights abuses. This commitment underscores our dedication to sustainable growth, responsible business operations, and the protection of shared values.

# Responsibility within the supply chain

## › Privacy Policy for suppliers

Tau Group is committed to safeguarding the privacy and personal data of all individuals and organizations involved in its supply chain. Personal data is collected and processed in accordance with applicable laws and regulations, including the General Data Protection Regulation (GDPR). This applies to information provided directly by the data subject or through third parties, ensuring transparency and compliance throughout all interactions.

The processing of personal data serves purposes such as fulfilling contractual obligations, managing relationships, adhering to legal requirements, and maintaining security. Tau Group ensures that all data is handled securely using both digital and physical measures, without any automated decision-making processes like profiling.

Data retention periods align with legal obligations and operational requirements, ensuring that information is stored no longer than necessary. Any transfers of data outside the EU are conducted with appropriate safeguards in place to protect the rights of the data subjects.

Tau Group expects all suppliers to respect these privacy principles and to handle personal data responsibly, reinforcing trust and integrity within the supply chain.

## › Supplier Engagement and Collaboration:

We believe that fostering strong, collaborative relationships with our suppliers is essential for mutual growth and shared success. Through regular meetings, onsite visits and vendor ratings, we evaluate a number of key performance indicators, including on-time delivery, packaging standards and overall service quality. In addition, we encourage open communication and direct feedback from our procurement and quality team, with the aim of ensuring alignment with our standards and strategic objectives.

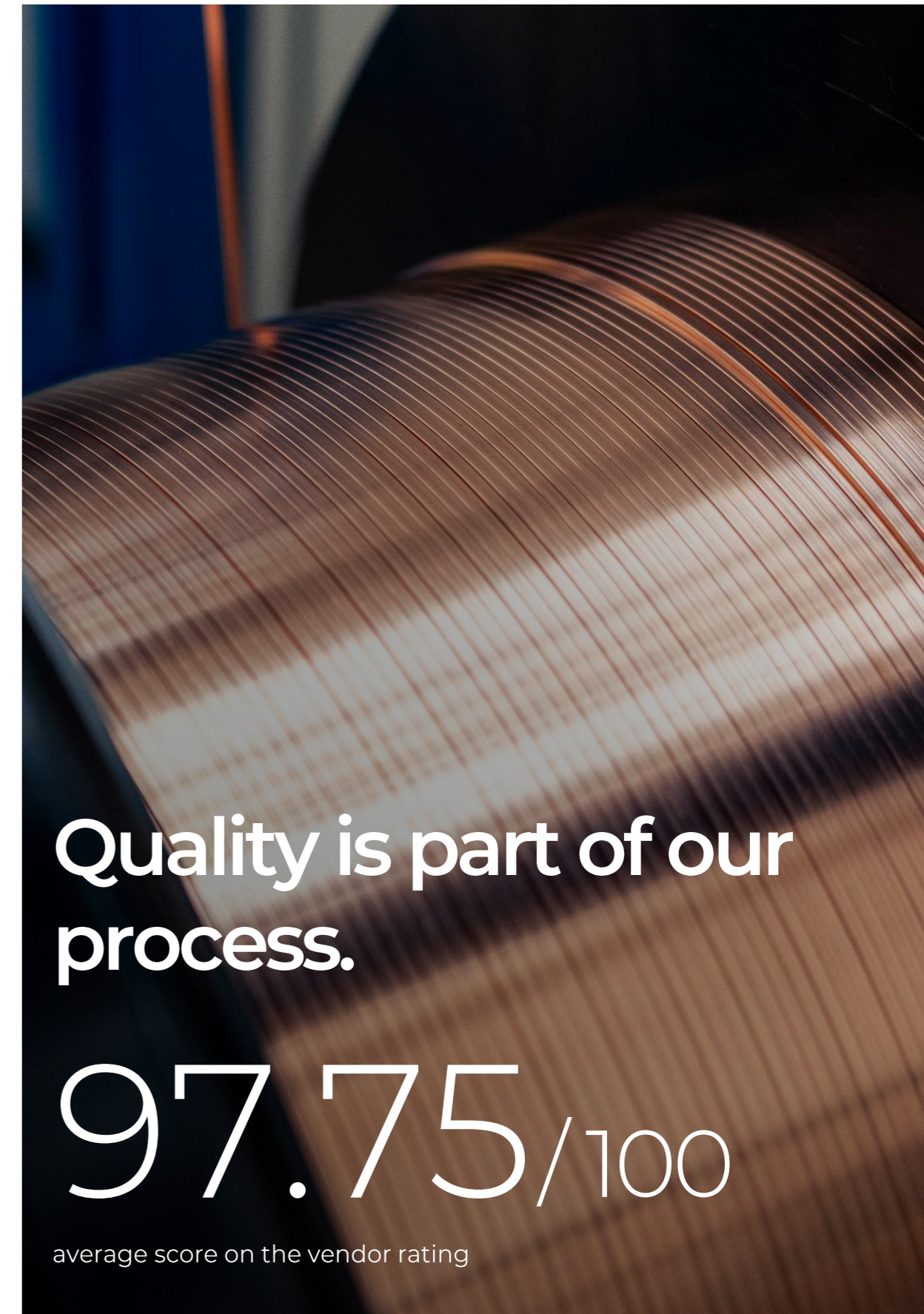
We adopt a collaborative approach, seeking to nurture long-term partnerships that promote innovation and sustainable practices across our supply chain. We aim to build a resilient and efficient supplier network by promptly and transparently addressing challenges through written communication and structured processes. We are actively working on the integration of a comprehensive supplier management system with the goal of strengthening our supply chain and ensuring alignment with Tau Group's mission.

## › Continuous Improvement and Accountability:

We believe that responsible sourcing goes hand in hand with ongoing efforts to monitor progress, address potential gaps, and ensure compliance with both environmental and social standards.

Our approach begins with a self-assessment process for all suppliers. This assessment gathers essential information about supply chain operations, internal controls, certifications, declarations of conformity, and practices in areas such as sustainability, safety, and security. These evaluations allow us to better understand the capabilities of our supply chain and identify opportunities for collaboration and growth.

Looking ahead, we aim to further enhance our processes by developing and implementing a sustainability questionnaire. This will enable us to evaluate critical aspects such as emissions, waste, and energy use across our supply chain. By prioritizing transparency and open dialogue with our suppliers, we strive to build partnerships that drive shared progress towards sustainable and ethical practices.



Quality is part of our process.

