Sustainability Report 2024
Kab-lem S.p.A

Rev.2 – 18/07/2025

INDICE

Letter to Stakeholders

Dear Stakeholders,

In a rapidly changing world, mobility is no longer just a means of getting from one place to another—it has become a driver of social, environmental, and cultural transformation. In this landscape of global challenges and extraordinary opportunities, our commitment is clear: to lead the change toward a more sustainable, ethical, and inclusive future.

The automotive sector is experiencing one of the most profound revolutions in its history. Electrification, digitalization, and evolving consumption models are prompting us to rethink every aspect of our work. On this journey, we do not simply follow change; we aim to actively drive it. We do so by placing technological innovation, environmental stewardship, and the centrality of people at the heart of everything we do.

Over the past year, we have made significant strides in our sustainability journey, reinforcing our commitment to integrating ESG principles into our corporate strategies. Our goal is to reduce the environmental impact of our activities and foster a more inclusive industry by valuing diversity and promoting a culture grounded in equity and collaboration. This sustainability report is not just a document—it is a tangible demonstration of our responsibility toward the planet, toward people, and toward future generations

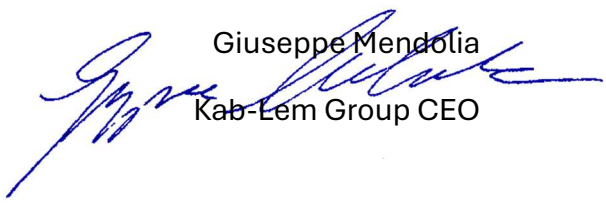
Every figure, every action, every outcome reflects our way of doing business: transparently, courageously, and with a long-term perspective.

Above all, this is a commitment we pursue together. No change is possible without the contribution of those who accompany us every day: employees, customers, suppliers, partners, institutions, and communities.

To all of you, we extend our sincere gratitude and invite you to continue walking with us along this path of responsible transformation.

The future of mobility has already begun. And we want to build it, step by step, together with you.

With respect,



Giuseppe Mendolia

Kab-Lem Group CEO

Our Company

Company Profile and History

Kab-lem is an Italian family-owned company with over forty years of experience in the design and production of wiring harnesses for the automotive sector. Founded in 1980 and headquartered in Cambiano (TO), the company has built a solid and flexible industrial model, capable of combining quality, innovation, and international competitiveness.

The core business of Kab-lem is structured around three main product lines:

- **Lighting**: wiring harnesses for front and rear lights, experiencing strong growth thanks to technological advancements in the sector.
- **Seating**: wiring harnesses for seats, developed in close collaboration with leading Tier 1 suppliers.
- **HVAC**: wiring harnesses for climate control systems, used in numerous vehicle models.

Kab-lem operates through an integrated and international production model, with facilities in Italy, Romania, Moldova, and Tunisia. Each site is specialized in specific phases of the production process, ensuring efficiency, quality, and flexibility. The company stands out for a total quality-oriented approach, supported by international certifications (IATF 16949, ISO 14001) and a rigorous quality control system.

Kab-lem's business model is based on:

- Strategic partnerships with leading automotive clients
- Expansion into low-cost countries to ensure competitiveness
- Design support through consolidated know-how
- Process innovation to improve efficiency and sustainability

Kab-lem was founded in 1980 as a manufacturer of wiring harnesses for the automotive sector. Over the years, the company has successfully evolved from a local business into an international industrial group while maintaining its strong family identity.

📍1980 – Company founded in Cambiano (TO), initially focused on the production of wiring harnesses for the automotive sector.

📍1990 – Transfer of production and commercial activities to the current Cambiano facility.

📍1996–2005 – Achievement of the first quality certifications (ISO 9002, QS 9000, ISO/TS 16949), confirming the commitment to manufacturing excellence.

📍2002–2010 – International expansion with the opening of facilities in Romania and Moldova, and the start of partnership operations with plants in Tunisia.

📍2012 – The Sammaruca family acquires 100% of the company shares, strengthening family governance.

📍2013–2018 – Kab-lem becomes a joint-stock company (S.p.A.) and consolidates ownership of its foreign facilities. Kab-lem Tunisia S.a.r.l. is established, and the group obtains IATF 16949 certification.

📍2022 – Achievement of the ISO 14001:2015 environmental certification.

📍2023 – Kab-lem reaches approximately 2,000 employees and a turnover of €73 million, establishing itself as an international player in the automotive wiring harness sector.

Vision, Mission, and Values

Mission

Driving the future of mobility through innovation, sustainability, and responsible leadership, offering cutting-edge, reliable automotive wiring solutions tailored to our customers' needs.

Vision

Shaping a more ethical, inclusive, and sustainable automotive world through clean technologies and innovative wiring solutions, supporting communities, and creating shared value with our customers and partners.

Values

- **Innovation:** We continuously push the boundaries of technology to deliver increasingly efficient and cutting-edge wiring solutions.
- **Sustainability:** We develop eco-friendly solutions to reduce the environmental impact across the entire production chain.
- **Inclusivity:** We promote diversity and equitable access to all opportunities, both within and beyond the company.
- **Responsibility:** We act with integrity, putting people, customers, and the planet at the centre of everything we do.
- **Customer Focus:** We listen to and anticipate our customers' needs to build lasting relationships of trust.

