

# RACING **FORCE** GROUP

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## 2022 SUSTAINABILITY REPORT



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## Letter to Stakeholders

Dear Stakeholders,

I have the pleasure to present you our 2022 Sustainability Report, an important milestone in our journey towards the creation of shared value.

Inspired by the best standards and international good practices, during the last year the Group has taken significant steps to improve its governance, starting with the adoption of the Code of Ethics and the Management, Organization and Control Model, pursuant to Italian Legislative Decree 231/01. We have been constantly working to improve and streamline our processes and procedures with the aim of strengthening the control environment and achieving the highest transparency towards our stakeholders.

In 2022, the Group has launched an ambitious investment plan to increase production capacity, logistics capability and create new offices and common areas in its main headquarters in Italy, Bahrain and United States. All the investments have been carefully planned to increase the efficiency and the sustainability of our structure, starting from the expansion in Ronco Scrivia, where we will add additional 3,800 sqm by summer 2024, through the installation of solar panels, energy-saving façades, car recharging stations and rainwater collection systems. The same approach will be applied for the construction, in partnership with the Bahrain International Circuit, of the second floor of our factory in Bahrain, expected to be completed by the end of 2023, as well as for the works that will be carried out in the new building in Mooresville (North Carolina).

The value of the Group's initiatives in the field of sustainability has been recognized in April 2023, since Borsa Italiana included Racing Force in the new ESG ITA Growth Index, the first specific ESG index for companies listed on Euronext Growth Milan (EGM), created by SDA Bocconi School of Management, CRIF and Ambromobiliare. In the absence of shared evaluation paradigms and standards, an ESG score was developed and applied to all companies listed on the EGM, based on public documents and disclosed information, then elaborated through models, macro-economic and climatic scenarios, industry benchmarks, as well as through machine learning methodologies. Suitable companies were finally selected based on three main parameters: the level of sustainable governance, the liquidity

of their stocks and market capitalization.

This index will make it easier to read the market cluster, educating investors and bringing more liquidity to the most virtuous companies.

As a manufacturer and global distributor, we want to bring value to our customers and, at the same time, we are very committed to create shared value for all our stakeholders. We've been working with passion to achieve our goals, knowing that sustainability is one of the key drivers of our journey.

I wish you a good read among our initiatives, commitments and results for a sustainable future.

Paolo Delprato  
Group Chairman & CEO




## Methodological Note

This document, which represents Racing Force's Group (in the document also "Group", or "Racing Force", or "RFG") 2022 Sustainability Report, has been prepared with the aim of transparently communicating the sustainability strategies of Racing Force S.p.A. (in the document also "the Company" or "RF S.p.A.") and its subsidiaries. The Report presents Racing Force Group's achievements in environmental, social and governance sustainability in relation to the financial year 2022 and provides comparative information for 2021 (from January 1 to December 31).

The Sustainability Report, drawn up on an annual basis, has been prepared by reporting on a selection of "indicators" defined in 2016 and updated in 2021 by the Global Reporting Initiatives ("GRI"), according to an approach "GRI reference-claim", as indicated in the table "GRI Content Index".

The reporting scope of the data only refers to Racing Force S.p.A. and its consolidated subsidiaries Racing Force USA Inc. and Racing Force International Wll, which are the main operating entities within the Group. The other subsidiaries, which are included in the consolidation perimeter to the extent of the Financial Statements, have been assessed as not significant for the scope of this document and therefore excluded.

The information contained within the document refers specifically to the Parent Company and, where possible, also refers to the other companies of the Group, in compliance with the relevant national laws.

In order to allow the comparability of the data over time, a year of comparison has been included, where available.

To provide a correct representation of the performance of Racing Force Group, directly measurable quantities have been included in the data and the use of estimates has been limited as far as possible.

Data and information reported were defined based on an activity carried out by Racing Force during 2021 and 2022, which enabled the identification of material sustainability topics for RFG, as described in the section "Materiality analysis" of this document.

In the text of the document, quantitative information on the environment and personnel has been included that relates to the Group, later detailed with more specifics in the Annex. In

addition, following a refinement of the calculation methodology, the 2021 quantitative data related to GRI 302, GRI 305, GRI 401 and GRI 404 have been restated.

For further information and suggestions regarding the RFG Sustainability Report, please contact Racing Force Investor Relator Manager ([ir@racingforce.com](mailto:ir@racingforce.com)). This document is also available on the Racing Force Group website ([www.racingforce.com](http://www.racingforce.com)).



## Racing Force Group



Worldwide Leadership in Motorsport Safety Equipment



Widest range of products covering the full spectrum of motorsport safety equipment and beyond



3.400+ Customers Worldwide (largest client representing approximately 4% of total sales)



7 sites incl. 3 manufacturing facilities, 6 showrooms and 3 R&D centers in US, Europe and Asia



Over 500 employees from 35 nationalities, average age of 37 (36% of women)

Racing Force Group is leader in the Motorsport Safety Equipment Industry with the most advanced and complete range of protection & performance products used worldwide by top professionals, amateur athletes, racing teams and car manufacturers from Formula 1® to World Rally Championship®, Karting and Rally-Raid, with 37 FIA World Championship won in the last five years.

Racing Force S.p.A. (formerly OMP Racing), established in 1973 in Genoa and having today its headquarters in Ronco Scrivia, is an Italian company world leader in the field of design and manufacturing of safety equipment for racing and motorsport industry.

In December 2019, Racing Force S.p.A. acquired the control of the Bell Racing Helmets Group and Zeronoise, giving life to the current structure of Racing Force Group.

Racing Force is one of the very few players in the world that is able to offer a complete range of products dedicated to racing cars and to the driver's safety, with over 2,000 items in its catalogue.

One of the key factors in Racing Force Group's success lies in the breadth of its iconic brand portfolio, people, vendors and customers.

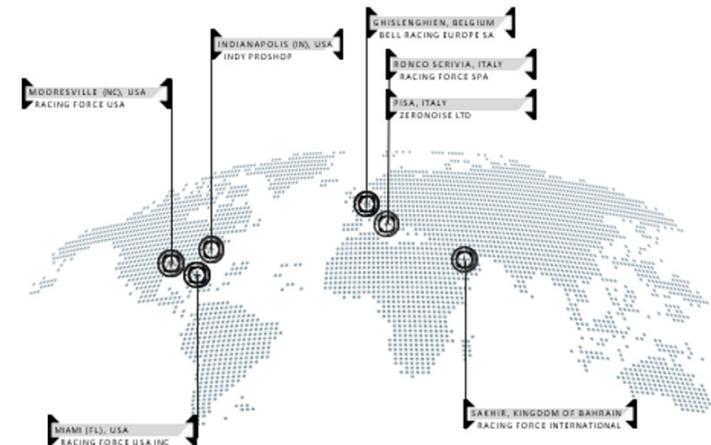
Most of the products commercialized by the Group are homologated by the Fédération Internationale de l'Automobile – FIA, of which RFG is official exclusive supplier, by SFI Foundation and Snell Memorial Foundation.

Since 2008, Racing Force has been subject to the management and coordination activity of the company SAYE Spa, a Genoa (Italy) based holding company.

In November 2021 the ordinary shares of Racing Force were admitted to trading on Euronext Growth Milan, a multilateral trading system, organized and managed by Borsa Italiana Spa and, starting from September 2022, they have also been admitted on Euronext Growth Paris (dual listing).

In January 2023 the Group also signed a new lease agreement for a new space in California, located in Orange County.

Racing Force's sites and locations as of December 31, 2022



## Racing Force's History

70+ YEARS OF UNCOMPROMISED INNOVATION AND RELIABILITY IN MOTORSPORT SAFETY EQUIPMENT



Percivale's brothers founded OMP Racing in Genoa (Italy). A FIAT 500 rollbar is their first product



1973



Sports Europe SA (Brussels, Belgium) becomes Bell Racing Europe SA

1999



Bell Racing Helmets starts its activities in the factory in Sakhir, Bahrain

2015



Driver's Eye debut in F1 and first WRC victory of Bell + ZN after 20 yrs

Racing Force Group (RFG) listed Euronext Growth Milan



2021



1954



Bell manufactures its first helmet the '500' in Los Angeles, California. Today exhibited at MOMA in New York



1989

Gerard Berger survives to its Ferrari catching fire in Imola thanks to the fire-retardant suit and gloves made by OMP



2008



OMP has been acquired by SAYE S.p.A., giving the ownership to the Delprato brothers



2019



Zeronoise is founded. Racing Spirit Project starts. OMP acquires Bell Racing Helmets and Zeronoise

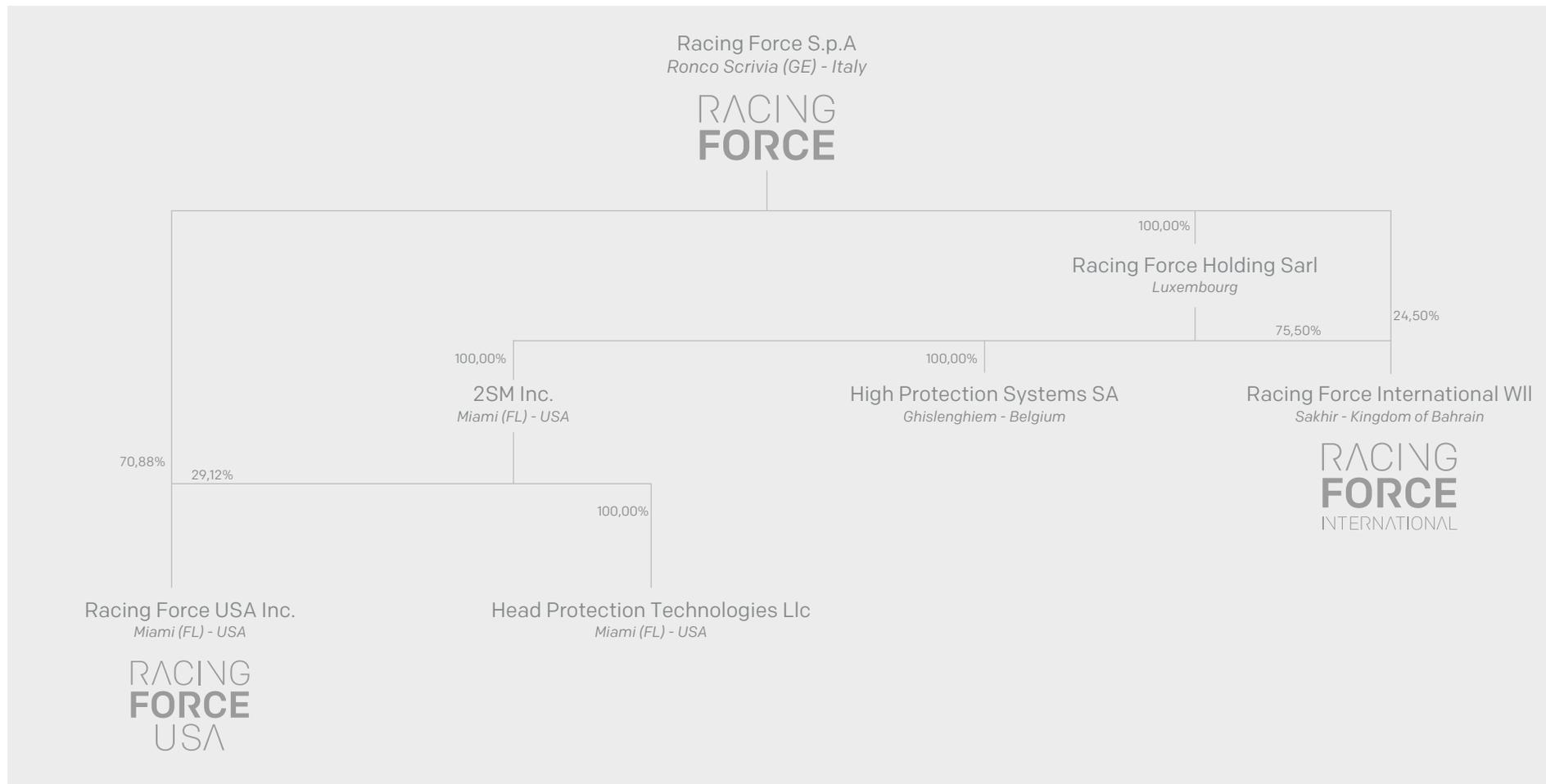


2022

Racing Force Group (ALRFG) listed Euronext Growth Paris  
MOU with LIFT to produce carbon shells for the Next Generation Fixed-Wing Helmet for the United States Air force



Racing Force Group's structure as of December 31, 2022



## Our Business Model



Founded by innovators, RFG's brands reflect the Group's vision of being the leading player of the motorsport Industry by delivering to our customers the best possible experience with Safety, Performance, Technology, Style and Comfort in mind. Furthermore, RFG strongly believes in maintaining the highest brand reputation, the best customer service, as well as high profitability and stability. With more than 2,000 products in combined brand catalogs, RFG is uniquely positioned to offer state of the art safety, performance and lifestyle products to meet the ever-evolving needs of customers and the quest for safety in motorsport.



Racing Force Group's sales

# RACING FORCE GROUP

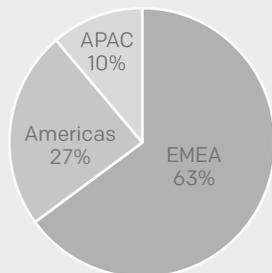


|   |  |  |
|---|--|--|
| 1 | ATTRACTIVE NICHE MARKET                | Highly fragmented and attractive niche market with unique features in terms of growth and resiliency coupled with significant barriers to entry, but tremendous visibility |
| 2 | UNIQUE BRANDS HERITAGE                 | Iconic global brands enjoying a loyal and diversified customer base  |
| 3 | LEADERSHIP IN SAFETY INNOVATION        | 70 years (Bell) and 50 years (OMP) of technology leadership and innovation in a highly- regulated environment  |
| 4 | TIGHTLY CONTROLLED VALUE CHAIN         | "Speed, Reliability and Safety" is the name of the game in Motorsport  |
| 5 | RESILIENCY, GROWTH AND CASH CONVERSION | Resilient business model characterized by fast cash conversion cycle, enabling for a sustainable growth path   |
| 6 | CLEAR PATH FOR OUR FUTURE GROWTH       | Strong and visible strategy offering solid growth potential  |



## RFG Economic Performance

### 2022 REVENUES BREAKDOWN



### RECORD RESULT IN 2022

Revenues +26.1% y/y, Margin +30.5% y/y  
Distribution of €2.3 million of dividends proposed

|                             |   |
|-----------------------------|---|
| ■ Revenues:                 | €58.9 million (+26.1% vs 2021)                              |
| ■ Adj. EBITDA:              | €11.7 million (19.8% Adj. EBITDA margin and +30.5% vs 2021) |
| ■ Adj. Net Profit:          | €7.6 million (12.9% of Revenues)                            |
| ■ Adj. Operating Cash Flow: | €3.2 million (€5.5 million in 2021)                         |
| ■ Net Debt:                 | €4.4 million (€0.7 million in 2021)                         |
| ■ Dividend:                 | €2.3 million (DPS €0.09)                                    |

The global economy's recovery from the pandemic suffered a setback in 2022, as a result of the outbreak of the conflict between Russia and Ukraine and heightened global geopolitical tensions. Sanctions against Russia introduced by Western countries, rising energy prices, discontinuity in international trades, and volatility in financial markets led to a slowdown in global economic growth and a general increase in inflation.

Despite this difficult scenario, the Group ended 2022 in strong growth, establishing itself as one of the world's leading players in the motorsport business, mainly due to the following factors: i) continuous pursuit of innovation combined with the offering of new products, ii) constant improvement of existing products as required by the latest homologation standards, and iii) completeness of the range of products offered by the Group.

During 2022, the Group significantly increased its sales (+26.1% compared to 2021, equal to +12.9 million Euro) and its margin. Excluding dual listing costs recognized through the profit and loss, adjusted EBITDA increased by 30.5% compared to 2021, thanks also to constant and careful planning and control of expenses in all Group companies, amounting to 19.8% of revenues.

These particularly positive results are the outcome of the growth strategies that the Group is implementing in the motorsport sector, thanks to the synergies deriving from the integration of the different brands and continuous product innovation.