97.75/100

average score on the vendor rating



# 3 Our people & culture



# Our people

At Tau Group, our people is one of our greatest asset. Recognizing that each individual's contributions shape our success and our collective identity, we work to foster a culture that supports, inspires, and brings out the best in everyone. As a young, dynamic company guided by experienced industry leaders, we focus on fostering a disruptive and innovative environment that celebrates collaboration, continues improvement and nurtures growth at every level.

We are target driven, we work as a team in full transparency—an approach that shapes our interactions, decision-making, and commitment to continuous improvement. To support our people and cultivate a workplace where talent thrives, our human capital strategy centers on three key pillars: attract, retain, and develop. These pillars underscore our dedication to creating a supportive environment where individuals feel empowered, valued, and engaged, while acknowledging that our journey is one of ongoing learning and adaptation.

## › Attract

We aim to attract diverse and skilled talent that is aligned with our purpose. Our recruitment practices emphasize transparency and respect, and focus on identifying candidates whose skills, values and aspirations complement our culture. We look for people who bring fresh ideas, a commitment to excellence and a desire to make a positive impact. Our recruitment processes are continually evaluated to ensure they are inclusive and aligned with the evolving needs of our business.

## › Retain

Retaining talent at Tau Group means fostering a culture of respect and appreciation, where each employee feels recognized, rewarded, and motivated. Regular employee satisfaction surveys provide insights into our team's needs, allowing us to refine our approach and meet evolving expectations. We prioritize health, safety, and work-life balance

while upholding high labor standards and full compliance with local and international regulations, supported by ongoing oversight from our Labor External Consultant and legal team. This commitment helps us build an adaptable, supportive environment that grows alongside our people's aspirations and well-being.

## › Develop

Development at Tau Group means investing in our people through continuous learning and growth opportunities. We provide regular training in key areas, including safety protocols, first aid, and firefighting, to ensure that our team is equipped for a secure and resilient work environment. To foster career progression, employees participate in one-on-one meetings with top management, focusing on tailored career development and aligning individual aspirations with company goals. In 2024 alone, 80% of our employees engaged in various training courses, highlighting our commitment to professional and personal growth. This dedication to development helps us build a team prepared for future challenges.

We are dedicated to further enhancing our human capital approach with new initiatives that align with our commitment to sustainable growth and employee well-being. In the near future, we plan to introduce specialized training on ESG topics to deepen our team's understanding of environmental, social, and governance issues central to our mission. We will also implement ongoing assessments of our health and safety practices to create and maintain a work environment that prioritizes the prevention of injuries, fatalities, and illness. Additionally, we aim to begin monitoring diversity metrics across our workforce, maintaining a positive trend in female representation and fostering an inclusive, equitable workplace. These initiatives underscore our commitment to a future where our people continue to thrive as we adapt to evolving challenges and opportunities.



# Our workforce

Our workforce at Tau Group is a dynamic and highly skilled team of 53 members, with a strong commitment to diversity and inclusivity. Women represent 31% of our team, reflecting our focus on gender diversity within the industry. The team's average age is 34, bringing together a mix of fresh perspectives and growing expertise. Education is a priority within Tau Group; over 80% of our employees hold at least a bachelor's degree, and more than 50% have completed a master's degree, underscoring our commitment to maintaining a highly qualified workforce.

Additionally, all our employees are covered by collective bargaining agreements, ensuring fair and equitable workplace standards across our organization.

## Key points

- › By 2030, we aim to achieve a more inclusive and diverse leadership structure, building on our current rate of 20% of senior management positions held by women. Promoting gender diversity at all levels is integral to our commitment to sound corporate governance.
- › We are dedicated to the continuous oversight of our Code of Ethics, Code of Conduct, and disciplinary policies to ensure a workplace culture, hiring, and promotion practices that are free from discrimination based on race, gender, ethnicity, and other characteristics.
- › We plan to introduce comprehensive ESG training for all employees, expanding awareness and engagement on key environmental, social, and governance issues.
- › Currently, 80% of our employees are actively involved in professional development programs. By 2030, our goal is to establish well-defined career paths that support both individual aspirations and the company's strategic objectives, fostering a culture of growth and purpose.

# 31%

of female employees currently in our workforce

# 100%

of employees are covered by the national collective agreement

# 80%

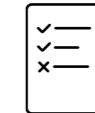
of employees actively participate in professional development courses

## Ways we listen



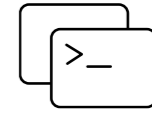
### Employee interviews

100% of employees that participated in one-to-one meetings with top management



### Surveys & Focus Groups

73% of employees that participated in the Employee awareness and engagement survey 2024



### Taupedia

Internal platform with regular updates, materials and anonymous digital suggestion box

We strive to create multiple channels for open dialogue and feedback.

Regular one-to-one meetings between employees and top management provide an important space for sharing insights and ideas. In 2024, 100% of employees participated in these meetings, offering valuable feedback that informed recent updates to our workplace policies. This initiative fosters direct communication with leadership, ensuring that employee voices are heard and valued.

Our employee awareness and engagement surveys allow us to gauge satisfaction, identify areas for improvement, and better align our goals with employees' needs. In 2024, 73% of employees took part in the latest survey, expressing satisfaction in key areas such as working environment, relationships with colleagues and understanding how their work contributes to the success of the team.

Taupedia, our internal platform, keeps employees informed with regular updates and resources, while also including an anonymous digital suggestion box. This tool encourages transparency and inclusivity, enabling employees to share ideas and raise concerns directly. Since Taupedia's launch, we have received 53 anonymous suggestions that have led to actionable improvements across the company.

# Health and safety

At Tau Group, we believe that a safe workplace is essential and non-negotiable. We prioritize the health and safety of our team and partners by ensuring that all materials, machinery, and processes in our operations meet stringent international standards. This commitment goes beyond compliance; it is foundational to our company culture, where health and safety are embedded as daily priorities.

## Policies and procedures

Our commitment to health and safety is supported by robust policies and procedures. We align our operations with internationally recognized standards and conduct regular inspections to ensure compliance is upheld across all operations.

Health and safety management is further strengthened through the Documento di Valutazione dei Rischi (DVR), a legally mandated risk assessment document that helps identify and mitigate workplace hazards. Alongside the DVR, we continuously monitor work-related injuries, ensuring our practices evolve to meet the needs of a growing organization.

As Tau Group continues to expand, we recognize the increasing importance of dedicating resources to Health, Safety, and Environment (HSE). This year, we experienced our first recorded incident in our history. While our fatality rate remains 0, this incident underscored the importance of vigilance and continuous improvement. Following established procedures, we responded promptly, conducted a thorough investigation, and implemented corrective actions to prevent recurrence. These learnings reinforce our commitment to preventing incidents while remaining prepared to act swiftly when challenges arise.