ESRS 2 – General Information

Reporting Criteria

BP-1 – General Principles for the Preparation of the Sustainability Report

This document represents the first Sustainability Report prepared by Kab-lem S.p.A. and marks the formal start of a structured ESG reporting process. The Report has been prepared on a voluntary and individual basis, with the objective of progressively aligning with the principles and requirements set out by the European Sustainability Reporting Standards (ESRS), introduced by Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD), transposed into Italian law through Legislative Decree 125/2023.

For this first reporting period, a simplified version of the materiality analysis has been adopted, in line with a gradual approach to aligning with the ESRS standards. The simplifications made compared to the more comprehensive and detailed double materiality analysis are described in the "Management of Material Topics" chapter, paragraph IRO-1.

The decision to adopt, from the outset, an approach consistent with the ESRS framework, even in a simplified form, reflects Kab-lem S.p.A.'s commitment to laying the foundations for increasingly robust reporting, compliant with the emerging new European regulatory framework.

The reporting scope coincides with the Italian perimeter of the Group, referring specifically to activities carried out in Italy at the headquarters in Cambiano.

The information presented in the Environmental (E), Social (S), and Governance (G) sections has been selected based on the results of the materiality analysis, considering aspects that are relevant to the company and its stakeholders.

Finally, the sources of information, calculation criteria, and any methodological assumptions used are explicitly reported within the respective thematic sections or metric tables, to ensure transparency, traceability, and consistency of the data presented.

BP-2 – Information Related to Specific Circumstances

Time Horizons

Kab-lem S.p.A. adopts a classification of time horizons consistent with its business model and strategic planning logic. The time horizons are defined as follows:

- Short term: less than 1 year
- Medium term: between 1 and 3 years
- Long term: more than 3 years

These definitions are applied across the company for setting ESG objectives and preparing the Sustainability Plan, which is discussed in detail in the Strategy Chapter, paragraph SBM-1.

Estimates Used and Related Degrees of Uncertainty

In the sustainability reporting process, Kab-lem S.p.A. relied on reasonable estimates and assumptions in cases where primary, complete, or up-to-date data were not available. This approach was especially necessary for the quantification of certain environmental-related information.

The estimates were developed through:
• Application of recognized standard emission factors (e.g., AIB, DEFRA, ISPRA, Ecoinvent);
• Extrapolations based on partial or aggregated data.

Where estimates were used, the underlying assumptions are detailed within the specific sections of the Report, including the sources, the calculation method applied, and the related limitations. If a particular data point is unavailable, this circumstance is clearly indicated in the relevant section.

Disclosure of Future Calculation Methodologies

The year 2024 marks the formal start of Kab-lem S.p.A.'s sustainability reporting journey. Although the company is not currently subject to the obligation to publish a Sustainability Report, this first report has been structured in line with the principles and logic of the ESRS.

In the absence of regulatory requirements, Kab-lem has chosen to proactively adopt certain methodological elements envisaged by the European standards, with the aim of gradually building a robust, transparent reporting system that aligns progressively with future regulatory requirements.

Any future changes to the methodologies or reporting approach, driven by the evolution of the regulatory and technical context, will be duly communicated in subsequent reports, clearly highlighting the impacts on intertemporal comparisons.

Governance

GOV-1 – The Role of Governance, Management, and Oversight Bodies

Governance Structure

Kab-lem's governance is based on a traditional family-run model, complemented by managerial figures with specialized expertise. This structure allows the company to maintain a coherent strategic vision and agile decision-making, in line with the needs of a highly competitive sector such as automotive wiring.

Corporate governance is entrusted to the Board of Directors of the Kab-lem Group, composed of:

• Sammaruca S. – Chair
• Sammaruca A. – Director
• Sammaruca R. – Director
• Mendolia G. – CEO

The presence of the founding family on the Board ensures continuity in the entrepreneurial vision and stability in management, while the CEO, Mendolia G., serves as the link between strategic governance and operational management.

General Management and Italian Leadership

Within the Italian perimeter, operational management is entrusted to the General Manager, currently Mendolia G., who coordinates the main company functions through a team of specialized managers:

- COO – Zanno F.
- R&D – Russo F.
- Sales & Project Management – Bobbo A.
- Management Control – Russo G.
- Human Resources – Coppola R.
- Quality – Ienco F.
- General Services & Maintenance – Baiardo D.

At the production level, management of the Italian plant is entrusted to Ienco P., as Supply Chain Director & Italy Plant Manager, overseeing the following operational functions:

- Supply Chain – Roso I.
- Production – Petullo A.
- Logistics – Mazzarella S.
- Procurement – Roso I.

This structure enables integrated and synergistic management of production, logistics, and procurement activities, ensuring efficiency and quality throughout the entire value chain.

Strategic Oversight and Sustainability

During 2025, Kab-lem initiated a process to strengthen its ESG governance in line with evolving European regulations. The Italian management team was actively involved in defining strategic priorities and structuring the first Sustainability Report, contributing to the identification of material topics. The company is committed to progressively formalizing its sustainability approach, including the introduction of dedicated monitoring and control tools, with the objective of integrating ESG principles into decision-making and operational processes.