During 2022, the Group has been able to further increase its presence in the motorsport business, thus becoming

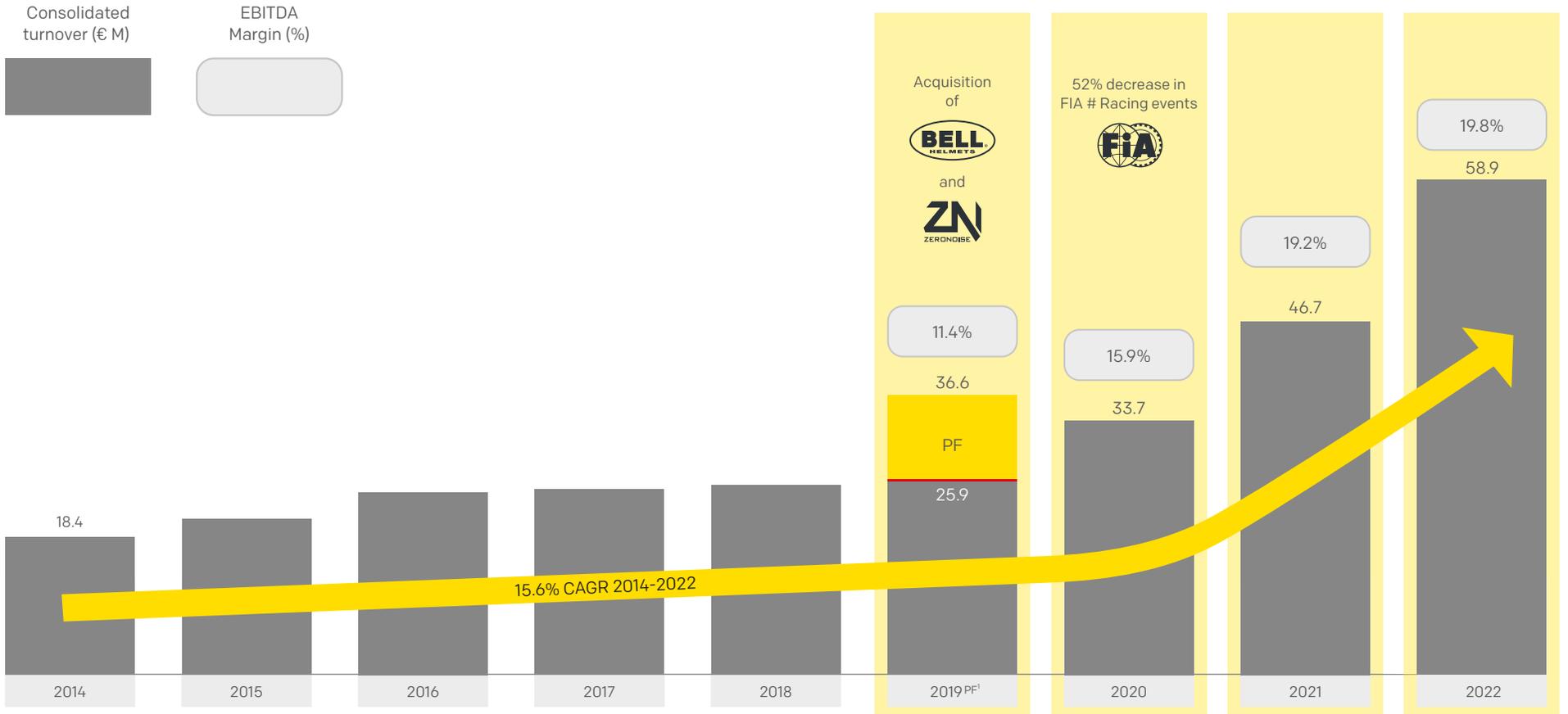
one of the undisputed leaders in the world: the commercial agreements signed with leading market partners, teams and car manufacturers, have granted a greater visibility and consolidation of turnover and margins.

The products of the Group, which are now considered the state of the art in the motorsport safety equipment market, are currently used by the top drivers in the main world competitions managed by FIA.

Furthermore, during the year the Group has not identified any non-compliance with laws or regulations relating to social, economic or other relevant matters.



## Sales



## ESG ITA Growth Index

In April 2023, Racing Force Group, together with other 30 companies listed on Euronext Growth Milan, has been identified among the best performing companies according to the new ESG ITA Growth Index<sup>1</sup>.

This is the first specific index based on an ESG assessment of Small/Medium Enterprises listed on EGM, the specific market dedicated to SMEs with a high growth potential.

The research conducted initially identified standards and parameters to define the investable universe through the application of a score to the companies considered, based on public information and documents available. The second step involved the identification of eligible companies, through the application of three screening parameters: governance, liquidity level and market cap (between 10 and 500 mln Euro).

This index will make it easier to read the market cluster, educating investors and bringing more liquidity to the most virtuous companies.



<sup>1</sup>The index has been identified by the REPAiR Lab of SDA Bocconi School of Management, a research and innovation laboratory specifically dedicated to the study and promotion of sustainable finance, in cooperation with CRIF (Centrale Rischi Finanziari) and AmbroMobiliare (strategic finance advisor).



## Mission and Corporate Values

Racing Force Group, in carrying out its activities, considers important to clearly indicate the values and principles it recognizes, accepts, and shares and the framework of rights and duties that must define the ethical-social responsibility of each participant in the corporate organization.

With the adoption of the Code of Ethics, the Group has clearly and transparently set out the set of values and principles by which it is inspired, to be of central importance for the proper exercise of its business activities and the achievement of its objectives, as well as for the protection of the legitimate interests of all "stakeholders".

### ETHIC



RFG promotes the principles of integrity, honesty and respect, with a view to accountability and transparent towards all parties interacting with the company.

### SECURITY



RFG is on the side of safety and performance through technology , style and comfort, every product, once put on the market, must save lives.

### QUALITY



RFG aims to achieve customer satisfaction through the provision of the products and services characterized by high quality standards by increasing efficiency with a view to excellence and continuous performance improvement.

### INNOVATION



RFG provides competitive products based on the constant pursuit of innovation through the combination of the new technologies and corporate tradition to meet customer needs without altering the identity of the brand.

### COMPETENCE



RFG builds labor policy towards the development of professionalism and individual work skill of workers as the determining requirements for achieving the ideal achievement of enterprise goal.

### ACTION



Products combine the logic of engineering with the magic of creativity to be more competitive and quickly turn ideas into practical improvements. Accountability, decision-making and action at all levels, for true teamwork.

### SUSTAINABILITY



RFG pursues the fight against waste to reduce environmental impact by generating sustainable development. RF offers staff the opportunity to balance work and private life by including smart planning in a inclusive work environment.



## Our Governance Model

### Governance Structure

The primary decision-making professionals of Racing Force Group are the Executive Management and the Board of Directors.

The Group Executive Management includes executives and officers that define and implement the strategic objectives provided by the Board of Directors. The Executive Management meets periodically and ensures that the organization quickly adapts to changes in the industry and oversees the responsibilities and delegations of authority of Middle and Lower Management and Employees.

The primary objective of the Board of Directors is to increase the overall value of the Group and its assets, by enforcing transparency in information, communication, reporting and by maintaining the highest moral, ethical, and professional standard. The BOD also monitors and advises the Group Executive Management on the implementation of the strategies set forth.

Pursuant to the provisions of the Italian Legislative Decree 231/01, in July 2022, the Board of Directors of RF S.p.A. has approved the Organizational Model and established the Supervisory Body (SB), which is entrusted with the task of supervising the operation of and compliance with the Organizational Model, as well as taking care of its updating.

Therefore, the RFG Spa Supervisory Body, today in collegial composition, is responsible for the supervision and control activities foreseen by the Organizational Model itself.

In fact, the Supervisory Board, in coordination with the managers of the company departments involved from time to time, periodically checks the effectiveness and suitability of the Organizational Model in preventing the commission of the offences referred to in the Legislative Decree.

In carrying out these activities, the Supervisory Body

- Activates a periodic verification plan aimed at ascertaining, also with the support of external consultants, the concrete implementation of the Model by all recipients;
- Monitors the need to update the Risk Assessment and the Model, in the event of significant organizational changes or extension of the type of crimes taken into consideration by the Decree, informing the BoD accordingly;

- Monitors information/training initiatives aimed at disseminating knowledge and understanding of the Model;
- Verifies the correct and constant application of the procedures, as well as the alignment of the protocols with company operations;
- Coordinates with the corporate functions and appoints external consultants for better monitoring of the areas at risk and to carry out targeted checks on certain operations or specific deeds implemented within the areas at risk;
- Receives, processes and stores relevant information (including any reports) in relation to compliance with the Model, guaranteeing the confidentiality of those who provide information and make reports;
- Conducts investigations to ascertain alleged violations of the provisions of the Model and promotes the process connected with the application of the sanctions envisaged in the event of violation of the same within the competent corporate structure and verifies their implementation;
- Reports to the Board of Directors any violations of the rules contained in the Model, so that the latter can adopt the necessary adjustment measures.



## Business Ethics

Racing Force Group has adopted a Code of Ethics which clearly and transparently states the set of values and principles of central importance to the proper conduct of business and the achievement of objectives, as well as to the protection of the legitimate interests of all stakeholders.

The Group accepts and shares the ethical principles ("Principles") set forth below:

- Legality
- Impartiality and anti-discrimination
- Professionalism and reliability
- Prevention of conflict of interest
- Confidentiality
- Prevention of market abuse
- Transparency and fairness in the management of corporate information
- Fairness in contractual matters
- Protection of competition
- Protection of industrial and intellectual property
- Prevention of money laundering
- Prevention of corruption
- Value of the person and human resources
- Protection of safety at work
- Protection of privacy
- Sustainability and environmental protection

RFG's commitments regarding fairness, transparency and honesty ensure that the utmost transparency is required in business operations and relations with third parties, in full compliance with national and international regulations.

RFG believes in healthy and fair competition as well as a competitive market and acts in compliance with antitrust regulations to ensure free, undistorted and effective competition for the benefit of competitors, customers and the Group's own companies.

The principles of this policy are also applied to business partners through appropriate references and guarantees within the relevant contracts.



## Code of Ethics

The provisions contained in the 231 Model and in this Report are integrated with those of the Racing Force Group Code of Ethics (hereinafter referred to as the "Code of Ethics" or "Code") approved by the Company's Board of Directors on July 1st, 2022 and subsequently approved by all the Board of Directors of the consolidated companies.

The Code of Ethics defines a series of principles of 'corporate deontology' and rules of conduct that the Company recognizes as its own and which it demands compliance with both by its corporate bodies and employees, and by all those who cooperate with it in the pursuit of its business objectives (i.e. dealing with business partners, avoiding conflicts of interest and corruption, protecting business information and assets).

The Code of Ethics therefore has a general scope and represents a set of rules, spontaneously made its own by the Company, which it recognizes, accepts and shares, aimed at disseminating a solid ethical integrity and a strong sensitivity to compliance with current regulations.

In fact, the Code of Ethics describes the principles valid for the Company and requires their observance both by its employees and corporate bodies, and by third parties who, for whatever reason, have relations with it. Observance of the Code of Ethics therefore serves not only to spread within the Company a culture that is sensitive to legality and ethics, but also to protect the interests of employees and of those who have relations with the Company, preserving the Company from serious liability, sanctions and reputational damage.

In consideration of the fact that the Code of Ethics recalls principles of conduct (including, among others, legality, correctness and transparency) that are also suitable for preventing unlawful conduct as set forth in the Italian Legislative Decree 231/2001, this document acquires relevance for the purposes of the Model and therefore constitutes a complementary element to it.

In order to ensure the effective adoption of and compliance with the Code of Ethics throughout the Group, Racing Force has appointed a Group Responsible to control and verify the adequacy, operation and compliance with the Code of Ethics by all addressees.

Each Group company has also appointed an Internal Contact Person for the Code of Ethics, who has the task of interfacing with the Group Responsible by sending information flows and/or reports on violations of the Code.

Violations or suspected violations of the Code of Ethics must be promptly reported through the following channels:

- E-mail address: [ethiccode@racingforce.com](mailto:ethiccode@racingforce.com);
- Ordinary mail to Racing Force S.p.A.- Mr. Roberto Ferroggiaro, via Bazzano 5, 16019 Ronco Scrivia (GE).



## Organizational Model 231/2001

In July 2022 Racing Force S.p.A. has adopted its own Management, Organization and Control Model, pursuant to Italian Legislative Decree 231/01, with the aim of ensuring the correct and transparent management of the company, in order to protect its position and image, the expectations of its shareholders and the work of its employees.

The adoption of an Organizational Model by Racing Force S.p.A. in line with the prescriptions of the Legislative Decree, together with the issuing of the Code of Ethics, was a choice made in the conviction that this initiative can be a valid tool for raising awareness among the Recipients, so that, in carrying out their activities, they adopt correct and straightforward behavior, such as to prevent the risk of committing offences which could damage the Company's reputation.

More specifically, the Organizational Model aims to:

- Set up a structured and organic system of prevention and control, aimed at reducing the risk of committing offences related to the company's activities and preventing/counteracting any illegal behavior;
- Generate in all those who work in the name and/or on behalf of the Company, especially in the "areas of activity at risk", the awareness that, in the event of violation of the provisions contained therein, they may incur in an offence punishable by sanctions, including criminal sanctions, and that this may also entail sanctions for the Company;
- Inform the Recipients that the violation of the prescriptions contained in the Organizational Model, which they are required to comply with, will result in the application of appropriate sanctions and, in the most serious cases, the termination of the contractual relationship;
- Reiterate that the Company does not tolerate illegal conduct of any kind and for any purpose whatsoever, since such conduct (even if the Company is apparently able to benefit from it) is in any case contrary to the ethical principles with which the Company intends to comply.

The Organizational Model prepared by the Company is aimed at defining a system of preventive control, directed primarily at planning the formation and implementation of the Company's decisions in relation to the risks/offences to be prevented and is composed of:

- The Code of Ethics, which identifies the primary values with which the Company intends to comply and therefore sets the general guidelines for the Company's activities;
- An up-to-date, formalized, and clear organizational system, which guarantees an organic assignment of tasks and an adequate level of segregation of duties;
- Protocols aimed at regulating the performance of activities, regarding processes at risk, providing appropriate control points, as well as the separation of duties between those who carry out crucial phases or activities within these processes;
- A clear assignment of authorization and signature powers, consistent with organizational and management responsibilities;
- A set of provisions aimed at implementing an efficient and balanced organization of the company, with particular regard to the making of decisions and their transparency, the provision of preventive and subsequent controls, and the management of internal and external corporate information;
- Control systems, relating, first and foremost, to the potential commission of predicate offences, capable of providing timely warning of the existence and emergence of general and/or specific critical situations.

As part of the activities related to the Model, in 2022 Racing Force S.p.A. started to work on the delegation of powers to its executives and managers. The powers were officially attributed by notary act in early January 2023. At the same time, internal delegations were assigned to certain managers as well.



## Relations with Shareholders

The Group's companies are committed, towards their shareholders, to operating in a correct and transparent manner to ensure the economic-financial objectives of the market, as well as the requirements of safety, quality and cost-effectiveness of their activities, recognizing equal treatment for all shareholders.

The Group therefore adopts a system of corporate governance, compliant with current regulations and verified also on the basis of best practices, which is crucial not only for corporate management and control, but also to maximize the value distributed to shareholders.

Communication with shareholders is timely, constant, and symmetrical towards all investors: in addition to mandatory communications, each Group company provides maximum availability and permanent listening channels dedicated to shareholders, and carries out targeted information campaigns, according to the practices and procedures adopted by listed companies.

A financial calendar is published each year to communicate the main deadlines related to the approval of the year-end Financial Statements, as well as the half-year results and the reporting of quarterly consolidated sales.

All the relevant information, including the press releases related to price sensitive information, is published through dedicated channels (i.e. SDIR) and on the Group's website within the due deadlines.

The main policies and procedures adopted by the Group, as well as any updates and revisions thereof, are also available on the RFG website under the corporate governance section.

## Shareholders' Structure



## Compliance and Risk Management

The Group operates in a free market and it is therefore exposed to risk factors and uncertainty.

The Group has set up mechanisms and procedure at the level of each consolidated entity for the constant monitoring of the foregoing risks, so as to avoid potential negative effects and implement any actions required to contain those risks. In this regard, below is a more detailed qualitative and quantitative analysis of each type of risk.

Main risks considered by management to be of medium and significant materiality are the following:

- Risks associated with the Russian-Ukrainian conflict.

The conflict between the Russian Federation and Ukraine and the sanctions imposed by Europe, the United Kingdom and the United States, risk having very significant impacts on the international economy and on businesses. Regardless of how the current crisis is resolved, the consequences could be long-term and negatively affect economic activities of companies and, in particular, the cost of energy supplies.

In this context of great uncertainty and geopolitical instability, the Group carefully monitors the evolution of the conflict and the risk of spreading to other countries.

During 2022, the Group zeroed out its credit exposure with Russian customers and stopped exporting to the country. Furthermore, the Group has started projects aimed at improving the energy efficiency of its production site in Ronco Scrivia, as well as other investments have been planned in Bahrain and in the United States, with the same goal of achieving savings in energy costs and reducing the risks of future price increases, even though a decrease in utilities charges was experienced in the first months of 2023.