Indicator	2024	Goal
Fatality rate	0	Zero fatalities

## Safety Training

To support our safety policies and ensure adherence to the highest standards, we place a strong emphasis on safety training. At Tau Group, we ensure that our employees are equipped with the knowledge and skills to minimize risk through initiatives such as safety courses, first aid training and firefighter training. We also promote a culture of prevention by encouraging employees to voice their concerns and suggest safety improvements.

We have established comprehensive information and awareness systems to ensure that all visitors understand our best practices and know how to proceed in case of an emergency.

We recognize that HSE is always a work in progress. As our operations expand, we remain dedicated to refining our training programs and safety protocols, ensuring we uphold the highest standards of workplace safety. In 2024, 100% of our employees participated in HSE training, reflecting our unwavering commitment to fostering a culture of continuous learning and safety.



# 4 Governance & compliance

# Corporate governance

## Advisory Board

The Board operates under the principle of non-discrimination, ensuring equal treatment regardless of ethnicity, race, age, gender, nationality, political or religious affiliation, sexual orientation, marital status, education, physical ability, or geographic region.

While the appointment of Advisory Board members is determined by our shareholders, and therefore outside the Company's direct influence, we actively promote diversity in governance through other initiatives. Among our guest members, one is a woman serving as the Corporate Governance Manager, reflecting our ongoing efforts toward inclusivity. Looking ahead, the Company is dedicated to implementing measures to significantly increase the representation of women on corporate boards, with a goal to achieve meaningful progress by 2030. This commitment reflects our belief that diverse perspectives drive stronger governance and better decision-making, reinforcing Tau Group's dedication to fostering an inclusive and equitable environment at every level.

Thomas Kostka	Hans Maenhout	Peter Vanlaeke	Gregorio Rodriguez	Filippo Veglia
PhD, Head of Corporate Venturing @ ALTANA AG	Investment Director @ Finindus	PhD, Partner @ Syensqo Ventures	PhD, Investment Manager @ CDP Venture Capital	Chairman of the Board and the representative of the founders

## Executive management team

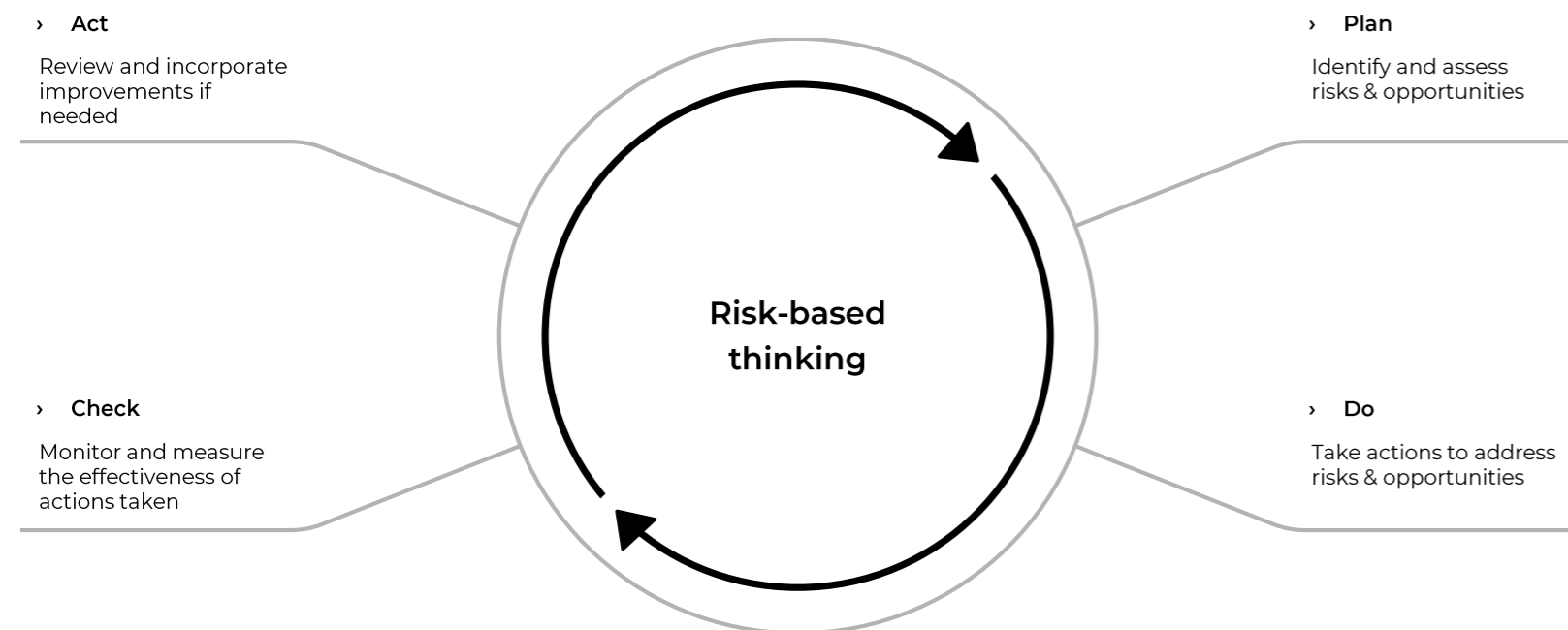
<b>Francesco Taiariol</b>	<b>Filippo Veglia</b>	<b>Piero Degasperi</b>	<b>Artyom Golodnov</b>
Founder, CEO	Founder, CRO	Founder, COO	Early investor, CFO
MSc in Mechanical Engineering Politecnico di Torino & CentraleSupelec	MSc in Mechanical Engineering Politecnico di Torino & MBA from Center for Financial studies of Madrid	MSc in Mechatronics Università di Trento & CentraleSupelec	MBA, skilled in financial modeling, risk mgmt; raised over €1B for corporates & start-ups

# Risk & Opportunity management

We recognize that navigating an ever-changing global landscape requires a proactive approach to identifying and managing risks while simultaneously seizing opportunities. By conducting a comprehensive risk and opportunity analysis across multiple business functions, we ensure that cross-functional insights inform our strategy. This approach strengthens our ability to anticipate challenges, mitigate potential impacts and leverage opportunities for growth and innovation.

## › Risk-based thinking

Risk-based thinking is an integral part of our Quality Management System, encompassing the uncertainty of achieving desired outcomes. At Tau Group, we embed this mindset into all processes to continuously improve our systems and achieve our objectives. For us, risk-based thinking involves both qualitative and contextual considerations, enabling us to adapt to the dynamic challenges of our industry. This approach ensures that we not only address potential risks but also explore opportunities to enhance our business operations and processes.