GOV-2 – Information Provided to Governance, Management, and Oversight Bodies and the Sustainability Issues They Address

During 2025, Kab-lem has not yet implemented a formalized process for systematically communicating sustainability topics to the company's administrative, management, and supervisory bodies. However, the Italian Management team, including the General Manager and the function heads, has been promptly involved and informed about the results of the materiality analysis, as well as in the definition of the Sustainability Plan and ESG objectives.

GOV-3 – Integration of Sustainability Performance into Incentive Systems

During the reporting period, Kab-lem has not implemented structured sustainability-linked incentive programs. No incentive mechanisms are currently in place for other business areas, nor are there any bonuses tied to environmental, social, or governance performance. The company reserves the right to consider, in the future, the introduction of incentive systems aligned with ESG objectives.

GOV-4 – Statement on the Duty of Care

Kab-lem has not yet implemented a structured sustainability due diligence system. Currently, there are no formalized or systematic procedures for identifying, preventing, or mitigating potential or actual negative impacts along the value chain.

However, the company recognizes the importance of developing a more structured approach to ESG risk management and is committed to progressively strengthening its oversight tools, also in view of evolving European regulations.

GOV-5 – Risk Management and Internal Controls over Sustainability Reporting

Unlike in the past, Kab-lem has already taken an important step in strengthening its ESG governance by appointing a dedicated ESG Manager: Giuseppe Mendolia.

The ESG Manager is responsible for:

- Coordinating the preparation of the Sustainability Report;
- Overseeing the development and implementation of the Sustainability Plan;
- Facilitating dialogue between company functions and top management;
- Monitoring regulatory developments and ensuring alignment with ESRS requirements.

Although a formal internal control system over ESG reporting has not yet been implemented, the presence of a dedicated role represents a concrete first step toward a more structured and integrated sustainability governance.

Strategy

SBM-1 - Strategy, Business Model, and Value Chain

Kab-lem is an Italian company with over forty years of experience in the design and production of wiring harnesses for the automotive sector. Founded in 1980 and headquartered in Cambiano, in the province of Turin, the company has built a solid and flexible industrial model capable of responding to the needs of a constantly evolving market, combining technological innovation, production quality, and customer focus.

The product offering is organized into three main lines: wiring harnesses for lighting systems (Lighting), seat systems (Seating), and climate control systems (HVAC). These solutions are developed in close collaboration with customers, often starting from the early design phases, and are intended for a wide range of vehicles, from city cars to commercial and industrial vehicles. Kab-lem works with leading Tier 1 suppliers and key automotive manufacturers,

consolidating long-term relationships based on reliability, technical expertise, and co-design capabilities.

The Cambiano plant serves as the company's operational and strategic hub. It hosts key functions, including design, prototyping, wire cutting and crimping, special processes such as IDC (Insulation Displacement Connection), pre-series assembly, and functional testing. Activities carried out in Italy are closely integrated with those at other group production sites, following an integrated industrial model that optimizes resources, ensures flexibility, and maintains high-quality standards across the entire value chain. Although not included in the scope of this report, foreign sites play a complementary and coordinated role with respect to Italian operations.

Kab-lem's business model is based on a combination of material and intangible inputs. Key inputs include raw materials (electrical wires, connectors, sheaths, terminals), technical expertise of personnel, process technologies (crimping machines, ultrasonic welding equipment, automated testing systems), and know-how accumulated over more than four decades of activity.

The outputs of the business model are high-precision wiring harnesses, designed to customer specifications and intended for integration into complex vehicle systems. These are complemented by design support, prototyping, and technical validation services. The outcomes generated by this model include tangible benefits for customers—such as reliability, performance, and cost optimization—and competitive advantages for the company, which strengthens its market position through long-term relationships, reputation, and innovation capacity.

Kab-lem operates within a complex supply chain, serving as a strategic supplier for major Tier 1 suppliers and OEMs in the automotive sector. Upstream, the value chain consists of electrical component and technical material suppliers, with whom the company maintains long-standing relationships governed by strict quality standards. Downstream, the produced wiring harnesses are integrated into customer systems and installed in vehicles destined for the global market. Kab-lem does not operate through distributors or traditional commercial channels but works on a project-by-project basis, in close synergy with the technical and engineering departments of its customers.

The company operates within a highly specialized supply chain, characterized by demanding technical and regulatory requirements, where the ability to innovate, ensure quality, and meet delivery deadlines is a distinctive and competitive factor.

SBM-2 - Stakeholders' Interests and Perspectives

Kab-lem recognizes the strategic value of dialogue with its stakeholders, considering it essential for guiding business decisions and strengthening alignment between strategy, operations, and external expectations. In preparing this Sustainability Report, the company

initiated a first structured stakeholder engagement process aimed at gathering insights useful for identifying material topics and defining ESG priorities.

The stakeholder engagement process was designed to be simple yet targeted, through a dedicated survey addressed to the three groups deemed most relevant to the company's activities: customers, suppliers, and employees. The decision to focus on these stakeholders reflects Kab-lem's intention to start with the most consolidated and strategic relationships, leveraging the input of those who interact daily with the organization and have in-depth knowledge of its processes, products, and corporate culture.