- Risks associated with the procurement and price fluctuation of raw materials

Several of the Group's products are the result of complex production processes that require the use of raw materials available in illiquid goods markets characterized by a small number of suppliers at the world level. Any production planning problems, delays in supplies and/or difficulties in the procurement of raw materials could have an impact on costs, especially in the event that replacement material is not promptly available.

During the two-year period 2020-2021 and in 2022, various sectors, including those from which the Group procures its supplies, also as an effect of the current Russian-Ukrainian

crisis, have recorded an increase in the price of certain noble metals, other basic raw materials and strategic advanced components, and a shortage or delay in the supply of electronic materials that led to a rapid increase in prices, with a consequent increase in purchase costs as well as problems in the supply chain.

As regards the risk of shortage or delay in the supply of raw materials, the risk is mitigated through a careful planning of the purchases by the Group.

As to the increase of prices of raw materials, the risk is however mitigated by the capacity of the Group to re-charge any price increase to final customers.

- Risks associated with the Covid-19 epidemiological emergency and the complex conditions of the global economy

The continuing epidemic related to the spread of the COVID-19 virus ("Coronavirus" or "COVID-19") has had, and may have in the future, a negative impact on the Group's operations, results and the entire market in which it operates. Even though the Group was not exposed to restrictive measures, made exception for the activity carried out in its industrial plant in Bahrain, which was interrupted for 10 days in 2020, it is not possible to exclude that it will be exposed in the future to the risk arising from the adoption by public authorities of additional and new measures to prevent and/or limit the spread of the Coronavirus and the operational and economic consequences arising from the adoption of such measures. In response to this emergency, the Group has also promptly adopted all the health and behavioral precautions imposed by the competent national and local authorities at its offices and production plants, including the development of social distancing plans, also implementing, where possible, remote operating methods for personnel.

- Risks associated with the product liability and brand awareness

The products manufactured and distributed by the Group can be divided into two macro categories: homologated and non-homologated products.

In both cases, any defects in the design or manufacture of the Group's products could expose the Group itself to the risk of liability to third party and consequent claims for damages.

With regard to homologated products, then, the Group, as manufacturer, has the responsibility to homologate them in compliance with FIA standards. In this respect, the



## Compliance and Risk Management

Group also has in-house laboratories that are able to carry out in-house tests on products that will then be carried out by FIA-accredited laboratories to verify compliance with homologation regulations.

Furthermore, pursuant to the regulations in force in Italy (art. 114 of Legislative Decree no. 206/2005, the so-called Consumer Code) and abroad on product liability, any design or manufacturing defects in both homologated Products and non-homologated offered by the Group could expose it to the risk of liability actions by third parties and, consequently, to potentially significant claims for damages.

Although no action for damage has so far been brought against the Group, and insurance coverage in relation to product liability is in place, it cannot be excluded that such actions may be brought against it in the future.

Furthermore, one of the key factors in the Group's success is the recognizability of Racing Force Group's brands, namely OMP and Bell Helmets, which have been in the market of safety equipment.

This recognition is influenced by many factors, such as the high quality of craftsmanship, creativity, attention to detail, the ability to meet the needs of individual customers and the presence. Moreover, the Group constantly strives to maintain and increase its brands recognition through advertising and promotional campaigns, including on social networks, as well as implementing communication and branding strategies.

Should, in the future, brand awareness is not effectively maintained and developed by the Group, this could result in a negative impact on the reputation and, therefore, on the economic and financial situation of the Group itself, arising out in connection with (i) the possible confusion of the Group's brands with those of other companies operating in the same field, (ii) the inability to communicate to the market the distinctive values of its brand and to maintain them over time, or (iii) the spreading by third parties of partial, untrue or defamatory information about the Group and (iv) the inability to attract and/or retain customers.

The risk is mitigated by the tightly controlled process that products need to go through before the commercialization: i) first of all the manufacturer has to be authorized and recognized by FIA to produce; ii) there are regulations and technical standards issued by FIA to which products must comply with; iii) tests are performed in third-party FIA authorized

laboratories.

- Risks associated with implementing future strategies and programs

The Group is exposed to the risk of not being able to achieve its growth strategy, or of not achieving it within the planned time frame, if the basic assumptions on which it is based, including the assumptions in the business plan, prove to be incorrect or if the strategy does not produce the expected results for other reasons, including those outside the Group's control.

Although no significant deviations from the estimates made by management have been found in the past, the estimates and assumptions contained in this document, although currently considered reasonable, may prove to be incorrect in the future also due to the occurrence of unforeseen factors and/or circumstances other than those considered, which could impact the Group's results or performance.

- Risks associated with protection of the Group's know-how and industrial secrets

To make the production processes increasingly efficient and, consequently, to make the product offerings competitive, the Group must continually update its technologies, also by investing in research and development; should the Group not be able to acquire or adequately develop the technologies currently available, or those available in the future, it may have to change or reduce its development objectives or see its competitive strength reduced.

The Group, as owner of IP assets that are worth and strategic for their success on the market, is subject to risks related to their protection and is actively engaged in the implementation of actions aimed at containing and, possibly, eliminating such risks of undue use of such intangible assets, directly bearing the related costs.

The Group has implemented both internal and external procedures aimed at the protection of the know-how internally developed.



## Compliance and Risk Management

Main risks considered by the management to be of low materiality are the following:

- Credit risk

The financial activities of the Group are to be considered as of good credit quality.

Customers are selected after being carefully evaluated under a commercial and financial standpoint. Many of the Group's top customers are historical and loyal partners, with a good financial capacity and a demonstrated track in terms of reliability and timing of payments. For these reasons, the risk of bad debt is well below the normal standards deemed physiological by the bank system for any commercial enterprise. The current size of the bad debt provision is in fact such as to cover all the positions considered to be of possible risk. Based on these elements, the Group has evaluated not to proceed with credit risk hedging actions with any insurance tools.

- Liquidity risk

The liquidity risk is related to the ready availability of sufficient cash and financial resources when needed to meet commitments associated with financial instruments and carry out operations and planned investments.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring losses or risking damage to the reputation of any of the Group's entities.

There are no significant risk factors for the Group, considering that the credit lines granted by the banks are largely adequate for the current business needs.

- Market risk

The specific market risks to which the Group is exposed are those arising from fluctuations in exchange and interest rates.

As regards the interest rate risk, the Group has covered its exposure on medium-long term debt positions recurring to fixed interest rates. Therefore, based on the current composition of debts, the Group did not deem it necessary to resort interest rate risk hedging instruments.

As for the exchange rate risk associated with commercial relations with foreign customers

and suppliers, for which transactions are not regulated in the functional currency of each of the consolidated entities, the risk is mitigated by the fact that the total volumes of transactions in foreign currency are lower than the volumes made in functional currency. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly. Under these circumstances, the Group did not consider it necessary and / or appropriate to enter into financial hedging instruments.

Other risks considered by management to be at low materiality are risks associated with products counterfeiting, risks associated with the license agreements to use the Bell Helmets trade mark, risks associated with key people, risks associated with the loss of qualified resources and the difficulty of finding new ones, risks associated with APIs (Alternative Performance Indicators), risks associated with transactions with related parties, risks associated with the price fluctuation of raw materials, risks associated with international activities and regulations in the various markets in which the Group operates, risks associated with compliance with workplace safety regulations, risks associated with tax regulations, risks associated with potential conflicts of interest of directors, risks associated with the failure to adopt the organizational model pursuant to Legislative Decree no. 231/2001, risks connected to potential overdue tax payables, risk of interruption of production and catastrophic events. Management does not consider that these risks can have a significant influence on the financial statements.



## Privacy and Information Security

Compliance in the field of protection of personal data is a priority for Racing Force companies. Privacy and the protection of personal data are priority issues for the Group, to guarantee and protect the valuable relationship of trust with customers. In this respect, companies have taken all the necessary measures to transpose the existing European legislation, EU Regulation 2016/679, known as General Data Protection Regulation (GDPR).

Racing Force companies deal with different types of data for different stakeholder categories, including customers, employees, and suppliers, using manual tools (collection via paper forms) and computer tools. Group companies are inspired by privacy policies and procedures that are periodically reviewed and updated, in line with current data protection regulations.

The privacy of employees, all stakeholders and third parties in general is protected by adopting standards specifying the information that Group companies require from data subjects and the manner in which it is processed and stored, in accordance with Racing Force ensures the confidentiality of personal and sensitive data in its possession and for the processing of which it has been authorized, complying with the standards and security measures arranged by Group companies to prevent its unlawful use or unauthorized access, processing or dissemination.

On the basis of these policies, the companies of the Group process the data necessary to provide the services requested by users, who are informed in advance about the methods of processing, enabling those concerned to be fully aware of the purposes of the processing carried out and how to exercise their rights; moreover, processing for commercial purposes is carried out on the basis of free, specific, informed and unambiguous consent.

The Group also adopts appropriate technical, organizational and security measures on the systems in which personal data are processed and stored on the basis of risk assessment activities related to the relevant processing, in order to avoid risks of destruction or loss of data, unauthorized access or processing unauthorized processing. Within the scope of the fulfilments necessary to guarantee the protection of privacy, IT security activities play a crucial role.



## The Approach to Sustainability of Racing Force Group

Racing Force's approach to sustainability aims to promote a culture attentive to environmental, social and governance (ESG) impacts and to create shared value for all its stakeholders.

During 2022, RFG started an ambitious expansion plan to support the Group's growth and increase overall production and logistic capacity in order to support higher volumes of sales and improve the level of service to its customers..

In Ronco Scrivia, the total area of the plant will increase from the current 8,000 to 12,000 square metres, a 50 per cent increase, and the works will have no impact on daily operations. During the design phase, special attention was paid to environmental sustainability, adopting solutions such as the renovation of the roof, facades cladding ,a solar panels for electricity production, a rainwater recovery system and the choice of environmentally friendly materials, which will help optimize the building's energy requirements.

The project to extend the parent company's building in Italy, which is expected to be completed by summer 2024, is part of the overall development strategy of all the Group's main sites.

In Sakhir, Bahrain, RFG announced the expansion of the RFI headquarters in cooperation with the BIC (Bahrain International Circuit). The project envisages the construction of a second floor for the existing plant, bringing the total area from 7,000 to 12,000 square meters, roughly corresponding to a 60 per cent expansion. The building is expected to be completed by the end of 2023, giving RFG the opportunity to double the current production capacity of helmets. The investment plan also includes the installation of solar panels, car recharging stations and other interventions aimed at increasing the energy efficiency of the factory.

In November 2022, the US subsidiary RFU signed a lease for a new building in Mooresville, North Carolina. The new 1,900-square-metre facility, with the possibility of further expansion, will also become the Group's main logistics hub in the United States with offices and a retail space (pro-shop), with a focus on environmental sustainability.

The objective of all these investments is to support the constant growth in demand for the Group's products in motorsport, and to support the diversification program already underway, which will begin to unfold its effects in 2024. The expansion will also bring additional hiring in the near future, with a positive impact on local economies.



## Stakeholder Mapping

With the aim of shared and long-term value, Racing Force is committed to building and maintaining a solid and lasting relationship with all its stakeholders. A relationship based on dialogue and active involvement is an expression of the Group's responsibility towards the social context with which it interacts.

Through interaction and attention to stakeholder requests, Racing Force is able to understand their specific needs and priorities in order to anticipate their interests and expectations. In this regard, Racing Force has carried out an initial mapping exercise of the main stakeholder categories that influence or are influenced by the Group.

To carry out the stakeholder mapping and materiality analysis of the Group for the Sustainability Report 2022, a workshop was held involving some internal stakeholders of the Group, which has also expressed its willingness to involve a sample of external stakeholders to whom these activities will be submitted in subsequent years.

Starting with the stakeholder categories identified as relevant to the Group, during the workshop the stakeholders that influence and are most affected by Racing Force's business have been identified, as follows:



## Materiality Analysis

Materiality analysis is the fundamental process for identifying topics that reflect the organization's significant economic, environmental and social impact or that profoundly influence the assessments and decisions of its key stakeholders.

During 2022 for the purpose of identifying these so-called "material" topics to be reported within this document, a process of updating the materiality analysis was conducted, according to the requirements of GRI 2021.

For the purposes of the analysis, a list of potentially relevant impacts - identified by considering the characterizing aspects and activities of Racing Force, as well as the main trends and best practices in the sector - was put to the vote through the realization of a materiality workshop, which involved 25 employees, 9 from Racing Force S.p.A., 11 from Racing Force International and 5 from Racing Force USA.

Following this process, potentially relevant impacts were prioritized and aggregated to create the list of material topics to be included in the Sustainability Report 2022. The final result is reflected in the following list of material topics, which visually captures stakeholder expectations, Group objectives and priorities among the various material topics:

- Product quality and safety
- Research and innovation
- Workplace health and safety
- Employees training and well-being
- Employees management and retention
- Governance
- Brand identity
- Client satisfaction
- Business ethics and anti-corruption
- Compliance and risk management

- Responsible energy use
- Responsible supply chain
- Waste and recycling
- Diversity and inclusion
- Climate change and emissions reduction
- Local communities
- Responsible water use

The list of material topics includes the following areas of sustainability:

- Economic area;
- Social area;
- Environmental area.



## Materiality Analysis

The strategies, policies and instruments related to the above-mentioned material topics are reported in detail in this document.

| Material Topic                         | Positive Impacts   | Negative Impacts   | Group Involvement  |
|--|--|--|--|
| Business ethics and anti-corruption    | Ethical business management  | Anti-competitive practices                                   | Directly and indirectly related to the Group's activities through business relationships |
| Governance                             | Organizational efficiency and reliability                              | Lack of a Governance structure                               | Directly related to the group's activities   |
| Compliance and risk management         | Prompt reaction to industry risks                                      | Social, economic and environmental non-compliance            | Directly and indirectly related to the Group's activities Through business relationships |
| Brand identity                         | Creating shared value  | Loss of credibility  | Directly and indirectly related to the Group's activities                                |
| Research and innovation                | Increased investment in research and development                       | Risk of obsolescence   | Directly and indirectly related to the Group's activities Through business relationships |
| Product quality and safety             | High quality product   | Risk to product safety                                       | Directly and indirectly related to the Group's activities Through business relationships |
| Client satisfaction                    | Excellent customer relations   | Loss of customer data  | Directly and indirectly related to the Group's activities through business relationships |
| Employees management and retention     | Job creation   | Loss of professionals  | Directly related to the Group's activities   |
| Employees training and well-being      | Develop employee skills  | Lack of support for employees weell-being                    | Directly related to the Group's activities   |
| Diversity and inclusion                | Fairness in remuneration practices                                     | Discriminatory practices                                     | Directly related to the Group's activities   |
| Workplace health and safety            | Health and safety management   | Work-related accidents                                       | Directly related to the Group's activities   |
| Responsible supply chain               | Sustainable supply chain   | Human rights violations along the supply chain               | Directly and indirectly related to the Group's activities Through business relationships |
| Local communities                      | Contribution to the development of the local territory                 | Projects with a high level of risk for local communities     | Directly related to the Group's activities   |
| Climate change and emissions reduction | Focus on combating climate change                                      | Climate emissions  | Directly related to the Group's activities   |
| Responsible energy use                 | Renewable energy production  | Energy inefficiency  | Directly related to the Group's activities   |
| Responsible water use                  | Responsible water withdrawal   | Generation of water discharges due to the production process | Directly related to the Group's activities   |
| Waste and recycling                    | Recycling of waste and consumption of recycled and secondary materials | Generation of waste in the production process                | Directly related to the Group's activities   |



## Responsibility toward Employees

### Employees' Management

For Racing Force, the Team and its human resources are an indispensable and effective value for its evolution. For this reason, the Group adopts procedures and methods of selection, recruitment, training, and management marked by respect for the human values, rights and responsibilities of workers, encouraging their development and professional growth.

In line with the high level of specialization of the Group's activities, especially with regards to certain professional figures, it is essential to attract highly qualified resources. To achieve this goal, personnel selection and recruitment are carried out in compliance with international regulations in line with the Group's policies, in strict conformity with the criteria of transparency in the assessment of individual competence, capacity and potential.

Racing Force's human resource management follows the principles set forth in the Code of Ethics, such as integrity, dignity and equality, and the spirit of cooperation at all stages of the hiring process.

The organizational structure that has been created over the years includes a contact person for each department of the company, supervised by the CEO. Although it has grown in terms of personnel, Racing Force S.p.A. seeks to influence and maintain a family environment in all companies to ensure a peaceful atmosphere while working.