## › Actions to address risks and opportunities

Understanding that risks can have both negative and positive implications, we employ multiple mechanisms to manage them effectively. Opportunities are seen as a pathway to innovation and improvement. Our risk and opportunity analysis incorporates internal and external factors affecting our ability to meet stakeholder expectations. These analyses, conducted through SWOT and FMEA frameworks, enable us to:

- Mitigate risks associated with market dynamics, product development, and operational processes.
- Proactively respond to regulatory changes, technological advancements, and evolving stakeholder requirements.
- Identify opportunities for business growth, operational efficiency, and technological innovation.

## › Risk management approach

Our structured approach to risk management spans the entire organization, integrating preventive and corrective measures to minimize adverse effects. Regular updates to risk assessments are conducted annually during management reviews or whenever significant changes occur, such as the introduction of new products, technologies, or regulatory requirements. Preventive actions are fundamental to our commitment to continuous improvement, ensuring that potential non-conformities are addressed before they arise.

## › Environmental risks

As part of our sustainability strategy, we place significant emphasis on addressing environmental risks. These include:

- Regulatory risks related to environmental compliance.
- Operational risks associated with energy consumption, waste management, and emissions.
- Climate-related risks, such as the physical impacts of climate change on our operations and supply chain.

## › Measure, monitor and improve

We continuously monitor these risks and implement innovative solutions to reduce our environmental impact and align with global sustainability goals. By doing so, we not only safeguard our operations but also contribute to a more sustainable future. Through this comprehensive and forward-thinking approach, Tau Group ensures resilience, adaptability, and growth in a changing business landscape.

# Ethics & compliance

We are committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of our business. Guided by a system of values rooted in human rights, environmental stewardship, and sustainable development, we operate in full compliance with EU, national, and international laws, rejecting corruption and all illegal practices. Our principles of impartiality, neutrality, and independence are fundamental in every internal and external relationship, and we hold ourselves to the highest levels of professionalism and ethical conduct.

Our commitment to ethics and compliance is reflected in clear and robust policies that establish the framework for behavior, decision-making, and accountability. These policies are essential in fostering trust among employees, collaborators, customers, suppliers, and strategic partners while ensuring that our business activities remain aligned with the expectations of the communities and regions in which we operate.

To achieve these objectives, we have implemented three essential instruments that serve as the foundation for ethical and professional behavior:

## › Code of Ethics

The Code of Ethics embodies the fundamental values that guide our operations, including transparency, fairness, and respect for the environment and human rights. This code is designed to illustrate the general principles that shape our approach to business and our relationships with stakeholders, including customers, suppliers, public administrations, and third parties.

## › Code of Conduct

The Code of Conduct is a comprehensive set of rules applicable to all Tau Group employees, temporary workers, and collaborators. It establishes the behavioral standards required to ensure the proper functioning of corporate activities, uphold the company's integrity,

and protect the rights and responsibilities of all personnel.

This code addresses workplace behavior, ethical decision-making, and adherence to constitutional principles and regulations. It also promotes a shared understanding of the importance of diligence, professionalism, and competence in achieving corporate objectives. Regardless of role, employment type, or seniority, all personnel are required to abide by the Code of Conduct, ensuring uniformity in corporate culture and accountability across the organization.

## › Disciplinary Code

The Disciplinary Code outlines the consequences and measures associated with violations of the Code of Ethics and Code of Conduct. It establishes a clear and transparent system for addressing non-compliance, with a focus on promoting accountability and maintaining the integrity of Tau Group's operations.

This code not only defines the disciplinary actions applicable in cases of misconduct but also provides detailed procedures to ensure fairness and consistency. It aligns with the applicable Collective Agreement and relevant legal regulations, ensuring that all measures are implemented within the bounds of the law. The Disciplinary Code serves as a safeguard for maintaining a respectful and compliant workplace culture, emphasizing corrective actions and continuous improvement.

## › Conflict Mineral Policy

Tau Group is committed to responsible sourcing practices, ensuring that materials used in our products are conflict-free and aligned with global ethical standards. In compliance with the Dodd-Frank Act and EU Regulation 2017/821, we require our suppliers to implement rigorous due diligence measures, provide transparency on the origin of minerals, and adhere to internationally recognized guidelines. Our goal is to prevent the financing of armed groups and support global efforts to eliminate human rights abuses in conflict-affected regions,

reinforcing our commitment to ethical and sustainable business practices.

## › Monitoring of Leadership & Governance Incidents

Description	Data monitoring
Number of incidents of corruption caused by the company itself or its representatives	› 0 incidents in 2024
Number of legal actions, pending or completed, caused by actions of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition	› 0 incidents in 2024
Number of significant instances of non-compliance issues with laws and regulation in a year	› 0 incidents in 2024
Number of events related to sustainability (ESG-related accidents) that caused financial or reputational damage to the company	› 0 incidents in 2024
Number of instances, trials, fines due to non-compliance with the national fiscal regulation	› 0 incidents in 2024

# Data privacy & cyber security

Tau Group recognizes the critical importance of protecting personal and corporate data in today's digital landscape. Safeguarding data privacy and ensuring robust cybersecurity are integral to our operations. As a company committed to transparency, compliance, and user protection, we continuously enhance our infrastructure, processes, and training initiatives to secure sensitive information, uphold trust, and foster user confidence.

## › Regulations

Tau Group operates in compliance with global data privacy and cybersecurity standards, recognizing their critical importance in fostering trust and ensuring operational integrity. Our policies align with key regulations, including the General Data Protection Regulation (GDPR) (EU Regulation 2016/679), which sets stringent requirements for the processing and protection of personal data within the European Union and for entities conducting business with EU citizens. The GDPR mandates principles of lawfulness, fairness, transparency, purpose limitation, and data minimization, which are embedded into all our data management practices.

## › Privacy policy

The Privacy Policy provides details about how Tau Group processes personal information collected through our website, [www.tau.group](http://www.tau.group), in compliance with the General Data Protection Regulation (GDPR) (EU Regulation 2016/679). This policy reflects our dedication to lawfulness, fairness, and transparency in data handling.

When users interact with our web services, we may collect data that includes personal identifiers, browsing behavior, and other relevant information necessary for ensuring website functionality, providing user-specific services, or fulfilling legal obligations. This data is processed solely for legitimate purposes, such as improving website usability, maintaining operational security, and complying with applicable legal requirements.

Users have full control over their data, with rights to access, rectify, delete, restrict processing, and even port their data to another

service. If users have provided consent for data processing, they can withdraw it at any time.

We ensure that data is processed securely and transparently, adhering to strict retention policies to minimize unnecessary data storage. No personal data is shared with third parties unless explicitly required by law or with user consent.