The survey enabled the structured collection of perceptions, expectations, and priorities expressed by each stakeholder group, providing an informative basis to guide the materiality analysis and establish an initial shared framework on sustainability topics. The findings were subsequently analyzed and integrated into the internal evaluation process, contributing to a more comprehensive and informed understanding of ESG-related impacts and opportunities.

This initial listening exercise represents a starting point for Kab-lem toward a more structured and continuous stakeholder engagement model, which the company intends to strengthen in the coming years. This will include expanding the categories of stakeholders involved and adopting more sophisticated dialogue tools. The objective is to build increasingly transparent, participatory, and improvement-oriented relationships, consistent with the company's core values and the challenges of a rapidly evolving industrial context.

SBM-3 - Key Impacts, Risks, and Opportunities and Their Integration with the Company's Strategy and Business Model

During 2024, Kab-lem conducted a structured materiality analysis aimed at identifying the most relevant sustainability areas for its operational context and key stakeholders. The analysis was developed based on the ESRS standards, supported by a survey targeting customers, suppliers, and employees, which allowed perceptions and priorities to be collected directly and transparently.

The results highlighted a strong alignment between stakeholder expectations and the strategic directions already active within the company, confirming the importance of certain key areas both in terms of impact and improvement opportunities.

In the environmental domain, priority topics included climate change mitigation and adaptation, energy management, and waste reduction. Kab-lem has already undertaken concrete initiatives in these areas, such as purchasing energy from renewable sources, implementing energy efficiency measures, and adopting practices for the separate management of industrial waste. The company's focus on environmental sustainability is also reflected in its commitment to progressively reducing its carbon footprint through measurement and reporting of emissions.

On the social side, material topics mainly concern the protection of health and safety at work, the promotion of stable and decent employment, social dialogue, and continuous training.

Kab-lem considers its people a strategic asset and invests in creating a safe, inclusive, and professionally growth-oriented work environment. Collective agreements, fair compensation policies, and attention to organizational well-being are central elements of the company's human resources management model.

The governance dimension also plays a key role. Material topics identified include business conduct, corporate culture, anti-corruption measures, responsible supplier management, and whistleblower protection. Kab-lem has adopted a Code of Ethics and maintains a certified management system integrating quality, environmental, and responsibility aspects. The company promotes a culture of integrity, transparency, and compliance with rules, which are considered essential for strengthening stakeholder trust and ensuring long-term sustainability.

The materiality analysis confirmed that the identified topics not only reflect stakeholder expectations but are also fully integrated into the company's strategy. Kab-lem intends to continue this path, strengthening the management of ESG issues and developing concrete actions to improve its environmental, social, and governance performance, in line with its business model and the challenges of the automotive sector.

Managing Impacts, Risks, and Opportunities

IRO-1 - Overview of the Processes Used to Identify and Evaluate Key Impacts, Risks, and Opportunities

Simplified Materiality Analysis

Kab-lem S.p.A. conducted a simplified materiality analysis as a first step toward alignment with ESRS principles. Compared to the double materiality principle, Kab-lem's approach features two main simplifications:

- **A comprehensive assessment of impacts, risks, and opportunities (IRO) was not performed**; the analysis was based on the relevance of topics indicated in EFRAG's AR-16 document, supplemented by a qualitative assessment of potential general impacts.
- **No financial estimation of risks and opportunities was included**

The analysis was structured through sequential and integrated macro-phases:

1. Context analysis;
2. Preliminary selection of potentially relevant topics;
3. ssessment of the materiality level of the topics;
4. Stakeholder engagement;
5. Definition of materiality thresholds;
6. Validation and final approval by Management.

1. Context analysis

The first phase involved mapping Kab-lem S.p.A.'s operational and strategic context through an internal analysis aimed at representing the business model, core activities, supply chain management, competitive positioning, and industry dynamics characterizing the automotive market.

This activity was supported by qualitative interviews with key representatives from the company's functions. The outcome of this phase allowed for the development of a shared framework of potentially material topics for Kab-lem S.p.A.

2. Preliminary Selection of Potentially Relevant Topics

To support the preliminary selection of relevant topics, the list of ESG topics outlined in the various ESRS topical standards, as indicated in paragraph AR 16 of ESRS1, was used.

The identified topics were subsequently assigned to internal representatives responsible for the evaluation and analysis phase.

3. Assessment of the Materiality Level of Topics

For each of the topics identified in Phase 2 (Preliminary Selection of Potentially Relevant Topics), the representatives of the involved company functions proceeded to validate their actual relevance.

Subsequently, considering the potential impacts associated with each topic, Management provided an assessment using a scale from 1 to 5, according to the criteria described below:

1. Not at all relevant
2. Slightly relevant
3. Moderately relevant
4. Highly relevant
5. Extremely relevant

1. Stakeholder Engagement

To ensure a comprehensive and inclusive perspective, Kab-lem S.p.A. conducted a survey targeting both internal and external stakeholders, with the aim of gathering their perceptions on the relevance of various sustainability topics.

The stakeholder sample included:

- Customers;
- Suppliers;
- Employees.

The survey results were used to refine the assessments, integrating the viewpoints of the main stakeholder categories.

2. Definition of Materiality Thresholds

In the process of evaluating the topics, a structured approach was adopted that took into account stakeholder perspectives, analyzing both the variations in the scores assigned and the rationale provided by the involved stakeholders.