There are currently more than 500 employees in the Group's companies.

Each resource can contribute to the improvement of the companies' performance, and each is allowed to propose any changes and improvements.

Racing Force's workforce is largely female in several departments, such as embroidery, sewing, packaging, decals and graphic applications, as well as in other back-office functions such as commercial and administrative.

Every month, each business function is involved in meetings with Management to share the RFG companies' performance against the defined objectives. In addition, Management

relates with employees on a daily basis and is constantly present in the company.

All Racing Force's resources undergo regular training on the job that is not only cogent but also specific, useful for performing their duties or increasing their knowledge.

Management aims to make everyone feel part of this corporate family, giving them the opportunity to always acquire new knowledge, including through training courses, and to grow professionally within a well-established reality where everyone's contribution is considered essential to the company itself.

Detailed tables on staff data by location, gender, age, occupation are provided in the annexes.



## Talent Attraction and Selection

The Group considers of primary importance not only the wealth of experience that each employee brings, but also the coaching of new resources by existing staff according to the function to be filled. The selection of personnel is subject to the verification of the candidates' full compliance with the professional profiles required, while respecting equal opportunities for those concerned. The Parent Company influences, as far as possible, talent attraction and selection phases always in accordance with national labor law and requirements of each Group's companies.

Management, with the help of the various department heads, assigns the HR manager to open the selection process for staff recruitment, with the aim of filling any gaps in business management. Through an e-mail channel Racing Force collects applications, which can also be made independently of the open professional positions, into the database.

All the Group companies search suitable professional profiles also through the Group website and LinkedIn platform and the collaboration with private recruitment companies, for specific recruitment projects, possible temporary hires, and promotion for internships.

In particular Racing Force S.p.A., the Parent Company, participates in university career days organized by "Regione Liguria", the University of Genoa and the University of Pisa, where the local unit of Racing Force is located. The events represent a meeting between the company and candidates. The company also collaborates with agencies for the placement of disabled personnel, such as "Isfor coop Regione Liguria". Furthermore, starting from 2022, the parent company introduced internal recruiting for open positions for the employees already in force.



## Employees' Retention and Development

Attention to the individual's needs and his importance for the business continuity are fundamental characteristics of the Group's good performance. For this reason, the leadership team constantly works to ensure that there is constant protection for all employees and collaborators, as well as to allow them to receive the right valorization, training and, in general, adequate professional development. All this contributes to making the workplace a place where people can build and share their knowledge, increasing the value of the organization.

In addition to the professional development of its people and the protection of health and safety, Racing Force pays particular attention to the wellbeing of its employees, through projects and initiatives aimed at improving the internal environment, encourage the retention of talent, as well as the achievement of high-quality production standards, with a close attention to the working well-being of its employees.

Since 2018, RF S.p.A. has established flexible hours in the morning at the entrance, with the possibility of recovery of minutes at the exit in the evening. Attendance in the company is recorded by means of computerized badge procedure to be passed in special devices located at the three company entrances. Each function manager proceeds to compile monthly reports to be handed over to the HR manager at the end of each month to justify in the management system any anomalies or missed punches. Once attendance processing is finished, the HR manager interfaces with the labor consultant to prepare the payroll and then proceeds to enter the transfers.

Upon returning to the office after experimenting with working from home in the emergency period, the management decided to grant employees one day per week of smart working, regulated by individual contract. The project, which started on May 1st, 2022 and is still in force, has had a positive response. In order to ensure equal treatment for all staff, for those functions that cannot perform remote working, a project providing an additional form of working time elasticity started in 2022 and employees showed high appreciation and enthusiasm.

In 2022 the parent company also started working on additional Welfare projects, such as meal vouchers that have been granted to all the employees in the first months of 2023.



## Training Programs

Training and education plans in RFG are suitable to ensure staff professionalism and work continuity, particularly in the production and warehouse areas. During 2022, the ERP training continued to be the main focus, considering that in 2022 both Racing Force S.p.A. and Racing Force USA Inc. implemented the new systems, respectively in July and October.

| AVERAGE HOURS OF TRAINING <sup>2</sup> |       |      |       |      |       |      |
|--|-------|------|-------|------|-------|------|
| Occupational Classification            | GROUP |      |       |      |       |      |
|  | MEN   |      | WOMEN |      | TOTAL |      |
|  | 2021  | 2022 | 2021  | 2022 | 2021  | 2022 |
| Manager                                | 23    | 29   | 20    | 25   | 23    | 28   |
| White Collar                           | 32    | 26   | 23    | 10   | 28    | 18   |
| Blue Collar                            | 16    | 9    | 13    | 1    | 15    | 7    |
| Total                                  | 20    | 14   | 16    | 5    | 18    | 11   |

Employees in Italy, both in Ronco and in Pisa, receive constant training and a proper process to exchange information between the local unit and the main office has been implemented since the acquisition of Zeronoise.

The continuous updating of quality control procedures for the Parent Company, the need for greater accuracy in relation to established targets for the Group and customer expectations, requires adequate training to be provided also to the personnel of the quality and technical department.

As for the training for sales personnel, annual in-house courses are conducted by internal staff from the technical, product development, quality, and marketing departments to explain both technical and commercial aspects of new catalog products, provide sales force with in-depth product knowledge, and improve service.

As for the production personnel, specific technical training is provided in case of acquisition of new machinery and equipment, to ensure both proper implementation of production processes and safety and security measures.

<sup>2</sup> The calculation of the average number of training hours is made on the total number of Group employees.

Management takes part to dedicated training sessions to better understand product features and technical specifications (homologations in various competitions).

Following the adoption of the Organization and Control Model, pursuant to Italian Legislative Decree 231/01, the parent company implemented a training program for all the employees.

At the end of 2022 managers and executives attended an online training course, held by external consultants, and by the end of first quarter 2023 all the employees attended an online course and performed an online test.

The area managers of the Italian and foreign sales offices rotate their employees each year, checking their preparation through customer satisfaction feedbacks at meetings or trade shows.

With a view to continuous improvement through staff training and education, Racing Force S.p.A. collaborates with "Fondimpresa", allocating a portion of social security contributions to training activities, with the aim to keep its employees up to date, improve their skills and develop competitiveness.

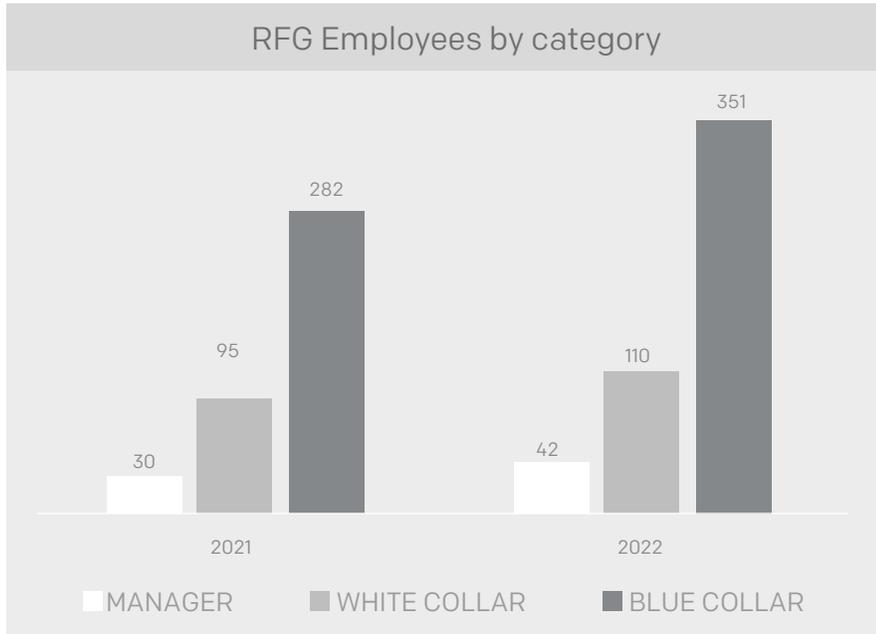
As regards safety at the workplace, new hired employees are provided with specific training by the RSPP in Italy and internally in the other subsidiaries, in accordance with local requirements.

In 2022, Bahrain started working on the "Employee Handbook", issued and adopted in early 2023. The document is a compilation of practices and procedures designated to introduce the employees to the Company and provide general guidelines on work rules, benefits and other issues related to the employment. Furthermore, the company increased training in terms of first aid.

The evaluation of the employees carried out by Racing Force S.p.A. is based on performance in terms of turnover, production, shipments and maintenance of contacts with dealers, suppliers and other stakeholders, revealing a constant and increasing efficiency of the personnel. Even if not reported within a formalized process of Performance Management, evaluations resulting from training and new job assignments are periodically expressed by department heads and reported directly to the HR manager and executives through periodic meetings. Careful evaluation is also given to key staff characteristics, such as competence, helpfulness, problem solving, cooperation and accuracy, to analyze the results and then intervene on critical aspects and enhance the strengths of the various departments.

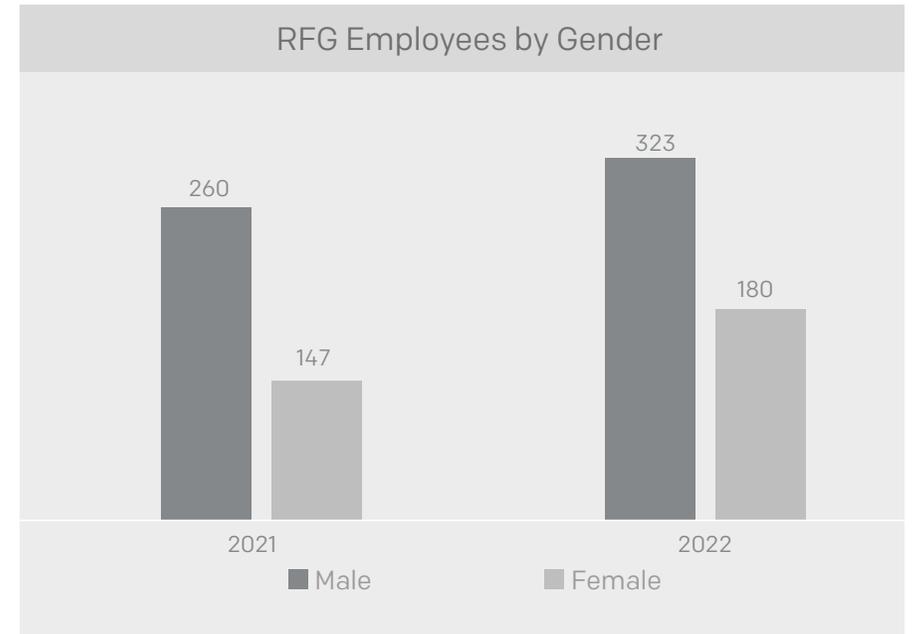


## Employees' Diversity and Inclusion



In addition to respecting the human values, rights and responsibilities of workers from a professional point of view, RF Group protects the value of the human person and does not allow any discriminatory conduct, nor any form of harassment and/or personal and/or sexual offense. To this end, Racing Force promotes, always, a work organization marked by respect for the personality and dignity of each individual and prevents the creation of situations of discomfort, hostility or intimidation. The Group also promotes the protection of individual freedom and expression, repudiating any activity that may involve any possible exploitation or reduction to a state of subjection of the person.

Racing Force is committed, therefore, to ensuring that in the work environment and in the exercise of business activities, no form of harassment or discrimination based on age, sex, sexual orientation, race, color, language, nationality, political and trade union opinions, religious beliefs, marital and family status, disability, genetic information or to other personal characteristics not related to work can find a place. Each Group company also guarantees the proper fulfillment of all regulatory requirements aimed at ensuring, on the part of the employer, the correct wage and contribution treatment of personnel, as well as lawful residence in the territory in the case of foreign employees.



## Health and Safety Culture

Racing Force Group is very careful to safety issues and is committed to protecting the moral and physical integrity of all its stakeholders.

Each Group company promotes and guarantees the health and safety at work of its employees in its offices, plants and, more generally, in all places where its personnel are called upon to carry out their work activities, preparing all the necessary and appropriate measures, in the light of the best technical-scientific knowledge, with a view to guaranteeing the absolute compliance of workplaces with the highest standards of safety and hygiene.

The Group is also committed to ensuring working conditions that respect individual dignity and safe and healthy working environments, including through the dissemination of a culture of safety and risk awareness, promoting responsible behavior by all, including through training activities, in compliance with company procedures and current accident prevention regulations.

The objective is to ensure compliance with the measures necessary to protect health and safety at work starting from the design phase of work processes and activities, putting in place actions aimed at improving occupational health and safety performance, identifying areas for improvement, and controlling and reducing substances harmful to the environment.

In full compliance with current regulations on prevention and protection in the workplace, all employees are ensured adequate information and training for full compliance with the rules and internal procedures adopted by each Group company. In this sense, each worker is required to promptly report any deficiencies or noncompliance with current regulations.

Every year, investments are made to improve the working environments and make them increasingly welcoming. In addition to the HR manager, safety issues in RF S.p.A. are overseen by the senior Managers of Finance and Accounting, Maintenance and Logistics.

In accordance with Italian laws, RF S.p.A. conduct medical examinations annually to confirm fitness for work, accompanied by all necessary examinations and stipulated in the health surveillance plan according to the relevant department. At least once a year, RF S.p.A. RSPG conducts a company-wide inspection, with the help of the company doctor and safety

personnel, during which potential critical issues are noted and any actions to be taken are highlighted. Also, once a year, an evacuation test involving the entire company is carried out, at the end of which the RSPG prepares a report addressed to all staff on the outcome, highlighting any critical issues and, if necessary, corrective activities.

In Bahrain, each department receives proper internal training and the factory is equipped with safety measures to prevent accidents and fires. Staff employed in production is provided with noise cancelling headsets, safety shoes, uniforms, mask and gloves, where required. An external maintenance company performs monthly checks over the factory. The maintenance team is trained to properly act in case of fire.

In the U.S., Racing Force USA contracted ADP as provider of human resources management software and services in order to provide support to all our U.S. based employees from payroll to workplace security. Every department head receives training on how to manage department and on how to be prepared in case of accidents and fires. Regular maintenance is done internally on a monthly basis with external support from cleaning crew and machinery/extinguishers experts.

No major accidents have been reported historically in Racing Force S.p.A. and the other subsidiaries.



## The Organizational Structure for Health and Safety

Regarding health and safety in the workplace, RF S.p.A. has adopted an organizational structure pursuant to the Italian Legislative Decree 81/2008, as amended and supplemented (the so-called 'Consolidated Safety Act'), with a view to eliminating or, where this is not possible, reducing to a minimum, the risks for workers.

In consideration of the role played, the Chairman of the Board of Directors/Managing Director and the Chief Operating Officer are recognized as Employers with reference to the company activities and the places where they are carried out, granting them full decision-making and management autonomy over the applicable company procedures.

Within the organizational structure on health and safety at work, the following subjects operate:

- No. 2 Employers (Chairman of the Board of Directors/Managing Director, with reference to the Company headquarters, located at Via Bazzano no. 5, Ronco Scrivia (GE) and all premises pertaining thereto; COO, with reference to the Local Unit, located at Via Canapiglia no. 15, Vecchiano (PI) and all premises pertaining thereto):
  - Prevention and Protection Service Manager (RSPP)
  - Competent Doctor
  - Supervisors
  - Workers' safety representative (RLS)
  - Safety control officers
  - First aid team members
  - Fire-fighting team members
  - Covid Committee
  - Green Pass control officers

The employers, each respectively for their own area of competence, are called upon to carry out and prepare the Risk Assessment Document ("DVR") as the company's organized formalization of the assessment of all risks to the health and safety of workers during the exercise of their respective activities and the appropriate measures for the prevention of



injuries and accidents through risk reduction.

The workplace health and safety compliance management system also provides for a control system on the maintenance over time of the conditions of suitability of the measures adopted, through the work of the Prevention and Protection Service.

The system also provides for the re-examination and possible modification of the solutions adopted when significant violations of the regulations concerning accident prevention are discovered, or when changes are made to the organization and activity in relation to scientific and technological progress (an activity carried out through the competent RSPP, in accordance with the provisions of Article 28 of Legislative Decree 81/2008 and on the occasion of the periodic meeting referred to in Article 35 of Legislative Decree 81/2008).

With regards to environmental matters, Racing Force S.p.A. has implemented controls and maintenance activities over time on the conditions of suitability of the measures adopted pursuant to Italian Legislative Decree 152/2006 and subsequent amendments and additions – environmental regulations – with a view to eliminating, or where this is not possible, minimizing risks to the environment as well as to the health of workers and the surrounding population.