## › Cookie policy

When cookies are used, Tau Group processes personal data to analyze website traffic and optimize user experience. The processing is based on either legitimate interest or user consent. Our Cookie Policy ensures transparency, providing users with options to manage their preferences while maintaining compliance with GDPR requirements. Users are encouraged to review and adjust their cookie preferences regularly to align with their privacy expectations.

## › Phishing

We are committed to safeguarding our digital ecosystem from phishing threats, which remain one of the most prevalent forms of cyberattacks. To improve our employees' understanding of this topic, we initiated a series of phishing exercises with the aim of enhancing employee awareness and reinforcing best practices for digital safety. These exercises not only help our team recognize potential threats but also empower them to act decisively to mitigate risks.

In 2024, we conducted two spontaneous phishing simulations, which indicated some promising results, with less than 4% of users compromised. However, we recognize the value of continuous improvement and are committed to further educating employees on the importance of actively reporting suspicious activities. This proactive approach will help us to maintain a resilient and secure environment, protecting our operations and stakeholders from evolving cyber threats.

## › IT infrastructure and processes

As part of our commitment to continuous improvement, we actively invest in upgrading our IT infrastructure and refining our cybersecurity protocols. This includes implementing advanced technologies, conducting routine audits, and fostering a culture of vigilance and accountability.

Tau Group remains dedicated to maintaining secure, transparent, and compliant systems to protect the interests of our users, employees, and stakeholders.

Description	Data monitoring
Number of incidents of non-compliance with existing legal regulations regarding the protection of customer privacy	› 0 incidents in 2024
Number of incidents of non-compliance with existing legal regulations regarding the protection of employee privacy	› 0 incidents in 2024
Data Breaches	› 0 incidents in 2024
Actions made to improve the security of IT infrastructure and processes	› Data monitoring › Personnel training › Phishing simulations



# Intellectual property

At Tau Group, intellectual property (IP) is a cornerstone of our strategic approach and a vital asset in driving long-term value creation. As a company rooted in innovation, our IP portfolio underpins the DryCycle® process and reflects our dedication to advancing cutting-edge technologies. By systematically managing and protecting our proprietary technology, we ensure that our competitive edge remains safeguarded, reinforcing our position in the industry.

## › Capturing value by protecting innovation

Our IP strategy is built on a systematic approach to surveilling proprietary technology and strategically developing our patent portfolio. This robust portfolio acts as a protective fence around the core principles and equipment of the DryCycle® process, ensuring that our innovations are well protected against any possible imitation. In addition to securing existing technologies, we conduct thorough due diligence on future developments of DryCycle® to maintain comprehensive protection of our intellectual capital. This circular, ongoing process aligns with Tau Group's relentless commitment to innovation, ensuring patents are monitored and adapted to the evolving technological landscape.

## › Policies to safeguard sensitive information

Protecting sensitive information is critical to Tau Group's operations, and Non-Disclosure Agreements (NDAs) play a vital role in safeguarding our proprietary knowledge. NDAs are a cornerstone of our intellectual property strategy, ensuring that all collaborations, supplier relationships, and internal development projects are conducted with the utmost confidentiality. These agreements are meticulously implemented and reviewed, reflecting our commitment to maintaining the integrity of our innovation pipeline.

In addition to NDAs, Tau Group enforces a stringent Visitor Policy for all individuals accessing our production facilities. Every visitor

is required to sign both a Declaration of Commitment and Confidentiality and a Declaration of Safety and Security Devices prior to their visit. These documents ensure that visitors acknowledge their obligation to protect sensitive information and comply with safety regulations while on-site. By combining legal safeguards with operational protocols, we create a secure environment that aligns with our values of transparency, responsibility, and innovation.

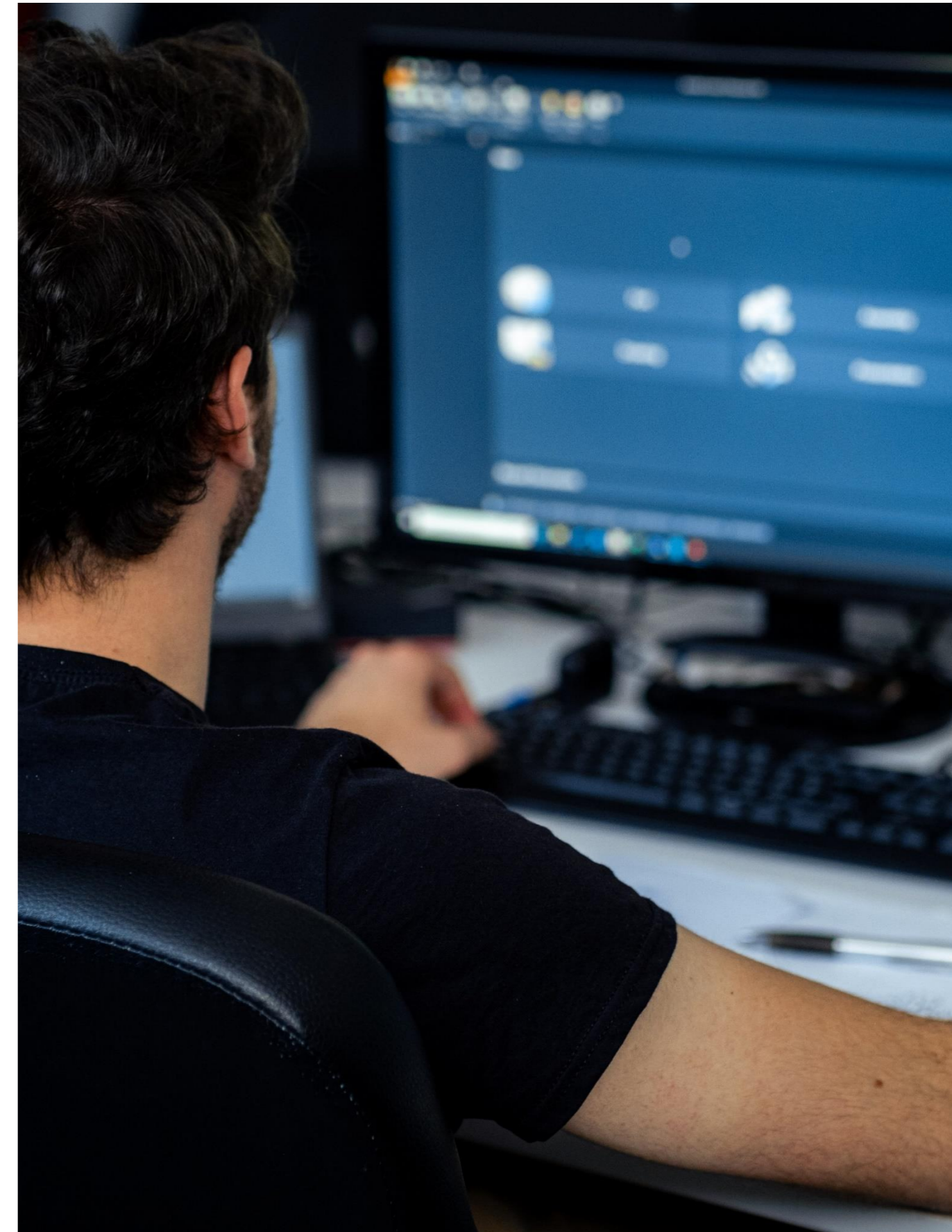
## › Internal IP department

Tau Group has established an in-house IP department. This department oversees the management of our patent portfolio, ensures compliance, and supports the organization in identifying, developing, and securing innovations.