Materiality thresholds were defined as follows, based on the average values of the evaluations received:

• Material topics: score greater than or equal to 3.0.

A standard was considered material when at least one of the topics associated with it exceeded the defined threshold.

All topics identified as material were included in the reporting.

3. Validation and Final Approval by Management

The entire analysis process, including the final list of material topics, was approved by Management, thereby defining the strategic direction both in terms of sustainability and ESG reporting.

Replicability and Evolution of the Process

The analysis process was formalized through a documented internal methodology, developed with the aim of ensuring:

• Transparency and traceability of information sources, assumptions, and criteria adopted;

• The possibility of evolving the methodology over time, with a view to progressively adapting to current regulations and achieving full alignment with the principles of the DMA.

The defined scoring system will serve as the methodological basis for future updates of the materiality assessment, with the objective of guiding a gradual evolution of the process toward full compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the ESRS.

IRO-2 List of Disclosure Requirements Complied With

ENVIRONMENT

ESRS E1 – Climate Change

Strategy

E1-1 – Transition Plan for Climate Change Mitigation

Kab-lem does not currently have a formalized transition plan for decarbonization, but it has initiated a structured process that represents a first concrete step toward defining a corporate climate strategy. During 2024, the company conducted its first carbon footprint measurement, aiming to gain awareness of its direct and indirect emissions and to build a solid foundation for future mitigation actions.

The carbon footprint assessment, the results of which are presented in paragraph E1-6, is a key element for understanding the environmental impact of the company's activities and identifying the main areas for intervention. Based on this data, Kab-lem intends to develop a decarbonization plan that defines objectives, priorities, and concrete actions for reducing greenhouse gas emissions, in line with ESG principles and European guidelines on ecological transition.

The company recognizes that addressing climate change represents a strategic and cross-cutting challenge that requires an integrated and progressive approach. For this reason, the future transition plan will be designed consistently with Kab-lem's business model and operational specificities, building on the experience already gained in energy efficiency, sourcing from renewable sources, and responsible resource management.

Policies

E1-2 – Climate Change Policies

Kab-lem does not currently have a standalone, specific policy dedicated to climate change, but it integrates environmental and climate-related aspects within its environmental management system certified according to ISO 14001:2015 and its Corporate Responsibility Policy, which serves as the formal reference for the company's commitment to sustainability.

Section 3.6 of the company policy defines a global, systemic, and integrated approach to managing environmental issues, based on the principles of responsibility, prevention, and continuous improvement. Kab-lem's environmental policy recognizes environmental protection as a strategic value and promotes the identification, analysis, and control of the environmental impacts of corporate activities, in line with regulatory requirements and stakeholder expectations.

Within this framework, the company is committed to considering the reduction of energy consumption, CO_2 emissions, and waste as key levers to limit environmental impact and improve overall efficiency. The policy also provides for the active involvement of company functions and the promotion of transparent communication with stakeholders, fostering the dissemination of a shared environmental culture.

Although not yet formalized in a specific climate change document, Kab-lem's environmental policies explicitly reference topics such as climate change mitigation and adaptation, energy efficiency, and responsible management of natural resources, providing a solid foundation for the future development of more structured climate strategies.

Actions and Metrics

E1-3 – Actions Related to Energy Management, Climate Change Mitigation, and Adaptation

Kab-lem has initiated a gradual but concrete process to strengthen its environmental management, with particular focus on climate change-related issues. In the absence of a formalized transition plan, the company has nevertheless undertaken a series of actions that lay the foundation for the development of a structured climate strategy.

In the energy field, Kab-lem has chosen to procure electricity from renewable sources, thereby contributing to the reduction of indirect emissions associated with its energy demand. To support more efficient and informed energy management, the company has also implemented a consumption monitoring system through smart meters, enabling real-time tracking and analysis of energy data, the identification of potential inefficiencies, and the guidance of operational decisions.

E1-4 – Climate Change Mitigation Targets

Regarding climate change mitigation, Kab-lem conducted its first corporate carbon footprint assessment in 2024, aiming to measure the greenhouse gas emissions generated by its operational activities. This exercise represents a key step in raising awareness of the

organization's environmental impact and identifying the main levers for intervention in view of the future development of a decarbonization plan.
In parallel, the company has also begun to address climate change adaptation, in response to the increasing frequency of extreme weather events. Recent episodes, such as a severe hailstorm that damaged part of the industrial roofing, highlighted the need to strengthen the resilience of the infrastructure. In this context, Kab-lem has already implemented structural measures to protect its facilities and plans to continue with further risk assessments and preventive interventions.
Although at an early stage, these actions demonstrate the company's commitment to building a more advanced environmental management approach, capable of progressively integrating climate sustainability principles into decision-making and operational processes.

E1-5 – Energy Consumption Metrics

The energy consumption measured during 2024 includes fuel consumption associated with the use of company vehicles, natural gas used for heating boilers, and electricity consumption. The information reported below represents the total energy consumption expressed in MWh.

69.38% of the energy consumed by the company in its operations comes from fossil sources, of which 61.54% is derived from natural gas and 7.84% from fuel (diesel) used by company vehicles.
30.62% of the energy consumed by the company in its operations comes from renewable sources, specifically electricity, which is procured 100% with Guarantees of Origin.