The Company periodically verifies the application and effectiveness of the procedures in force on environmental matters also to modify the solutions adopted in the event of organizational changes or in relation to scientific and technological progress.

Also in Bahrain, RFI started to plan the appointment of an additional safety officer due to the increase in employees, to ensure proper controls and compliance to regulations.



## Value Chain Responsibility

Racing Force is strongly integrated in the territory in which it operates, for this reason it is very close to all stakeholders with whom it has relationships based exclusively on criteria of trust, quality, ethics, competitiveness, expertise, and respect for rules. RFG, in fact, establishes working relationships only with people who enjoy a good reputation, who are engaged in lawful activities and whose business ethics are comparable to that of the Company, checking in advance the information available on the subjects themselves.

Always in this direction, with the aim of giving added value to the link with the territory and local communities, RFG in Italy has promoted several initiatives of involvement and sponsorship aimed at raising awareness of its stakeholders:

- joining the so-called “Career Day” hosted by Genoa University and Pisa University, in order to find new human resources and gain insight into the labor market supply. Considering some risk aspects regarding this issue, especially to maintain the guarantee of interchangeability, continuity, and know-how, the management is very active in hiring young recent graduates;
- cooperating with high schools located in the nearby area (Genova, Ronco Scrivia and Novi Ligure) and offers temporary internships that are mandatory for students before graduation.

Racing Force Group aims at the maximum satisfaction of its customers by ensuring availability and timeliness of response to their needs, as well as quality in the products offered. Therefore, the selection of suppliers, collaborators and consultants is left to the relevant corporate functions that act based on objective and impartial criteria, based mainly on the assessment of reliability, quality, technical preparation, efficiency, and cost-effectiveness.

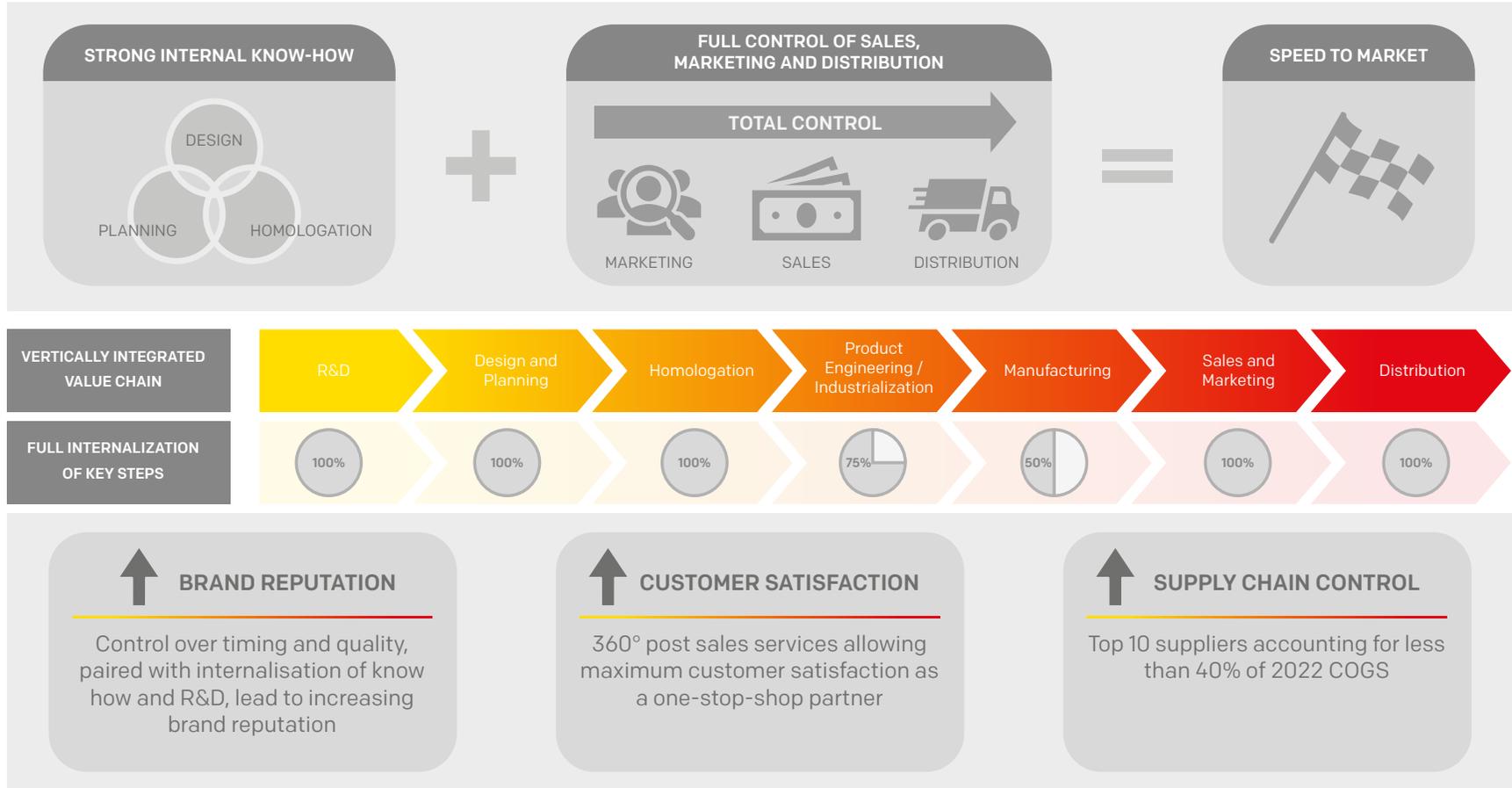
In the selection process, the following criteria are evaluated:

- objective assessment of the quality and ability of the supplier to ensure goods, services and performance of an appropriate level;
- verification of the duly documented availability of means, including financial, organized structure, technical knowledge, skills and resources in relation to the activity to be performed;
- verification of the professionalism of the interlocutor;
- compliance with current laws, regulations and ESG practices



## Value Chain Responsibility

Value chain: Activities overview



## Research and Innovation

### BRAND AWARENESS & RELIABILITY

Control over timing and quality, paired with internalization of know-how and R&D leading to brand awareness and reliability

Motorsport is a global industry that creates economic activity worldwide.

The environmental challenges include noise and environmental pollution from the use of fossil fuels. Many racing products use materials produced from the petroleum industry, and not biodegradable.

Although RFG's products are made from highly technical fibers and materials that meet regulatory requirements, RFG's policy is to identify every opportunity to reduce environmental impact.

Where possible, recycled fibers (inner layer of suits) or recyclable materials (e.g., packaging) are used, and managed in accordance with local laws.

The main goal of RFG, and the key factor of its success, is to be able to deliver products combining the highest level of both performance and safety at the same time.

Most RFG products are homologated under the main worldwide standards (FIA and SFI SNELL). The homologation process directly involves the product manufacturers into the discussion related with new or modified standards. For this purpose, FIA created a specific group of manufacturers which are involved into discussion for new or modified standard, called Industries Working Group (IWG).

Racing Force is an active member of IWG since it was created and is directly involved in all the motorsport safety improvements. During IWG meetings, data related to accidents are analyzed and possible product improvements are discussed. RFG makes prototypes and perform tests to develop new solutions and improvements. The whole process ends with a new or revised FIA standard becoming mandatory.

The innovative approach of the Group is testified even towards apparel products under the Racing Spirit brand, thanks to the use of graphene (carbon fiber composite), being this material a very effective heat conductor which allows thermal regulation. Furthermore, several other projects to increase sustainability in the production process of apparel clothing are ongoing: starting 2023 top-quality jackets will be entirely made out from recycled fabrics and from 2024 also t-shirts will be manufactured with recycled technical fabrics (recycled polyester). The future steps will concern further improvement on sustainable packaging, such as self-assembling glue-free organic cardboard.



## Product Quality and Safety

Through its products Racing Force Group helps people passionate about racing to carry out motorsport activities (for fun or hobby, as job or business), by trying to assure the highest level of safety. More than 70% of the products sold by the Group are in compliance with severe safety rules issued by FIA ("Federation International de l'Automobile"), which releases the referring homologations on each required product. Through the wide range of quality products, Racing Force is able to satisfy quite all safety needs in terms of driver and car equipment on one side and a full offer on the market for the development of dealer's business on the other side.

The aims to protect drivers from the risks connected with Motorsport (mainly related with crashes and fire) clearly shows the positive impact of RFG products on people's life.

Even if the products follow technical design prescription and international regulations, negative consequence for the driver can be caused by a wrong installation/use of it, although proper installation and correct use is a responsibility of the final customer.

RFG is working at its best to spread as much as possible the best practices to use its products in the proper way. This educational activity is made by several channels: a first mode is the direct communication to customer by social media; a second mode is training the dealers to a proper use of RFG products, in order to allow them to report best practices to the final customers; a third way is to support the organizations (ASN, FIA) to deliver an accurate and complete official communication to the drivers (for example: annual meeting with Italian ASN scrutineers, support to the issue of the periodical FIA SAFETY BULLETIN).

Racing Force S.p.A. has a quality system, certified in compliance with ISO 9001 2015, that defines internal guidelines, procedures, operating instructions and working instructions. These documents are implemented for all the company's areas: R&D, IT, Production, Quality, Commercial and are available for all the workers.

In the QC laboratory, the Company can replicate the homologation tests that are performed on significant quantity of each production. Minor and major noncompliance are managed with a strictly procedure to guarantee that the solution will be implemented in an efficient way.

Every time a minor or major noncompliance is found, a specific operating instruction is activated (10 10 of ISO 9001-2015 system). A specific person is identified as responsible of the problem management, the corrective actions are defined and agreed with the

supplier/production department, new technical requirements are issued (if needed) and quality control are updated (if required).

Once everything is fixed and solved, the noncompliance procedure is closed by the responsible party that makes evidence of the solution. Issues related to materials used in the production of goods are constantly monitored to improve productivity.



Product Quality and Safety



QC is a crucial activity also for the factory in Bahrain, since the production of helmets is completely managed internally. A dedicated team of QC is in force to ensure that control activities are executed at the highest level in each department and stage of the manufacturing process. Controls are performed first on the raw materials upon receiving; then, at each stage of semi-manufacturing (i.e. lamination, painting, polishing, etc.) and finally on the finished product before commercialization. Detailed reports are produced on a daily basis by each department and sent to the top management of the company to monitor and keep track of the controls performed. The factory in Bahrain also has an in-house test laboratory and tests a percentage of the final product to maintain a high-quality check on the final product.



Product Quality and Safety

DRIVER SAFETY EQUIPMENT



1996

25 YEARS R&D STUDIES

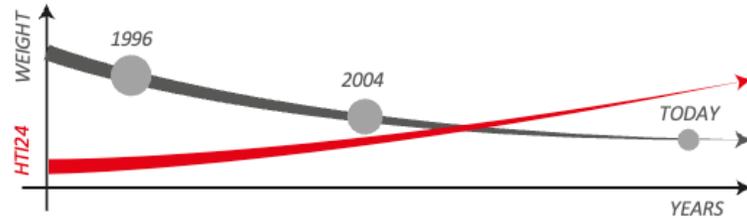


2004

HIGHEST FIA SAFETY STANDARDS



TODAY



**SAFETY**

+ FIRE PROTECTION  
HEAT TRANSMISSION:  
HTI24 11S → 12S

**INNOVATION**

WEIGHT - 55%  
(FROM 1.8KG TO 0.8KG)

**= PERFORMANCE**

CAR PARTS



POLYESTER

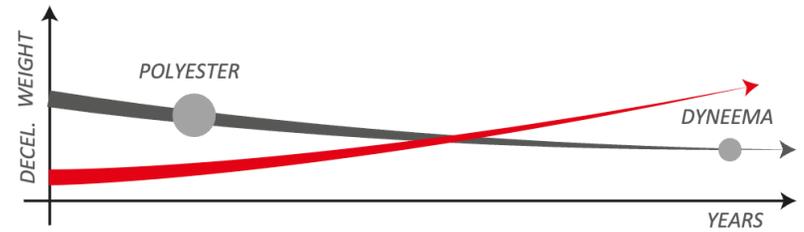
10 YEARS R&D STUDIES



**DYNEEMA**

WORLD'S STRONGEST FIBER

HIGHEST FIA SAFETY STANDARDS



**SAFETY**

+ RESISTANCE  
DECELERATION:  
32G → 50G

**INNOVATION**

WEIGHT -40%  
(FROM 0.85KG TO 0.5KG)  
15% MORE RESISTANT

**= PERFORMANCE**



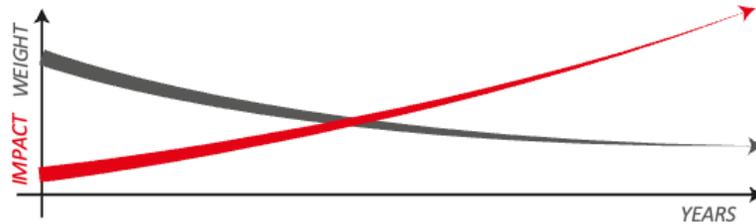
Product Quality and Safety

FULL FACE HELMETS (CIRCUIT)



INNOVATION SINCE 1954

THE CHOICE OF 70% F1 DRIVERS



**SAFETY**

IMPACT ABSORPTION +100%  
ENERGY MANAGEMENT  
ADVANCED BALLISTIC  
PROTECTION (ABP)

+

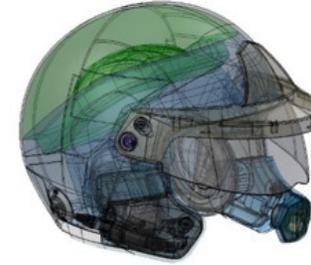
**INNOVATION**

WEIGHT & SIZE FITTING  
AIR VENTILATION  
AERODINAMIC OPTIMIZ.

=

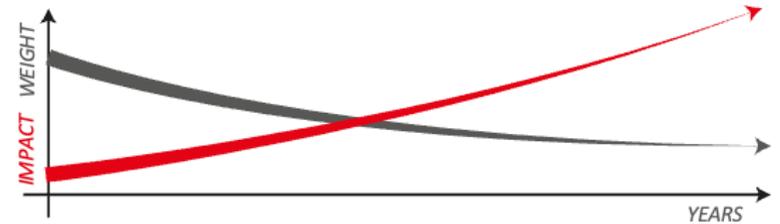
**PERFORMANCE**

OPEN FACE HELMETS (RALLY)



IN WRC SINCE 2021

HIGHEST FIA SAFETY STANDARDS



**SAFETY**

IMPACT ABSORPTION +100%  
ENERGY MANAGEMENT  
ADVANCED BALLISTIC  
PROTECTION (ABP)

+

**INNOVATION**

WEIGHT & SIZE FITTING  
AIR VENTILATION  
AERODINAMIC OPTIMIZ.

=

**PERFORMANCE**



AUDIO COMMUNICATION DEVICES



IN WRC SINCE 2021

FULL RANGE OF DIGITAL INTERCOM

PERFORMANCE

THE MOST EFFECTIVE NOISE  
CANCELLING ALGORITHM

THE MOST POWERFUL  
SOUND OUTPUT

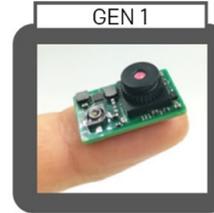
INDIVIDUAL FULL CUSTOM  
SETTINGS



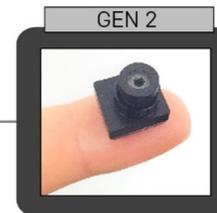
FULL PROFESSIONAL  
INTEGRATED  
COMMUNICATION SYSTEM



GEN 1



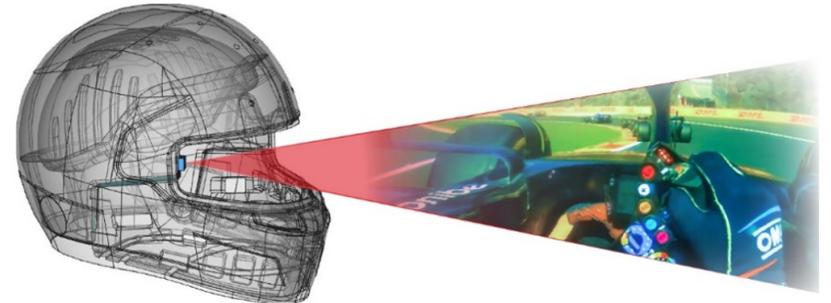
GEN 2



GEN 2.5

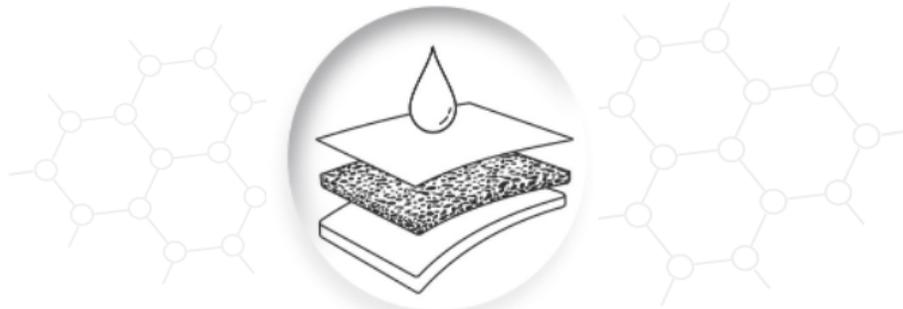


Driver's Eye™ is the  
Smallest micro camera in the world  
For live tv broadcasting (≈1.4gr, 9x9mm)



Driver's Eye™ is a patented technology (5 patents)  
that has been extended also to sports eyewear

**GRAPHENE**  
CARBON FIBER COMPOSITE



GRAPHITE SINGLE LAYER

CARBON HONEYCOMB SHEETS

PERFORMANCE

HEAT CONDUCTOR

THERMAL REGULATION

LIGHTWEIGHT

COMPRESSIBLE

LIFESTYLE



Andreas MIKKELSEN  
Skoda Motorsport driver



Mario ISOLA  
Pirelli Motorsport Director

PARTNERSHIPS



SKODA Motorsport



## Customer Satisfaction

### MAXIMUM CUSTOMER SATISFACTION

360° post sales services allowing maximum customer satisfaction as a one-stop-shop partner

The Group aims at maximizing customer satisfaction by ensuring availability and timeliness of response to their needs, as well as high quality of the products.