## › Training and awareness

Education is a key component of our IP strategy. Each year, we organize internal workshops to deepen employees' understanding of intellectual property and its importance in safeguarding our innovations. In 2024, our IP Manager conducted a two-part workshop: the first focused on the fundamentals of IP protection, while the second provided a hands-on analysis of a patent. These sessions, recorded and uploaded to our internal platform, ensure that all employees have ongoing access to essential materials, fostering a culture of innovation and awareness.

Through these efforts, Tau Group ensures that intellectual property remains a pivotal element of our value chain, reinforcing our commitment to innovation, excellence, and sustainability. By continuously improving our processes, expanding our patent portfolio, and educating our workforce, we aim to remain at the forefront of technological advancements in our field.





# 5 Envisioning tomorrow

# Our commitments & goals

Our approach to sustainability is guided by a commitment to responsible business practices and continuous improvement. Recognizing the importance of environmental, social, and governance (ESG) factors, we aim to integrate sustainability into our decision-making processes and long-term strategy.

This report marks an important step in our sustainability journey. While we acknowledge that challenges remain, we are committed to enhancing our data collection, refining our methodologies, and strengthening our sustainability performance over time. Moving forward, we will work to establish clear, measurable targets that reflect our ambitions while ensuring transparency and accountability. Our goal is to create a structured and reliable foundation for monitoring progress and fostering meaningful improvements in our environmental and social impact. These goals reflect our ongoing commitment to minimizing environmental impact and fostering a circular economy.

## Energy

## Emissions

## Recycling

Goals by 2030

≥ 95%

Energy used for wire production from renewable sources

100%

Climate neutral energy

100%

Of the polymer of Tau's wire can be recycled to make new wire

100%

Of the copper of Tau's wire can be recycled to make new wire

# Annex

# Description of material topics

Topic	Description	
Environment	GHG emissions	<ul style="list-style-type: none"> <li>› The category addresses direct (Scope 1) greenhouse gas (GHG) emissions that a company generates through its operations. This includes GHG emissions from stationary (e.g., factories, power plants) and mobile sources (e.g., trucks, delivery vehicles, planes), whether a result of combustion of fuel or non-combusted direct releases during activities such as natural resource extraction, power generation, land use, or biogenic processes. The category further includes management of regulatory risks, environmental compliance, and reputational risks and opportunities, as they related to direct GHG emissions. The seven GHGs covered under the Kyoto Protocol are included within the category—carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).</li> </ul>
	Air quality	<ul style="list-style-type: none"> <li>› The category addresses management of air quality impacts resulting from stationary (e.g., factories, power plants) and mobile sources (e.g., trucks, delivery vehicles, planes) as well as industrial emissions. Relevant airborne pollutants include, but are not limited to, oxides of nitrogen (NO<sub>x</sub>), oxides of sulfur (SO<sub>x</sub>), volatile organic compounds (VOCs), heavy metals, particulate matter, and chlorofluorocarbons. The category does not include GHG emissions, which are addressed in a separate category.</li> </ul>
	Energy management	<ul style="list-style-type: none"> <li>› The category addresses environmental impacts associated with energy consumption. It addresses the company's management of energy in manufacturing and/or for provision of products and services derived from utility providers (grid energy) not owned or controlled by the company. More specifically, it includes management of energy efficiency and intensity, energy mix, as well as grid reliance. Upstream (e.g., suppliers) and downstream (e.g., product use) energy use is not included in the scope.</li> </ul>
	Water & wastewater management	<ul style="list-style-type: none"> <li>› The category addresses a company's water use, water consumption, wastewater generation, and other impacts of operations on water resources, which may be influenced by regional differences in the availability and quality of and competition for water resources. More specifically, it addresses management strategies including, but not limited to, water efficiency, intensity, and recycling. Lastly, the category also addresses management of wastewater treatment and discharge, including groundwater and aquifer pollution.</li> </ul>
	Waste & hazardous materials management	<ul style="list-style-type: none"> <li>› The category addresses environmental issues associated with hazardous and non-hazardous waste generated by companies. It addresses a company's management of solid wastes in manufacturing, agriculture, and other industrial processes. It covers treatment, handling, storage, disposal, and regulatory compliance. The category does not cover emissions to air or wastewater, nor does it cover waste from end-of-life of products, which are addressed in separate categories.</li> </ul>
	Ecological impacts	<ul style="list-style-type: none"> <li>› The category addresses management of the company's impacts on ecosystems and biodiversity through activities including, but not limited to, land use for exploration, natural resource extraction, and cultivation, as well as project development, construction, and siting. The impacts include, but are not limited to, biodiversity loss, habitat destruction, and deforestation at all stages— planning, land acquisition, permitting, development, operations, and site remediation. The category does not cover impacts of climate change on ecosystems and biodiversity.</li> </ul>