	2024	
	MWh	%
Total Energy Consumption (A+B)	**1.297,04**	**100%**
A) Total Energy Consumption from Fossil Sources (1+2)	899,87	69,38%
1) Fossil Fuel Consumption	899,87	69,38%
of which diesel	101,65	7,84%
Of which natural Gas	798,21	61,54%
2) Electricity Consumption (Non-Renewable)	-	-
B) Total Energy Consumption from Renewable Sources (4+5+6)	397,17	30,62%
4) Renewable Fuel Consumption	-	-
5) Purchased or Procured Renewable Electricity Consumption (with Guarantees of Origin)	397,17	30,62%

E1-6 – GHG Emissions Metrics

In 2024, Kab-Lem monitored and reported its gross greenhouse gas emissions in accordance with the ESRS requirements. The emissions were calculated and reported following the guidelines and categories of the GHG Protocol. The reporting boundary was defined according to the operational control criterion.

This report presents the results related to the direct and indirect emissions of Kab-Lem S.p.A., consistent with the reporting boundary of this Report, although the analysis was carried out across the entire Kab-Lem Group.

The materiality analysis made it possible to identify the categories of indirect emissions to be included in the GHG inventory, i.e., those considered significant. The analysis was conducted based on the following criteria:

- **Magnitude**: estimates the quantitative importance of the emission source. It helps identify which sources are the main contributors to emissions, ensuring that the most significant ones are not overlooked.
- **Influence**: estimates the organization's ability to act on the source. For example: can it reduce the emissions? Does it have control over suppliers, carriers, or customers? The influence analysis focuses on what can actually be managed or improved, supporting reduction strategies.
- **Accuracy**: measures the level of reliability of the data needed to estimate the associated emissions.
- **Accessibility**: measures how easily the data can be obtained and how reliable they are. Data quality affects the precision of the calculation; knowing where uncertainties exist helps document the limitations of the analysis.

The Scope 3 categories considered non-material and therefore excluded from the inventory were found to be:

- **Category 8: Upstream leased assets**
- **Category 10: Processing of sold products**
- **Category 11: Use of sold products**
- **Category 12: End-of-life treatment of sold products**
- **Category 13: Downstream leased assets**
- **Category 14: Franchises**
- **Category 15: Investments**

Conversely, the following Scope 3 categories were included in the inventory as they were considered significant:

- **Category 1: Purchased goods and services**
- **Category 2: Capital goods purchased**
- **Category 3: Production, transmission, and distribution of purchased energy**
- **Category 4: Upstream transportation of purchased goods and services**
- **Category 5: Waste generated in operations**
- **Category 6: Business travel**
- **Category 7: Employee commuting & teleworking**
- **Category 9: Downstream transportation and distribution (outbound)**

All reported emissions were estimated using primary consumption data and highly reliable emission factors. Below is additional information on the primary data considered, the methodologies adopted, and the emission factors used, by scope:

Scope 1: Direct Emissions

The Scope 1 emission sources include stationary natural gas combustion systems used to heat the offices occupied by Kab-Lem, as well as company vehicles powered by fossil fuels.

Emission Factors Used for Scope 1

- **ISPRA** (Italian Institute for Environmental Protection and Research)
- **DEFRA** (Department for Environment, Food & Rural Affairs, UK)

Scope 2: Emissioni Indirette da Energia

Scope 2 emissions arise from the generation of purchased electricity. Emissions from electricity consumption are reported using both the location-based and market-based methodologies.

Emission Factors used for Scope 2

- Location-based: ISPRA 2023
- Market-based: Association of Issuing Bodies (AIB) Europe 2023

Scope 3: Indirect Emissions

- **Category 1: Purchased goods and services:** this is the most impactful category within Scope 3 and includes all emissions associated with the production of goods and services purchased by the organisation. In this case, the company purchased a large number of items and raw materials; among these, the most impactful were copper cables, tapes, and connectors.
  Emission factor: Specific emission factors for raw materials and an average spend-based factor for services.

- **Category 2: Capital goods:** emissions arising from the production of machinery, industrial equipment, air-conditioning and hot-air heating appliances, electrical machines and equipment, computers and peripheral devices, and software purchased in 2024.
  Emission factors: Specific emission factors for the different CapEx categories. Source: Exiobase, EPA, BEIS.
- **Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2):** emissions arising from the extraction, production, transport, and distribution of fuels and natural gas purchased or used to generate the electricity consumed. Emissions from the transmission and distribution of purchased electricity were also included.
  Emission factors: Multiple emission factors by fuel type and category. Source: DEFRA 2024, UK BEIS, Carbon Footprint, EPA.

• **Category 4: Upstream transportation and distribution of purchased goods and services:** Upstream transport and distribution refer to the greenhouse gas emissions stemming from the transportation and distribution of products purchased by the company, from its direct suppliers and its own activities. This category includes inbound logistics (transport of goods to the company) and outbound logistics paid for by the company. In the case of Kab-Lem, emissions originate from road transport services, air freight services, and maritime transport services.
Emission factors: BEIS, EPA, EXIOBASE.
• **Category 5: Waste generated in operations:** emissions arising from the management and disposal of waste generated by Kab-Lem during its operations. The main types of waste

generated in 2024 were cables, mixed recyclable waste, mixed plastics, and mixed organic waste.
Emission factors: EPA, BEIS.