Racing Force's market can be divided into 3 main categories: dealers, teams and car manufacturers and other customers (including individual end-users). Therefore, thanks to a constant personal contact to those 3 categories in a direct or indirect way, Racing Force has quite an up-to-date vision of its products, in terms of safety, quality and satisfaction. Feedbacks coming from customers are an important element to push product development and to improve quality.

In order to prevent or mitigate potential negative impacts related to client satisfaction, Racing Force grants a strict quality control for products coming from external suppliers (batch or 100% checks, tests, drawing compliances etc.) as well as for products internally produced; furthermore, all customized products, based on specific customer's request, are double checked by production and Quality Control Department; a constant and fully available customer service with short responding time is also part of the process.

With reference to customer service continuous improvement, thanks to the ERP change in 2022, the US Company implemented a new procedure which allows RFU team to have advanced visibility of goods in transit from Italy and/or Bahrain to inform customers and speed up the process of receiving containers. Furthermore, the new ERP will help to improve the management of shipments, obtaining higher efficiency and a reduction of shipping costs. As a result, unnecessary shipments will be minimized, with a positive impact in terms of reduced environmental impact.



Racing Force is one of the main actors on the market, always up to date to the last stand of technological evolution. As the world and customers are becoming more and more conscious and sensitive about the materials used, Racing Force Group wants and needs to improve its sustainability accordingly. Minimizing the use of non-recyclable/non-sustainable products/components is one of the challenges of the future, which the Group is working on (starting from the package to fibers and other materials).

In 2022 RFG has not identified any noncompliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services or any complaints concerning breaches of customer privacy and losses of customer data.



## Environmental Responsibility

Sustainability principles are an integral part of the Group's business processes, with the goal of improving the environmental conditions of the community in which it operates.

Each company of the Group aims, therefore, at planning its activities by seeking a balance between economic initiative and the essential requirements of environmental protection, enhancing the activity of improving its performance in terms of energy saving and sustainable development, ensuring the proper application of the technologies used to contain the related environmental impacts. Research and technological innovation, therefore, are especially dedicated to the promotion of environmentally friendly activities and processes.

### Energy and Emissions (Responsible Energy use)

In accordance with the Group's strategic objectives, great attention has been paid to the collection and analysis of data on energy consumption. In this regard, to structure an increasingly reliable and up-to-date database, Racing Force has started since last year mapping and monitoring consumption and emission data, to be able to carry out an as-is analysis and gather ideas for improvement in order to make its impacts more efficient and reduce them.

The monitoring of historical data on consumption provides information on energy efficiency: if the Group knows how much energy is consumed by lighting, appliances and the air conditioning system, then consumption can be controlled or limited, energy can be saved, and environmental impact can be reduced.

For the Italian headquarters, energy consumption is mainly related to energy-efficient lighting and air conditioning used in offices.

With the aim of improving the energy efficiency of its production sites, the Group launched a number of initiatives in 2022, starting from the existing building in Ronco Scrivia, where the investments relating to the renovation of the roof, the cladding of the facades, as well as the installation of 230 kWp solar panels have already been completed in early 2023. The new photovoltaic plant will allow RF S.p.A. to produce up to 50% of its annual energy consumption. In addition, 80% of the self-produced energy will be used in the plant's operations and 20% will be fed back into the national electricity grid.

The main impact for the factory in Bahrain is related to the temperature control of the units, which accounts for about 75% of the total electricity used in the plant. Regarding air conditioners, weekly training of HODs and Supervisors on setting temperatures and their proper use by Production Management helps to set factory temperatures at an appropriate value, thereby limiting energy consumption. To mitigate AC and energy consumption, the Company in 2022 implemented Power Stations, set with consumption limits, aimed to control consumption and avoid reaching peaks, determined as per Government requirements. This allowed the Group to save energy, especially during non-working hours, and consequently save costs.

The appropriate automated control system manages all refrigeration units, in addition to the visual check of thermostat switches at the beginning and at the end of the work shift for verification even during non-working hours.

Furthermore, the Bahrain International Circuit (BIC), RFI's partner in the expansion project and owner of the factory building, has initiated several projects related to energy reduction. These include the construction of a Solar Farm, which already produces enough renewable energy to cover the circuit's needs for the F1 Grand Prix and will be expanded to meet all the BIC's energy requirements for 2023. In the past 12 months, analysis by BIC's solar partner IREC Energy shows that BIC's solar farm has produced 5.28 MW of clean energy, which, in addition to covering the F1 circuit's entire usage, has significant spare capacity, equivalent to offsetting 3,108 tons of carbon. This energy reduction program will reduce overall energy consumption by 30% by 2023, and RFI will purchase recycled clean energy to be used for production and plant operations.



## Environmental Responsibility

Solar panels are scheduled to be installed in the Bahrain plant, including the expansion of its second floor, by 2024.

Racing Force USA has a small office electricity usage, low consumption illumination and energy efficient climate control. The light bulbs used are ENERGY STAR certified energy-saving bulbs, which use 70-90% less energy than incandescent bulbs and are kept off when not strictly needed. The energy-efficient air conditioning system is programmed to regulate cooling, depending on whether the office is in use or not in use for long periods of time.

| ENERGY CONSUMPTION WITHIN THE ORGANIZATION <sup>3</sup>                  |                     |           |               |           |               |
|--|---------------------|-----------|---------------|-----------|---------------|
| GROUP  |                     |           |               |           |               |
| Type of fuel and uses  | Unit of measurement | 2021      |               | 2022      |               |
|  |                     | Total     | Total GJ      | Total     | Total GJ      |
| Natural Gas  | MC                  | 78.026    | 2.748         | 63.390    | 2.233         |
| Diesel (Automotive)  | l                   | 131.752   | 4.735         | 132.997   | 4.787         |
| Gasoline (Automotive)  | l                   | 1.182     | 37            | 1.264     | 40            |
| Electric energy purchased  | kWh                 | 2.120.417 | 7.634         | 2.454.327 | 8.836         |
| of which from renewable energy sources (certified with Origin Guarantee) | kWh                 | 287.142   | 1.034         | 357.387   | 1.287         |
| of which from non-renewable energy sources                               | kWh                 | 1.833.275 | 6.600         | 2.096.940 | 7.549         |
| <b>Total Energy Consumption</b>  |                     |           | <b>15.154</b> |           | <b>15.896</b> |

<sup>3</sup>The source National Inventory Report 2021 (NIR) was used to convert energy consumption into GJ.



## Climate Change and Emissions Reduction

As an importer and distributor, the biggest impact in terms of emissions is related to the transportation activities, which contribute to pollution. However, RFG only cooperates with leading logistics companies with business plans to mitigate and reduce Group's environmental footprint as much as possible. These suppliers, such as U-Line, Acorn East, Fedex, DHL and MSC Lines, have adopted policies and programs to reduce their environmental impact.

In the Bahrain factory, the manufacturing of helmets produces emissions coming from the painting process. Paint is applied using a sophisticated system involving heated nitrogen, reducing paint consumption and "overspray" compared to "conventional" systems using regular compressed air. To manage the negative impacts related to paint booths, RFG monitors their operation and properly replace the filters they are equipped with, mitigating the emissions of paint particles to the outdoor environment. Rules are also established between Production Management and the maintenance team for adjusting the paint booths so that the booths operate at their best. Also, sustainable materials are implemented in the production process, for example water-based glue.

Furthermore, 65% of Bahrain employees are coming to work by bus, contributing to reduce the use of cars and related emissions.

<sup>4</sup>The following sources were used for emission factors: DEFRA for Scope 1, TERNA for Scope 2 - Location Based, AIB and TERNA for Scope 2.

| DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG EMISSIONS <sup>4</sup> |                     |       |       |
|--|---------------------|-------|-------|
| Type of fuel and uses  | Unit of measurement | GROUP |       |
|  |                     | 2021  | 2022  |
| <b>SCOPE 1</b>   |                     |       |       |
| Natural Gas  | tCO2                | 158   | 128   |
| Diesel (Automotive)  | tCO2                | 331   | 340   |
| Gasoline (Automotive)  | tCO2                | 3     | 3     |
| <b>Total Scope 1</b>   | tCO2                | 491   | 471   |
| <b>SCOPE 2</b>   |                     |       |       |
| Electric Energy Purchased  | tCO2                | 750   | 866   |
| <b>Total Scope 2 Location based</b>                                | tCO2                | 750   | 866   |
| Electric energy purchased from non-renewable energy sources        | tCO2                | 659   | 753   |
| <b>Total Scope 2 Market based</b>                                  | tCO2                | 659   | 753   |
| <b>Total Scope 1 &amp; 2 - Location based</b>                      | tCO2                | 1.241 | 1.337 |
| <b>Total Scope 1 &amp; 2 - Market based</b>                        | tCO2                | 1.150 | 1.224 |



## Resources Management

### Responsible Water Use

As with the energy, monitoring water consumption history through bills provides information on water use: by knowing the amount of water consumed by offices & the irrigation system, the Group can control and limit this use to save more water and reduce environmental impact.

The Racing Force Group therefore promotes a responsible & conscious use of water resources, which are mainly intended for the hygienic & sanitary use of employees, as well as a limited use in the production process of some plants.

As far as the Italian site is concerned, since water has no impact on processing, the importance of water quality and availability is limited to sanitary use only and no negative impact is expected in the future.

To avoid wastage, staff have been made aware of responsible water consumption, which is taken from the public water supply network equipped with purifiers, used and discharged through the public sewage system.

In the Bahrain plant, in addition to the needs of the offices and canteen, water is consumed in production mainly for the foam injection process. In this process, it is needed to cool the molds and machines during a closed cycle in which the temperature of the water is reduced by cooling towers so that it can be reused. In addition, much of the water is consumed by the boiler that generates steam and some of this steam is recovered to reduce losses.

Racing Force USA has a reduced water consumption in its offices and pro-shops, in line with the working environment in which the company operates. Water is supplied by the various cities where RFG has a footprint and is discharged from municipal systems.

| WATER WITHDRAWAL BY SOURCE                       |                     |             |                         |             |                         |
|--|---------------------|-------------|-------------------------|-------------|-------------------------|
| Source   | Unit of measurement | GROUP       |                         |             |                         |
|  |                     | 2021        |                         | 2022        |                         |
|  |                     | All Areas   | Areas with water stress | All Areas   | Areas with water stress |
| Surface water                                    | Megaliters          | -           | -                       | -           | -                       |
| Ground water                                     | Megaliters          | -           | -                       | -           | -                       |
| Seawater   | Megaliters          | -           | -                       | -           | -                       |
| Produced water                                   | Megaliters          | -           | -                       | -           | -                       |
| Third-party water                                | Megaliters          | 0,58        | 6,54                    | 0,62        | 7,02                    |
| Freshwater (≤1,000 mg/L Total Dissolved Solids)  | Megaliters          | 0,58        | 1                       | 0,62        | 0,75                    |
| Other water (>1,000 mg/L Total Dissolved Solids) | Megaliters          | -           | 5,44                    | -           | 6,27                    |
| <b>Total Water withdrawal</b>                    | <b>Megaliters</b>   | <b>0,58</b> | <b>6,54</b>             | <b>0,62</b> | <b>7,02</b>             |



## Waste and Recycling

The Racing Force's focus on environmental protection and the responsible use of resources is also reflected in the management and reduction of waste resulting from the performance of its core business. The Group is committed to make its employees aware of reducing waste to a minimum.

Traceability and recycling of waste are the fundamental foundations for a successful short- and long-term waste reduction program of the Group. It all starts with collecting and analyzing information, designing and implementing plans, setting targets and monitoring results. At the same time, continuous communication and promotion are crucial to the success of the program.

As far as production waste is concerned, a division can be made between waste that can be reused and waste to be sent to landfill. In the specific case of fabric waste, this is divided by type and, where possible, sent to a specialized company for recycling and reprocessing into new fabric. The non-recyclable part, on the other hand, is delivered to the disposer for regular landfill disposal. As for waste from fire extinguishers, during the overhaul of fire extinguishers, the liquid that can no longer be used is recovered and delivered to the disposer for regular disposal in landfills. The same process applies to scrap metal, glass fiber, coal and various materials, which are handed over to the disposer for regular disposal in the landfill. In addition, separate contracts are concluded with companies for the disposal of special waste, such as toner, neon and batteries. This disposal process takes place through authorized disposers and involves the regular filling in of the required forms, as well as the annual issuing of the MUD reporting form.

With regard to the Italian headquarters, paper and plastic packaging is delivered in the special containers provided by the company AMIU, which manages waste collection for the municipality of Ronco Scrivia. In addition, through this company, the obligation of separate waste collection has been arranged as from January 2022, consequently all RF S.p.A. personnel have been informed and involved in this collection method. To this end, all offices, warehouse and common areas have been provided with specific bins for separate waste collection, distinguishing between paper, plastic, organic and undifferentiated waste. The cleaning company ensures that waste is correctly disposed of in the appropriate bins, which AMIU collects daily or weekly, depending on the type.

Bahrain does not yet have strict waste management regulations like those in place in Europe. However, RFI has agreements in place with waste operators, to collect and sort waste. Thanks to this collaboration, waste in Bahrain is managed by two different companies: the first one collects general waste and has a cost linked to the number of bins collected, while the second one handles the sorting and has a cost linked to the tons collected. In addition, in 2022 RFI signed an agreement with Crown Industries B.S.C., a Bahraini recycling pioneer group in charge of disposing of chemical waste generated from the production of helmets, in accordance with the standards set by the local Ministry of the Environment. Also in 2022, RFI significantly improved its plastic management procedures, achieving 100% plastic recycling in-house and purchasing 30% recycled plastic.