Topic	Description	
Social Capital	Human rights & community relations	<ul style="list-style-type: none"> <li>› The category addresses management of the relationship between businesses and the communities in which they operate, including, but not limited to, management of direct and indirect impacts on core human rights and the treatment of indigenous peoples. More specifically, such management may cover socio-economic community impacts, community engagement, environmental justice, cultivation of local workforces, impact on local businesses, license to operate, and environmental/social impact assessments. The category does not include environmental impacts such as air pollution or waste which, although they may impact the health and safety of members of local communities, are addressed in separate categories.</li> </ul>
	Customer privacy	<ul style="list-style-type: none"> <li>› The category addresses management of risks related to the use of personally identifiable information (PII) and other customer or user data for secondary purposes including but not limited to marketing through affiliates and non-affiliates. The scope of the category includes social issues that may arise from a company's approach to collecting data, obtaining consent (e.g., opt-in policies), managing user and customer expectations regarding how their data is used, and managing evolving regulation. It excludes social issues arising from cybersecurity risks, which are covered in a separate category.</li> </ul>
	Data security	<ul style="list-style-type: none"> <li>› The category addresses management of risks related to collection, retention, and use of sensitive, confidential, and/or proprietary customer or user data. It includes social issues that may arise from incidents such as data breaches in which personally identifiable information (PII) and other user or customer data may be exposed. It addresses a company's strategy, policies, and practices related to IT infrastructure, staff training, record keeping, cooperation with law enforcement, and other mechanisms used to ensure security of customer or user data.</li> </ul>
	Access & affordability	<ul style="list-style-type: none"> <li>› The category addresses a company's ability to ensure broad access to its products and services, specifically in the context of underserved markets and/or population groups. It includes the management of issues related to universal needs, such as the accessibility and affordability of health care, financial services, utilities, education, and telecommunications.</li> </ul>
	Product quality & safety	<ul style="list-style-type: none"> <li>› The category addresses issues involving unintended characteristics of products sold or services provided that may create health or safety risks to end-users. It addresses a company's ability to offer manufactured products and/or services that meet customer expectations with respect to their health and safety characteristics. It includes, but is not limited to, issues involving liability, management of recalls and market withdrawals, product testing, and chemicals/content/ingredient management in products.</li> </ul>
	Customer welfare	<ul style="list-style-type: none"> <li>› The category addresses customer welfare concerns over issues including, but not limited to, health and nutrition of foods and beverages, antibiotic use in animal production, and management of controlled substances. The category addresses the company's ability to provide consumers with manufactured products and services that are aligned with societal expectations. It does not include issues directly related to quality and safety malfunctions of manufactured products and services but instead addresses qualities inherent to the design and delivery of products and services where customer welfare may be in question. The scope of the category also captures companies' ability to prevent counterfeit products.</li> </ul>
	Selling practices & product labeling	<ul style="list-style-type: none"> <li>› The category addresses social issues that may arise from a failure to manage the transparency, accuracy, and comprehensibility of marketing statements, advertising, and labeling of products and services. It includes, but is not limited to, advertising standards and regulations, ethical and responsible marketing practices, misleading or deceptive labeling, as well as discriminatory or predatory selling and lending practices. This may include deceptive or aggressive selling practices in which incentive structures for employees could encourage the sale of products or services that are not in the best interest of customers or clients.</li> </ul>

# Description of material topics

Topic	Description
Human Capital	Labor practices <ul style="list-style-type: none"> <li>› The category addresses the company's ability to uphold commonly accepted labour standards in the workplace, including compliance with labour laws and internationally accepted norms and standards. This includes, but is not limited to, ensuring basic human rights related to child labour, forced or bonded labour, exploitative labour, fair wages and overtime pay, and other basic workers' rights. It also includes minimum wage policies and provision of benefits, which may influence how a workforce is attracted, retained, and motivated. The category further addresses a company's relationship with organized labour and freedom of association.</li> </ul>
	Employee health & safety <ul style="list-style-type: none"> <li>› The category addresses a company's ability to create and maintain a safe and healthy workplace environment that is free of injuries, fatalities, and illness (both chronic and acute). It is traditionally accomplished through implementing safety management plans, developing training requirements for employees and contractors, and conducting regular audits of their own practices as well as those of their subcontractors. The category further captures how companies ensure physical and mental health of workforce through technology, training, corporate culture, regulatory compliance, monitoring and testing, and personal protective equipment.</li> </ul>
	Employee engagement, diversity & inclusion <ul style="list-style-type: none"> <li>› The category addresses a company's ability to ensure that its culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce that reflects the makeup of local talent pools and its customer base. It addresses the issues of discriminatory practices on the bases of race, gender, ethnicity, religion, sexual orientation, and other factors.</li> </ul>

Topic	Description
Business Model & Innovation	Product design & lifecycle management <ul style="list-style-type: none"> <li>› The category addresses incorporation of environmental, social, and governance (ESG) considerations in characteristics of products and services provided or sold by the company. It includes, but is not limited to, managing the lifecycle impacts of products and services, such as those related to packaging, distribution, use-phase resource intensity, and other environmental and social externalities that may occur during their use-phase or at the end of life. The category captures a company's ability to address customer and societal demand for more sustainable products and services as well as to meet evolving environmental and social regulation. It does not address direct environmental or social impacts of the company's operations, nor does it address health and safety risks to consumers from product use, which are covered in other categories.</li> </ul>
	Business model resilience <ul style="list-style-type: none"> <li>› The category addresses an industry's capacity to manage risks and opportunities associated with incorporating social, environmental, and political transitions into long-term business model planning. This includes responsiveness to the transition to a low-carbon and climate-constrained economy, as well as growth and creation of new markets among unserved and underserved socio-economic populations. The category highlights industries in which evolving environmental and social realities may challenge companies to fundamentally adapt or may put their business models at risk.</li> </ul>
	Supply chain management & resilience <ul style="list-style-type: none"> <li>› The category addresses management of environmental, social, and governance (ESG) risks within a company's supply chain. It addresses issues associated with environmental and social externalities created by suppliers through their operational activities. Such issues include, but are not limited to, environmental responsibility, human rights, labor practices, and ethics and corruption. Management may involve screening, selection, monitoring, and engagement with suppliers on their environmental and social impacts. The category does not address the impacts of external factors – such as climate change and other environmental and social factors – on suppliers' operations and/or on the availability and pricing of key resources, which is covered in a separate category.</li> </ul>
	Materials sourcing & efficiency <ul style="list-style-type: none"> <li>› The category addresses issues related to the resilience of materials supply chains to impacts of climate change and other external environmental and social factors. It captures the impacts of such external factors on operational activity of suppliers, which can further affect availability and pricing of key resources. It addresses a company's ability to manage these risks through product design, manufacturing, and end-of-life management, such as by using of recycled and renewable materials, reducing the use of key materials (dematerialization), maximizing resource efficiency in manufacturing, and making R&amp;D investments in substitute materials. Additionally, companies can manage these issues by screening, selection, monitoring, and engagement with suppliers to ensure their resilience to external risks. It does not address issues associated with environmental and social externalities created by operational activity of individual suppliers, which is covered in a separate category.</li> </ul>
	Physical impacts on climate change <ul style="list-style-type: none"> <li>› The category addresses the company's ability to manage risks and opportunities associated with direct exposure of its owned or controlled assets and operations to actual or potential physical impacts of climate change. It captures environmental and social issues that may arise from operational disruptions due to physical impacts of climate change. It further captures socio-economic issues resulting from companies failing to incorporate climate change consideration in products and services sold, such as insurance policies and mortgages. The category relates to the company's ability to adapt to increased frequency and severity of extreme weather, shifting climate, sea level risk, and other expected physical impacts of climate change. Management may involve enhancing resiliency of physical assets and/or surrounding infrastructure as well as incorporation of climate change-related considerations into key business activities (e.g., mortgage and insurance underwriting, planning and development of real estate projects).</li> </ul>