• **Category 6: Business travel:** emissions from taxi, train, and air travel, as well as overnight stays for business trips, were considered.
Emission factors: Multiple spend-based emission factors, Exiobase, EPA.

• **Category 7: Employee commuting & teleworking:** emissions generated by employees travelling to and from the workplace. The approach used was activity-based, with data collected through an employee survey.
Emission factor: DEFRA 2024.

• **Category 9: Downstream transportation and distribution (outbound):** downstream transport and distribution refer to greenhouse gas emissions from the transportation and distribution of sold products in vehicles and facilities not owned by the reporting company and paid for by the customer.
Emission factors: SEE 2024, IPCC.

The choice of methodologies and emission factors is based on criteria of accuracy, data availability, and international recognition, to ensure consistency, comparability, and reliability in reporting

tCO2e	2024	%
GHG emissions - Scope 1 (A)	**168,4**	**1,2%**
From stationary combustion	144,3	1,0%
From mobile combustion	24,2	0,2%
GHG emissions - Scope 2 Location Based (B)	**103,7**	**0,7%**
From purchased electricity	103,7	0,7%
GHG emissions - Scope 2 Market Based (C)	**0,0**	**0,0%**
From purchased electricity	0,0	0,0%
GHG emissions - Scope 3 (D)	**14.011,0**	**98,1%**
Category 1 – Purchased goods and services	13.125,0	91,9%
Category 2 – Purchased capital goods	12,3	0,1%
Category 3 – Production, transport, and distribution of purchased energy	31,5	0,2%
Category 4 – Upstream transportation of purchased goods and services	331,7	2,3%

Category 5 – Waste generated from operations	14,1	0,1%
Category 6 – Business travel	14,0	0,1%
Category 7 – Employee commuting & teleworking	103,8	0,7%
Category 9 – Downstream transportation and distribution	378,5	2,7%
Total GHG emissions - Location based (tCO2e) (A+B+D)	**14.283,1**	**100%**
Total GHG emissions - Market based (tCO2e) (A+C+D)	**14.179,4**	

(In the table above, for the calculation of percentages, the total considered was the Location-based value)

In 2024, most Kab-Lem's greenhouse gas emissions are attributable to Scope 3, i.e., indirect activities along the value chain. Over 90% of total emissions stem from the procurement of goods and services, reflecting the company's production-oriented nature, heavily dependent on highly specialized technical components such as electrical wires, connectors, and insulating materials.

Additionally, emissions related to logistics, both inbound and outbound, contribute to the overall footprint, consistent with a complex and international supply chain. In contrast, direct emissions (Scope 1) and those associated with electricity consumption at the Cambiano facility (Scope 2) remain limited, indicating an efficient operational model already oriented towards the energy transition.

These data confirm the strategic importance of continuing dialogue with suppliers and logistics partners to promote lower-impact solutions across the entire value chain.

ESRS E5: Circular economy

Policies

E5-1 - Policies related to the circular economy

Kab-Lem currently does not have a formal, standalone policy dedicated to resource management and the circular economy. However, the fundamental principles guiding the company's approach to these topics are integrated within the Corporate Responsibility Policy, particularly in the section dedicated to the Environmental Management System (section 3.6), and in the management system certified under ISO 14001:2015.

The company policy recognizes the need to address environmental issues in a comprehensive, systemic, and continuous improvement-oriented manner. In this context, Kab-Lem is committed to reducing the environmental impact of its activities through the rational use of

natural resources, pollution prevention, and the promotion of responsible behavior across the entire value chain.

Specifically, waste management, consumption reduction, and production efficiency optimization are considered strategic levers to improve environmental performance and contribute to a more sustainable industrial model. The policy also emphasizes the importance of active engagement of all company functions and transparency toward stakeholders, fostering an organizational culture oriented toward environmental responsibility.

E5-2 - Actions related to the circular economy

Kab-Lem's approach to resource and waste management is strongly influenced by the nature of its operational model, which is based on direct customer orders. In this context, the materials used in production processes—such as cables, connectors, and plastic components—are often selected directly by customers, who also define the suppliers from which to source. This limits the company's ability to independently choose raw materials with lower environmental impact.

Despite these constraints, Kab-Lem adopts established practices to ensure the traceability and compliance of the materials used. All manufactured products are registered in the International Material Data System (IMDS), the reference platform for the automotive sector that allows monitoring material composition and verifying compliance with current environmental regulations.

Regarding waste management, the company has implemented a structured and accurate monitoring system that enables tracking of the various types of waste generated and managing them according to safety, legal, and sustainability criteria. Waste is classified, weighed, and delivered to authorized operators, in compliance with environmental regulations and with the goal of maximizing recovery and recycling wherever technically feasible.

Although specific initiatives for ecodesign or material reuse are not yet in place, Kab-Lem recognizes the growing importance of the circular economy and intends to progressively strengthen its commitment in this direction, in line with the characteristics of its sector and customer requirements.