As an importer and distributor, RFU's impact is limited to the number of cardboard boxes needed for distribution. The subsidiary uses leading cardboard box suppliers, such as U-Line, Acorn East, Fedex and DHL, with policies, programs and business plans to mitigate and reduce environmental impact as much as possible. The majority of purchasing-related packaging is recycled for new shipments. The volume of remaining waste, generated mainly by office employees, is insignificant.

| Total Weight Of Waste Generated |                     |            |            |
|---------------------------------|---------------------|------------|------------|
| Waste composition               | Unit of measurement | GROUP      |            |
|                                 |                     | 2021       | 2022       |
| Hazardous                       | t                   | 2          | 2          |
| Non-hazardous                   | t                   | 311        | 431        |
| <b>Total</b>                    | <b>t</b>            | <b>333</b> | <b>433</b> |



## Annex

### Responsibility towards Employees

GRI 2-7 EMPLOYEES

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT (PERMANENT OR TEMPORARY), GENDER AND GEOGRAPHICAL AREA

| TYPE OF CONTRACT | ITALY      |            | BAHRAIN    |            | USA       |           | RFG        |            |
|------------------|------------|------------|------------|------------|-----------|-----------|------------|------------|
|                  | 2021       | 2022       | 2021       | 2022       | 2021      | 2022      | 2021       | 2022       |
| <b>PERMANENT</b> | <b>101</b> | <b>108</b> | <b>281</b> | <b>358</b> | <b>19</b> | <b>21</b> | <b>401</b> | <b>487</b> |
| TOTAL MALE       | 53         | 55         | 188        | 244        | 16        | 17        | 257        | 316        |
| TOTAL FEMALE     | 48         | 53         | 93         | 114        | 3         | 4         | 144        | 171        |
| <b>TEMPORARY</b> | <b>6</b>   | <b>16</b>  | <b>-</b>   | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>6</b>   | <b>16</b>  |
| MALE             | 3          | 7          | -          | -          | -         | -         | 3          | 7          |
| FEMALE           | 3          | 9          | -          | -          | -         | -         | 3          | 9          |
| <b>TOTAL</b>     | <b>107</b> | <b>124</b> | <b>281</b> | <b>358</b> | <b>19</b> | <b>21</b> | <b>407</b> | <b>503</b> |
| MALE             | 56         | 62         | 188        | 244        | 16        | 17        | 260        | 323        |
| FEMALE           | 51         | 62         | 93         | 114        | 3         | 3         | 147        | 180        |



## Annex

### Responsibility towards Employees

GRI 2-7 EMPLOYEES

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME OR PART-TIME), GENDER AND GEOGRAPHICAL AREA

| TYPE OF EMPLOYMENT | ITALY      |            | BAHRAIN    |            | USA       |           | RFG        |            |
|--------------------|------------|------------|------------|------------|-----------|-----------|------------|------------|
|                    | 2021       | 2022       | 2021       | 2022       | 2021      | 2022      | 2021       | 2022       |
| <b>FULL TIME</b>   | <b>92</b>  | <b>109</b> | <b>281</b> | <b>358</b> | <b>19</b> | <b>20</b> | <b>392</b> | <b>487</b> |
| TOTAL MALE         | 55         | 61         | 188        | 244        | 16        | 17        | 257        | 322        |
| TOTAL FEMALE       | 37         | 48         | 93         | 114        | 3         | 3         | 135        | 165        |
| <b>PART TIME</b>   | <b>15</b>  | <b>15</b>  | <b>-</b>   | <b>-</b>   | <b>-</b>  | <b>1</b>  | <b>15</b>  | <b>16</b>  |
| MALE               | 1          | 1          | -          | -          | -         | -         | 1          | 1          |
| FEMALE             | 14         | 14         | -          | -          | -         | 1         | 14         | 15         |
| <b>TOTAL</b>       | <b>107</b> | <b>124</b> | <b>281</b> | <b>358</b> | <b>19</b> | <b>21</b> | <b>407</b> | <b>503</b> |
| MALE               | 56         | 62         | 188        | 244        | 16        | 17        | 260        | 323        |
| FEMALE             | 51         | 62         | 93         | 114        | 3         | 4         | 147        | 180        |



## Responsibility towards Employees

GRI 2-8 Workers who are not employees

TOTAL NUMBER OF EXTERNAL WORKERS BY CONTRACTUAL RELATIONSHIP WITH THE ORGANIZATION AND GEOGRAPHICAL AREA

| TYPE OF CONTRACT    | ITALY    |          | BAHRAIN  |          | USA      |          | RFG      |          |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                     | 2021     | 2022     | 2021     | 2022     | 2021     | 2022     | 2021     | 2022     |
| INTERIM STAFF       | 2        | 2        | -        | -        | -        | -        | 2        | 2        |
| STAGE               | 6        | 3        | -        | -        | -        | -        | 6        | 3        |
| OTHER COLLABORATORS | 1        | 1        | -        | -        | -        | 2        | 1        | 3        |
| <b>TOTAL</b>        | <b>9</b> | <b>6</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>2</b> | <b>9</b> | <b>8</b> |



## Responsibility towards Employees

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

HIRINGS BY AGE GROUP, GENDER AND GEOGRAPHICAL AREA

|                      | ITALY    |           | BAHRAIN    |            | USA       |          | RFG        |            |
|----------------------|----------|-----------|------------|------------|-----------|----------|------------|------------|
|                      | 2021     | 2022      | 2021       | 2022       | 2021      | 2022     | 2021       | 2022       |
| <b>&lt; 30 YEARS</b> | <b>6</b> | <b>13</b> | <b>85</b>  | <b>81</b>  | <b>3</b>  | <b>2</b> | <b>94</b>  | <b>96</b>  |
| MALE                 | 4        | 8         | 70         | 58         | 2         | 1        | 76         | 67         |
| FEMALE               | 2        | 5         | 15         | 23         | 1         | 1        | 18         | 29         |
| <b>30-50 YEARS</b>   | <b>-</b> | <b>12</b> | <b>67</b>  | <b>40</b>  | <b>8</b>  | <b>1</b> | <b>75</b>  | <b>53</b>  |
| MALE                 | -        | 3         | 31         | 26         | 6         | 1        | 37         | 30         |
| FEMALE               | -        | 9         | 36         | 14         | 2         | -        | 38         | 23         |
| <b>&gt; 50 YEARS</b> | <b>-</b> | <b>-</b>  | <b>4</b>   | <b>1</b>   | <b>6</b>  | <b>-</b> | <b>10</b>  | <b>1</b>   |
| MALE                 | -        | -         | 3          | 1          | 5         | -        | 8          | 1          |
| FEMALE               | -        | -         | 1          | -          | 1         | -        | 2          | -          |
| <b>TOTAL HIRES</b>   | <b>6</b> | <b>25</b> | <b>156</b> | <b>122</b> | <b>17</b> | <b>3</b> | <b>179</b> | <b>150</b> |
| MALE                 | 4        | 11        | 104        | 85         | 13        | 2        | 121        | 98         |
| FEMALE               | 2        | 14        | 52         | 37         | 4         | 1        | 58         | 52         |



## Responsibility towards Employees

### INCOMING TURNOVER BY AGE GROUP, GENDER AND GEOGRAPHICAL AREA

|                      | ITALY      |            | BAHRAIN     |            | USA         |            | RFG         |            |
|----------------------|------------|------------|-------------|------------|-------------|------------|-------------|------------|
|                      | 2021       | 2022       | 2021        | 2022       | 2021        | 2022       | 2021        | 2022       |
| <b>&lt; 30 YEARS</b> | <b>30%</b> | <b>48%</b> | <b>131%</b> | <b>69%</b> | <b>100%</b> | <b>50%</b> | <b>107%</b> | <b>65%</b> |
| MALE                 | 36%        | 53%        | 140%        | 67%        | 100%        | 33%        | 121%        | 64%        |
| FEMALE               | 22%        | 42%        | 100%        | 74%        | 100%        | 100%       | 72%         | 66%        |
| <b>30-50 YEARS</b>   | <b>-</b>   | <b>17%</b> | <b>33%</b>  | <b>18%</b> | <b>80%</b>  | <b>8%</b>  | <b>27%</b>  | <b>17%</b> |
| MALE                 | -          | 8%         | 24%         | 18%        | 75%         | 11%        | 22%         | 16%        |
| FEMALE               | -          | 26%        | 48%         | 18%        | 100%        | -          | 36%         | 20%        |
| <b>&gt; 50 YEARS</b> | <b>-</b>   | <b>-</b>   | <b>31%</b>  | <b>7%</b>  | <b>100%</b> | <b>-</b>   | <b>24%</b>  | <b>2%</b>  |
| MALE                 | -          | -          | 30%         | 9%         | 83%         | -          | 32%         | 4%         |
| FEMALE               | -          | -          | 33%         | -          | -           | -          | 12%         | -          |
| <b>TOTAL</b>         | <b>6%</b>  | <b>20%</b> | <b>56%</b>  | <b>34%</b> | <b>89%</b>  | <b>14%</b> | <b>44%</b>  | <b>30%</b> |
| MALE                 | 7%         | 18%        | 55%         | 35%        | 81%         | 12%        | 47%         | 30%        |
| FEMALE               | 4%         | 23%        | 56%         | 32%        | 133%        | 25%        | 39%         | 29%        |



## Responsibility towards Employees

### TERMINATIONS BY AGE GROUP, GENDER AND GEOGRAPHICAL AREA

|                           | ITALY    |          | BAHRAIN   |           | USA      |          | RFG       |           |
|---------------------------|----------|----------|-----------|-----------|----------|----------|-----------|-----------|
|                           | 2021     | 2022     | 2021      | 2022      | 2021     | 2022     | 2021      | 2022      |
| <b>&lt; 30 YEARS</b>      | <b>3</b> | <b>2</b> | <b>42</b> | <b>29</b> | <b>-</b> | <b>-</b> | <b>45</b> | <b>32</b> |
| MALE                      | 3        | 3        | 32        | 22        | -        | -        | 35        | 25        |
| FEMALE                    | -        | -        | 10        | 7         | -        | -        | 10        | 7         |
| <b>30-50 YEARS</b>        | <b>-</b> | <b>4</b> | <b>25</b> | <b>16</b> | <b>2</b> | <b>-</b> | <b>27</b> | <b>20</b> |
| MALE                      | -        | 2        | 11        | 7         | 1        | -        | 12        | 9         |
| FEMALE                    | -        | 2        | 14        | 9         | 1        | -        | 15        | 11        |
| <b>&gt; 50 YEARS</b>      | <b>-</b> | <b>1</b> | <b>-</b>  | <b>-</b>  | <b>-</b> | <b>1</b> | <b>-</b>  | <b>2</b>  |
| MALE                      | -        | -        | -         | -         | -        | 1        | -         | 2         |
| FEMALE                    | -        | 1        | -         | -         | -        | -        | -         | 1         |
| <b>TOTAL TERMINATIONS</b> | <b>3</b> | <b>8</b> | <b>67</b> | <b>45</b> | <b>2</b> | <b>1</b> | <b>72</b> | <b>54</b> |
| MALE                      | 3        | 5        | 43        | 29        | 1        | 1        | 47        | 35        |
| FEMALE                    | -        | 3        | 24        | 16        | <b>1</b> | -        | 25        | 19        |



## Responsibility towards Employees

### OUTGOING TURNOVER BY AGE GROUP, GENDER AND GEOGRAPHICAL AREA

|                               | ITALY      |            | BAHRAIN    |            | USA        |            | RFG        |            |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                               | 2021       | 2022       | 2021       | 2022       | 2021       | 2022       | 2021       | 2022       |
| <b>&lt; 30 YEARS</b>          | <b>15%</b> | <b>11%</b> | <b>65%</b> | <b>25%</b> | -          | -          | <b>51%</b> | <b>22%</b> |
| MALE                          | 27%        | 20%        | 64%        | 26%        | -          | -          | 56%        | 24%        |
| FEMALE                        | -          | -          | 67%        | 23%        | -          | -          | 40%        | 16%        |
| <b>30-50 YEARS</b>            | -          | <b>6%</b>  | <b>12%</b> | <b>7%</b>  | <b>20%</b> | -          | <b>10%</b> | <b>6%</b>  |
| MALE                          | -          | 5%         | 9%         | 5%         | 13%        | -          | 7%         | 5%         |
| FEMALE                        | -          | 6%         | 19%        | 11%        | 50%        | -          | 14%        | 9%         |
| <b>&gt; 50 YEARS</b>          | -          | <b>4%</b>  | -          | -          | -          | <b>20%</b> | -          | <b>4%</b>  |
| MALE                          | -          | -          | -          | -          | -          | 20%        | -          | 4%         |
| FEMALE                        | -          | 6%         | -          | -          | -          | -          | -          | 5%         |
| <b>OUTGOING TURNOVER RATE</b> | <b>3%</b>  | <b>6%</b>  | <b>24%</b> | <b>13%</b> | <b>11%</b> | <b>5%</b>  | <b>18%</b> | <b>11%</b> |
| MALE                          | 5%         | 8%         | 23%        | 12%        | 6%         | 6%         | 18%        | 11%        |
| FEMALE                        | -          | 5%         | 26%        | 14%        | 33%        | -          | 17%        | 11%        |



## Responsibility towards Employees

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

|                     | ITALY     |           | BAHRAIN   |           | USA       |           | RFG       |           |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                     | 2021      | 2022      | 2021      | 2022      | 2021      | 2022      | 2021      | 2022      |
| <b>MANAGER</b>      | <b>58</b> | <b>51</b> | <b>19</b> | <b>13</b> | <b>8</b>  | <b>29</b> | <b>23</b> | <b>28</b> |
| MALE                | 54        | 60        | 22        | 14        | 9         | 15        | 23        | 29        |
| FEMALE              | 85        | 22        | 7         | 8         | 0         | 72        | 20        | 25        |
| <b>WHITE COLLAR</b> | <b>33</b> | <b>16</b> | <b>16</b> | <b>11</b> | <b>79</b> | <b>59</b> | <b>28</b> | <b>18</b> |
| MALE                | 41        | 25        | 18        | 13        | 83        | 68        | 32        | 26        |
| FEMALE              | 26        | 10        | 11        | 8         | 71        | 20        | 23        | 10        |
| <b>BLUE COLLAR</b>  | <b>13</b> | <b>8</b>  | <b>15</b> | <b>6</b>  | <b>28</b> | <b>32</b> | <b>15</b> | <b>7</b>  |
| MALE                | 20        | 10        | 15        | 9         | 0         | 32        | 16        | 9         |
| FEMALE              | 4         | 4         | 14        | 0         | 28        | 0         | 13        | 1         |
| <b>TOTAL</b>        | <b>33</b> | <b>24</b> | <b>15</b> | <b>7</b>  | <b>21</b> | <b>43</b> | <b>18</b> | <b>11</b> |
| TOTAL MALE          | 26        | 16        | 16        | 10        | 20        | 43        | 20        | 14        |
| TOTAL FEMALE        | 19        | 9         | 13        | 2         | 25        | 46        | 16        | 5         |



## Responsibility towards Employees

GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP AND GENDER

|                      | RFG      |             |          |             |
|----------------------|----------|-------------|----------|-------------|
|                      | 2021     |             | 2022     |             |
| <b>&lt; 30 YEARS</b> | -        | -           | -        | -           |
| MALE                 | -        | -           | -        | -           |
| FEMALE               | -        | -           | -        | -           |
| <b>30-50 YEARS</b>   | <b>3</b> | <b>43%</b>  | <b>3</b> | <b>43%</b>  |
| MALE                 | 2        | 67%         | 2        | 67%         |
| FEMALE               | 1        | 33%         | 1        | 33%         |
| <b>&gt; 50 YEARS</b> | <b>4</b> | <b>57%</b>  | <b>4</b> | <b>57%</b>  |
| MALE                 | 4        | 100%        | 4        | 100%        |
| FEMALE               | -        | -           | -        | -           |
| <b>TOTAL</b>         | <b>7</b> | <b>100%</b> | <b>7</b> | <b>100%</b> |
| TOTAL MALE           | 6        | 86%         | 6        | 86%         |
| TOTAL FEMALE         | 1        | 14%         | 1        | 14%         |



## Responsibility towards Employees

### EMPLOYEES BY EMPLOYEE CATEGORY, GENDER AND AGE GROUP

|                     | RFG        |            |            |            |            |             |            |            |            |            |            |             |
|---------------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|-------------|
|                     | 2021       |            |            |            |            |             | 2022       |            |            |            |            |             |
|                     | MALE       |            | FEMALE     |            | TOTAL      |             | MALE       |            | FEMALE     |            | TOTAL      |             |
| <b>MANAGER</b>      | <b>25</b>  | <b>10%</b> | <b>5</b>   | <b>3%</b>  | <b>30</b>  | <b>7%</b>   | <b>32</b>  | <b>10%</b> | <b>10</b>  | <b>6%</b>  | <b>42</b>  | <b>8%</b>   |
| < 30 YEARS          | 1          | 4%         | 1          | 20%        | 2          | 7%          | -          | -          | -          | -          | -          | -           |
| 30-50 YEARS         | 15         | 60%        | 3          | 60%        | 18         | 60%         | 23         | 72%        | 8          | 80%        | 31         | 74%         |
| >50 YEARS           | 9          | 36%        | 1          | 20%        | 10         | 33%         | 9          | 28%        | 2          | 20%        | 11         | 26%         |
| <b>WHITE COLLAR</b> | <b>50</b>  | <b>19%</b> | <b>45</b>  | <b>31%</b> | <b>95</b>  | <b>23%</b>  | <b>54</b>  | <b>17%</b> | <b>56</b>  | <b>31%</b> | <b>110</b> | <b>22%</b>  |
| < 30 YEARS          | 10         | 20%        | 11         | 24%        | 21         | 22%         | 19         | 35%        | 17         | 30%        | 36         | 33%         |
| 30-50 YEARS         | 36         | 72%        | 30         | 67%        | 66         | 69%         | 28         | 52%        | 33         | 59%        | 61         | 55%         |
| >50 YEARS           | 4          | 8%         | 4          | 9%         | 8          | 8%          | 7          | 13%        | 6          | 11%        | 13         | 12%         |
| <b>BLUE COLLAR</b>  | <b>185</b> | <b>71%</b> | <b>97</b>  | <b>66%</b> | <b>282</b> | <b>69%</b>  | <b>237</b> | <b>73%</b> | <b>114</b> | <b>63%</b> | <b>351</b> | <b>70%</b>  |
| < 30 YEARS          | 52         | 28%        | 13         | 13%        | 65         | 23%         | 85         | 36%        | 27         | 24%        | 112        | 32%         |
| 30-50 YEARS         | 121        | 65%        | 72         | 74%        | 193        | 68%         | 142        | 60%        | 76         | 67%        | 218        | 62%         |
| >50 YEARS           | 12         | 6%         | 12         | 12%        | 24         | 9%          | 10         | 4%         | 11         | 10%        | 21         | 6%          |
| <b>TOTAL</b>        | <b>260</b> | <b>64%</b> | <b>147</b> | <b>36%</b> | <b>407</b> | <b>100%</b> | <b>323</b> | <b>64%</b> | <b>180</b> | <b>36%</b> | <b>503</b> | <b>100%</b> |
| < 30 YEARS          | 63         | 24%        | 25         | 17%        | 88         | 22%         | 104        | 32%        | 44         | 24%        | 148        | 29%         |
| 30-50 YEARS         | 172        | 66%        | 105        | 71%        | 277        | 68%         | 193        | 60%        | 117        | 65%        | 310        | 62%         |
| >50 YEARS           | 25         | 10%        | 17         | 12%        | 42         | 10%         | 26         | 8%         | 19         | 11%        | 45         | 9%          |