# Description of material topics

Topic	Description
Business ethics	<ul style="list-style-type: none"> <li>› The category addresses the company's approach to managing risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities, and other behavior that may have an ethical component. This includes sensitivity to business norms and standards as they shift over time, jurisdiction, and culture. It addresses the company's ability to provide services that satisfy the highest professional and ethical standards of the industry, which means to avoid conflicts of interest, misrepresentation, bias, and negligence through training employees adequately and implementing policies and procedures to ensure employees provide services free from bias and error.</li> </ul>
Competitive behavior	<ul style="list-style-type: none"> <li>› The category covers social issues associated with existence of monopolies, which may include, but are not limited to, excessive prices, poor quality of service, and inefficiencies. It addresses a company's management of legal and social expectation around monopolistic and anti-competitive practices, including issues related to bargaining power, collusion, price fixing or manipulation, and protection of patents and intellectual property (IP).</li> </ul>
Management of the regulatory environment	<ul style="list-style-type: none"> <li>› The category addresses a company's approach to engaging with regulators in cases where conflicting corporate and public interests may have the potential for long-term adverse direct or indirect environmental and social impacts. The category addresses a company's level of reliance upon regulatory policy or monetary incentives (such as subsidies and taxes), actions to influence industry policy (such as through lobbying), overall reliance on a favorable regulatory environment for business competitiveness, and ability to comply with relevant regulations. It may relate to the alignment of management and investor views of regulatory engagement and compliance at large.</li> </ul>
Risk management (Critical incident risk management & systemic risk management)	<ul style="list-style-type: none"> <li>› The category addresses the company's contributions to or management of systemic risks resulting from large-scale weakening or collapse of systems upon which the economy and society depend. This includes financial systems, natural resource systems, and technological systems. It addresses the mechanisms a company has in place to reduce its contributions to systemic risks and to improve safeguards that may mitigate the impacts of systemic failure. For financial institutions, the category also captures the company's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.</li> <li>› The category addresses the company's use of management systems and scenario planning to identify, understand, and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. It relates to the culture of safety at a company, its relevant safety management systems and technological controls, the potential human, environmental, and social implications of such events occurring, and the long-term effects to an organization, its workers, and society should these events occur.</li> </ul>
Tax transparency	<ul style="list-style-type: none"> <li>› Tax transparency is set in law and legislation to ensure companies are confirming the location or country their income is generated and how much tax is paid in the location of that income generation.</li> </ul>

Leadership &amp; governance



# Performance data tables

<b>Workforce demographics</b>	<b>2024</b>
Percentage of full-time employees	› 96%
Aged < 30	› 36%
Aged 30-50	› 62%
Aged > 50	› 2%
Gender gap	› 31% of women vs. 69% men in total workforce › 20% of women vs. 80% men in leadership roles.
<b>Occupational health and safety</b>	
Total workplace fatalities	› 0
<b>Human rights</b>	
Gross human rights violations	› 0
<b>Supply chain</b>	
Average vendor rating score	› 97.75
Certified suppliers	
› ISO 9001	› 92%*
› IATF 16949	› 18%* <small>required for automotive suppliers only</small>
› ISO 14001	› 64%*

<b>Leadership</b>	<b>2024</b>
Number of incidents of corruption caused by the company itself or its representatives	› 0 incidents in 2024
Number of legal actions, pending or completed, caused by actions of the organization or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition	› 0 incidents in 2024
Number of significant instances of non-compliance issues with laws and regulation in a year	› 0 incidents in 2024
Number of events related to sustainability (ESG-related accidents) that caused financial or reputational damage to the company	› 0 incidents in 2024
Number of instances, trials, fines due to non-compliance with the national fiscal regulation	› 0 incidents in 2024
Number of incidents of non-compliance with existing legal regulations regarding the protection of customer privacy	› 0 incidents in 2024
Number of incidents of non-compliance with existing legal regulations regarding the protection of employee privacy	› 0 incidents in 2024
Data Breaches	› 0 incidents in 2024



# Performance data tables

## Composition of electricity\*

Natural Gases	> 42,99 %
Carbon	> 5,27 %
Renewable sources	> 46,31 %
Oil products	> 0,9 %
Nuclear power	> 0 %
Other	> 4,53 %

\* data was provided by a third-party service distributor

## Conversions factors used to calculate CO<sub>2</sub> released

The calculation of greenhouse gas emissions for Scope 1 and Scope 2 follows standardized methodologies and relies on the best available data and references. The data for Scope 1 emissions, originating from natural gas combustion for heating and sanitary use, are derived from supplier invoices, including calorific values and emission factors from official sources such as the IPCC Guidelines and Italian national standards.

Scope 2 emissions, representing indirect emissions from electricity consumption, are calculated using both location-based and market-based approaches. Data are obtained from electricity supplier invoices and emission factors provided by ISPRA.

While every effort is made to ensure accuracy and reliability, these calculations are based on estimates and standard factors, which may be subject to updates or revisions. This serves as a baseline for continuous improvement aligning our commitment to transparency and environmental responsibility.

	Unit	2024
<b>Direct energy</b>		
Natural gas – Scope 1	GWh	0,502
<b>Indirect energy</b>		
Pianezza manufacturing plant – Scope 2	GWh	0,414
<b>CO<sub>2</sub> emissions</b>		
305-1 Direct (Scope 1) GHG emissions	tCO <sub>2</sub> e	109,881
305-2 Indirect (Scope 2) GHG emissions	tCO <sub>2</sub> e	106,574
<b>GHG emissions (Scope 1 and Scope 2)</b>	<b>tCO<sub>2</sub>e</b>	<b>216,456</b>
<b>Waste management</b>		
Hazardous waste	kg	4879
Non-hazardous waste	kg	38845
<b>Waste generated</b>	<b>kg</b>	<b>43724</b>
Disposal	kg	4159
Recovery	Kg	39565
<b>Water &amp; wastewater management</b>		
Total quantity withdrawal	m <sup>3</sup>	713
Water discharge	m <sup>3</sup>	21,38
Water consumption	m <sup>3</sup>	691

## Tau Group

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Tau has prepared this report based on information available to the company, including information derived from public sources that have not been independently verified. Every care has been taken to ensure the correctness of the information contained in this presentation, but no liability can be accepted for any errors or omissions. We reserve the right to make technical changes.

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