## Responsibility towards Employees

FOLLOWING A REFINEMENT OF THE CALCULATION METHODOLOGY, THE 2021 QUANTITATIVE DATA RELATED TO THIS TABLE HAVE BEEN RESTATED.

| EMPLOYEES IN VULNERABLE CATEGORIES BY EMPLOYEE CATEGORY AND GENDER |      |      |        |     |       |      |      |      |        |     |       |      |
|--|------|------|--------|-----|-------|------|------|------|--------|-----|-------|------|
|  | 2021 |      |        |     |       |      | 2022 |      |        |     |       |      |
|  | MALE |      | FEMALE |     | TOTAL |      | MALE |      | FEMALE |     | TOTAL |      |
| EXECUTIVE  | -    | -    | -      | -   | -     | -    | -    | -    | -      | -   | -     | -    |
| MANAGER  | -    | -    | -      | -   | -     | -    | -    | -    | -      | -   | -     | -    |
| WHITE COLLAR   | -    | -    | 2      | 67% | 2     | 33%  | -    | -    | 2      | 67% | 2     | 33%  |
| BLUE COLLAR  | 3    | 100% | 1      | 33% | 4     | 67%  | 3    | 100% | 1      | 33% | 4     | 67%  |
| TOTAL  | 3    | 100% | 3      | 50% | 6     | 100% | 3    | 50%  | 3      | 50% | 6     | 100% |



## Environmental Responsibility

### GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

| ENERGY CONSUMPTION WITHIN THE ORGANIZATION                               |                     |              |              |               |               |            |            |               |               |
|--|---------------------|--------------|--------------|---------------|---------------|------------|------------|---------------|---------------|
| Type of fuel and uses  | Unit of measurement | ITALY        |              | BAHRAIN       |               | USA        |            | RFG           |               |
|  |                     | 2021         | 2022         | 2021          | 2022          | 2021       | 2022       | 2021          | 2022          |
| Natural Gas  | GJ                  | 2.748        | 2.233        | -             | -             | -          | -          | 2.748         | 2.233         |
| Diesel (Automotive)  | GJ                  | 530          | 572          | 4.204         | 4.215         | -          | -          | 4.735         | 4.787         |
| Gasoline (Automotive)  | GJ                  | -            | -            | -             | -             | 37         | 40         | 37            | 40            |
| Electric energy purchased  | GJ                  | 1.000        | 1.251        | 6.479         | 7.424         | 155        | 161        | 7.634         | 8.836         |
| of which from renewable energy sources (certified with Origin Guarantee) | GJ                  | 1.000        | 1.251        | -             | -             | 34         | 35         | 1.034         | 1.287         |
| of which from non-renewable energy sources                               | GJ                  | -            | -            | 6.479         | 7.424         | 121        | 125        | 6.600         | 7.549         |
| <b>Total</b>   | <b>GJ</b>           | <b>4.278</b> | <b>4.056</b> | <b>10.683</b> | <b>11.639</b> | <b>193</b> | <b>201</b> | <b>15.154</b> | <b>15.896</b> |



## Environmental Responsibility

GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS / GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

| DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG EMISSIONS       |                     |       |      |         |       |      |      |       |       |
|---|---------------------|-------|------|---------|-------|------|------|-------|-------|
| Type of Fuel and Uses                                       | Unit of measurement | ITALY |      | BAHRAIN |       | USA  |      | GROUP |       |
|   |                     | 2021  | 2022 | 2021    | 2022  | 2021 | 2022 | 2021  | 2022  |
| <b>SCOPE 1</b>  |                     |       |      |         |       |      |      |       |       |
| Natural Gas   | tCO2                | 158   | 128  | -       | -     | -    | -    | 158   | 128   |
| Diesel (Automotive)   | tCO2                | 37    | 41   | 294     | 300   | -    | -    | 331   | 340   |
| Gasoline (Automotive)                                       | tCO2                | -     | -    | -       | -     | 3    | 3    | 3     | 3     |
| <b>Total Scope 1</b>  | tCO2                | 195   | 168  | 294     | 300   | 3    | 3    | 491   | 471   |
| <b>SCOPE 2</b>  |                     |       |      |         |       |      |      |       |       |
| Electric Energy Purchased                                   | tCO2                | 87    | 109  | 646     | 740   | 16   | 17   | 750   | 866   |
| <b>Total Scope 2 Location based</b>                         | tCO2                | 87    | 109  | 646     | 740   | 16   | 17   | 750   | 866   |
| Electric energy purchased from non-renewable energy sources | tCO2                | -     | -    | 646     | 740   | 13   | 13   | 659   | 753   |
| <b>Total Scope 2 Market based</b>                           | tCO2                | -     | -    | 646     | 740   | 13   | 13   | 659   | 753   |
| <b>Total Scope 1 &amp; 2 - Location based</b>               | tCO2                | 282   | 278  | 940     | 1.040 | 19   | 19   | 1.241 | 1.337 |
| <b>Total Scope 1 &amp; 2 - Market based</b>                 | tCO2                | 195   | 168  | 940     | 1.040 | 15   | 16   | 1.150 | 1.224 |



## Environmental Responsibility

### GRI 303-3 WATER WITHDRAWAL

| WATER WITHDRAWAL BY SOURCE                             |                     |             |                         |           |                         |           |                         |             |                         |
|--|---------------------|-------------|-------------------------|-----------|-------------------------|-----------|-------------------------|-------------|-------------------------|
| 2021   |                     |             |                         |           |                         |           |                         |             |                         |
| Source   | Unit of measurement | ITALY       |                         | BAHRAIN   |                         | USA       |                         | GROUP       |                         |
|  |                     | All Areas   | Areas with water stress | All Areas | Areas with water stress | All Areas | Areas with water stress | All Areas   | Areas with water stress |
| Surface water  | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Ground water   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Seawater   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Produced water   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Third-party water                                      | Megaliters          | 0,58        | -                       | -         | 5,44                    | -         | 1,00                    | 0,58        | 6,44                    |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids) | Megaliters          | 0,58        | -                       | -         | -                       | -         | 1,00                    | 0,58        | 1                       |
| Other water ( $> 1,000$ mg/L Total Dissolved Solids)   | Megaliters          | -           | -                       | -         | 5,44                    | -         | -                       | -           | 5,44                    |
| <b>Total Water withdrawal</b>                          | <b>Megaliters</b>   | <b>0,58</b> | <b>-</b>                | <b>-</b>  | <b>5,44</b>             | <b>-</b>  | <b>1,00</b>             | <b>0,58</b> | <b>6,44</b>             |
| 2022   |                     |             |                         |           |                         |           |                         |             |                         |
| Surface water  | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Ground water   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Seawater   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Produced water   | Megaliters          | -           | -                       | -         | -                       | -         | -                       | -           | -                       |
| Third-party water                                      | Megaliters          | 0,62        | -                       | -         | 6,27                    | -         | 0,75                    | 0,62        | 7,02                    |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids) | Megaliters          | 0,62        | -                       | -         | -                       | -         | 0,75                    | 0,62        | 0,62                    |
| Other water ( $> 1,000$ mg/L Total Dissolved Solids)   | Megaliters          | -           | -                       | -         | 6,27                    | -         | -                       | -           | 6,27                    |
| <b>Total Water withdrawal</b>                          | <b>Megaliters</b>   | <b>0,62</b> | <b>-</b>                | <b>-</b>  | <b>6,27</b>             | <b>-</b>  | <b>0,75</b>             | <b>0,62</b> | <b>7,02</b>             |



Environmental responsibility

GRI 306-3 WASTE GENERATED

| Total Weight of Waste Generated |                     |           |           |            |            |          |           |            |            |
|---------------------------------|---------------------|-----------|-----------|------------|------------|----------|-----------|------------|------------|
| Waste Composition               | Unit of Measurement | ITALY     |           | BAHRAIN    |            | USA      |           | GROUP      |            |
|                                 |                     | 2021      | 2022      | 2021       | 2022       | 2021     | 2022      | 2021       | 2022       |
| Hazardous                       | t                   | 2         | 2         | -          | -          | -        | -         | 2          | 2          |
| Non-hazardous                   | t                   | 11        | 12        | 320        | 380        | -        | 39        | 331        | 431        |
| <b>Total</b>                    | <b>t</b>            | <b>13</b> | <b>14</b> | <b>320</b> | <b>380</b> | <b>-</b> | <b>39</b> | <b>333</b> | <b>433</b> |



## GRI Content Index

| GRI STANDARD                            | DISCLOSURE   | LOCATION  | NOTE |
|---|--|---|------|
| <b>GENERAL DISCLOSURES</b>              |  |   |      |
| GRI 2: General Disclosures (2021)       | 2-1 Organizational details   | 4   |      |
|   | 2-2 Entities included in the organization's sustainability reporting             | 4   |      |
|   | 2-3 Reporting period, frequency and contact point                                | 4   |      |
|   | 2-4 Restatements of information  | 4   |      |
|   | 2-5 External Assurance   | This report is not subject to external assurance                                      |      |
|   | 2-6 Activities, value chain and other business relationships                     | 8 - 11  |      |
|   | 2-7 Employees  | 48  |      |
|   | 2-8 Workers who are not employees  | 49  |      |
|   | 2-9 Governance structure and composition   | 13  |      |
|   | 2-12 Role of the highest governance body in overseeing the management of impacts | 13  |      |
|   | 2-22 Statement on sustainable development strategy                               | 3   |      |
|   | 2-23 Policy commitments  | 14 - 16   |      |
|   | 2-25 Processes to remediate negative impacts                                     | 18 - 21   |      |
|   | 2-26 Mechanisms for seeking advice and raising concerns                          | 4   |      |
|   | 2-27 Compliance with laws and regulations  | During 2022, there were no instances of non-compliance with ESG laws and regulations. |      |
| 2-29 Approach to stakeholder engagement | 23 - 25  |   |      |
| <b>MATERIAL TOPICS</b>                  |  |   |      |
| GRI 3: Material Topics (2021)           | 3-1 Process to determine material topics   | 24 - 25   |      |
|   | 3-2 List of material topics  | 24 - 25   |      |

| GRI STANDARD                              | DISCLOSURE  | LOCATION   | NOTE |
|---|---|--|------|
| <b>BUSINESS ETHICS AND ANTICORRUPTION</b> |   |  |      |
| GRI 3: Material Topics (2021)             | 3-3 Management of material topics   | 14 - 17  |      |
| GRI 205: Anticorruption (2016)            | 205-3 Confirmed incidents of corruption and actions taken                             | During 2022, there were no proven incidents of corruption.   |      |
| GRI 206: Anti-competitive behavior (2016) | 206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | During 2022, no legal action was taken for anti-competitive behaviour, antitrust and monopolistic practices. |      |
| <b>RESPONSIBLE ENERGY USE</b>             |   |  |      |
| GRI 3: Material Topics (2021)             | 3-3 Management of material topics   | 42 - 44  |      |
| GRI 302: Energy (2016)                    | 302-1 Energy consumption within the organization                                      | 58   |      |
| <b>RESPONSIBLE WATER USE</b>              |   |  |      |
| GRI 3: Material Topics (2021)             | 3-3 Management of material topics   | 45   |      |
| GRI 303: Water and Effluents (2018)       | 303-1 Interaction with water as a shared resource                                     | 45   |      |
|   | 303-3 Water withdrawal  | 60   |      |



## GRI Content Index

| GRI STANDARD                                  | DISCLOSURE   | LOCATION | NOTE |
|---|--|----------|------|
| <b>CLIMATE CHANGE AND EMISSIONS REDUCTION</b> |  |          |      |
| GRI 3: Material Topics (2021)                 | 3-3 Management of material topics                            | 42 - 44  |      |
| GRI 305: Emissions (2016)                     | 305-1 Direct (Scope 1) GHG emissions                         | 59       |      |
|   | 305-2 Energy indirect (Scope 2) GHG emissions                | 59       |      |
| <b>WASTE AND RECYCLING</b>                    |  |          |      |
| GRI 3: Material Topics (2021)                 | 3-3 Management of material topics                            | 46       |      |
| GRI 306: Waste (2020)                         | 306-1 Waste generation and significant waste-related impacts | 46       |      |
|   | 306-2 Management of significant waste-related impacts        | 46       |      |
|   | 306-3 Waste generated  | 61       |      |
| <b>EMPLOYEES MANAGEMENT AND RETENTION</b>     |  |          |      |
| GRI 3: Material Topics (2021)                 | 3-3 Management of material topics                            | 26 - 27  |      |
| GRI 401: Employment (2016)                    | 401-1 New employee hires and employee turnover               | 50 - 53  |      |
| <b>EMPLOYEES TRAINING AND WELL-BEING</b>      |  |          |      |
| GRI 3: Material Topics (2021)                 | 3-3 Management of material topics                            | 28       |      |
| GRI 404: Training and education (2016)        | 404-1 Average hours of training per year per employee        | 54       |      |

| GRI STANDARD                                    | DISCLOSURE  | LOCATION  | NOTE |
|---|---|---|------|
| <b>WORKPLACE HEALTH AND SAFETY</b>              |   |   |      |
| GRI 3: Material Topics (2021)                   | 3-3 Management of material topics   | 30 - 31   |      |
| GRI 403: Occupational Health and Safety (2018)  | 403-1 Occupational health and safety management system  | 30 - 31   |      |
|   | 403-5 Worker training on occupational health and safety   | 30 - 31   |      |
|   | 403-6 Promotion of worker health  | 30 - 31   |      |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 30 - 31   |      |
|   | 403-9 Work-related injuries   | No workplace accidents occurred during 2022.  |      |
| <b>DIVERSITY AND INCLUSION</b>                  |   |   |      |
| GRI 3: Material Topics (2021)                   | 3-3 Management of material topics   | 29  |      |
| GRI 405: Diversity and Equal Opportunity (2016) | 405-1 Diversity of governance bodies and employees  | 55-57   |      |
| GRI 406: Non-discrimination (2016)              | 406-1 Incidents of discrimination and corrective actions taken  | During 2022, there were no proven incidents of discrimination.  |      |
| <b>PRODUCT QUALITY AND SAFETY</b>               |   |   |      |
| GRI 3: Material Topics (2021)                   | 3-3 Management of material topics   | 35 - 40   |      |
| GRI 416: Customer Health and Safety (2016)      | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services                 | During 2022, there were no instances of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services. |      |



## GRI Content Index

| GRI STANDARD                          | DISCLOSURE                        | LOCATION | NOTE |
|---------------------------------------|-----------------------------------|----------|------|
| <b>GOVERNANCE</b>                     |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 13       |      |
| <b>COMPLIANCE AND RISK MANAGEMENT</b> |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 34       |      |
| <b>RESPONSIBLE SUPPLY CHAIN</b>       |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 32 - 33  |      |
| <b>LOCAL COMMUNITIES</b>              |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 22       |      |
| <b>RESEARCH AND INNOVATION</b>        |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 34       |      |
| <b>CLIENT SATISFACTION</b>            |                                   |          |      |
| GRI 3: Material Topics (2021)         | 3-3 Management of material topics | 41       |      |