Metrics

E5-4 – Metrics related to inbound resource flows

Kab-Lem operates in a highly regulated and technical sector such as automotive, where the quality of materials used is an essential requirement. The products manufactured by the company are designed and developed according to customer specifications, who also define the materials and suppliers to be used. In this context, the company does not use recycled or reused materials, as the use of virgin raw materials is necessary to ensure compliance with the quality and safety standards required by the sector.

All inbound materials are tracked and recorded according to customer technical specifications and, where required, uploaded to the International Material Data System (IMDS), in line with environmental and product regulations in the automotive sector.

Below are the main categories of materials used by Kab-Lem, broken down by component type and predominant material composition. Quantities are expressed in physical units and represent the total volumes of materials used during the reporting period.

	2024	
	ton	%
Total weight of products and materials used	**861.125**	
PLASTIC material	161.596	19%
PVC material	27.123	3%
COPPER material	446.022	52%
METALLIC material	79.617	9%
NYLON material	54.260	6%
RUBBER material	28.255	3%
GLASS material	54	<1%
POLYOLEFIN material	15.497	2%
STEEL material	976	<1%
ALUMINUM material	26.695	3%
CERAMIC material	13	<1%
SILICONE material	86	<1%
ADHESIVE material	8.326	1%
OTHER material	12.605	1%

The analysis of inbound materials confirms the consistency between the composition of products purchased by Kab-Lem and the technical and quality requirements of the automotive sector. Materials are selected based on customer specifications to ensure maximum performance in terms of reliability, safety, and durability.

Among the most significant materials is copper, primarily used in cables, which represent the functional core of electrical harnesses. The choice of this material reflects the need to guarantee high conductive performance, essential for the proper functioning of vehicle electrical systems.

Alongside copper, plastics also play a central role, constituting a transversal and essential component in many purchased products. Plastics are used in a wide range of items, including

connectors, adapters, and cable ties, providing electrical insulation, lightness, thermal resistance, and adaptability to complex geometries.

Metals, in addition to copper, are widely used in components such as connectors, adapters, and fuses, where they serve structural and conductive functions. In these products, the combination of metal and plastic is essential to ensure both mechanical robustness and electrical safety, in line with the standards required by the automotive sector.

The data relating to incoming materials are not currently subject to direct and systematic monitoring by the purchasing department. The quantitative information reported derives from an indirect analysis, obtained by interpolating the data contained in purchasing documents with the technical information included in the IMDS (International Material Data System) profiles of the purchased products.

This methodology has made it possible to reliably estimate the material composition of the main components used by Kab-lem, although it entails a margin of uncertainty due to the heterogeneous nature of the sources and the variability of the available data. The assumptions adopted were based on criteria of technical consistency, representativeness of the materials, and reliability of the sources, giving priority to primary data where available and supplementing them with weighted estimates in cases of partial information.

E5-4 – Metrics related to outbound resource flows

Kab-Lem carefully and systematically monitors the waste generated by its operations, ensuring the traceability of different waste types and their proper disposal in accordance with current regulations. Waste management is an integral part of the company's environmental management system and represents an area of ongoing focus, both in terms of compliance and environmental responsibility.

The main categories of waste generated reflect the industrial nature of the activity and the composition of materials used in the processes. Among the most significant in terms of volume are wood, paper, cardboard, and mixed packaging, primarily generated from material reception and handling activities. Although classified as non-hazardous, these wastes are managed separately to promote recovery and recycling.

Another significant category consists of discarded cables and wiring, originating from production scrap or prototyping activities. These materials, containing metals and plastics, are delivered to specialized operators for the recovery of valuable components.

Metallic waste, such as iron, steel, and mixed metals, generated from mechanical processing and maintenance activities, and plastic waste from production offcuts, are also present. To a lesser extent, special wastes such as aqueous solutions, spent oils, refrigerant gases, end-of-life electronic equipment, and small quantities of hazardous materials—including paints, adhesives, and fluorescent tubes—are also recorded.

		2024	
		kg	%
Total Waste		**107.272**	
150101	Paper and cardboard	22.360	20,8%
150106	Mixed packaging	28.040	26,1%
150103	Wood	35.530	33,1%
161002	Acqueous solution	3.980	3,7%
170407	Mixed metals	3.317	3,1%
170411	Cable	5.378	5,0%
170411	Wire harnesses	5.639	5,3%
160216	Toner	20	< 0,5%
070213	Plastic wate	1.210	1,1%
170405	Iron and steel	540	0,5%
160214	PC and Laptops	480	< 0,5%
170107	Cement mixtures	680	0,6%
160504	Halon gas	8	< 0,5%
130110	Oils	17	< 0,5%
180109	Medicines	5	< 0,5%
080111	Waste paint	14	< 0,5%
200121	Fluorescent tube	43	< 0,5%
080409	Waste adhesive	11	< 0,5%

	2024	
Waste by destination	kg	%
1) Total weight of waste not destined for disposal (1.a + 1.b)	**107.272**	**100%**
1.a) Hazardous waste	**-**	**-**
Preparation for reuse (R2 – R6 – R9)	-	-
Recycling (R3 – R4 – R5)	-	-
Other recovery operations (R1 – R7 – R8 – R10 – R11 – R12 – R13)	-	-
1.b) Non-hazardous waste	**107.272**	**100%**
Preparation for reuse (R2 – R6 – R9)	-	-
Recycling (R3 – R4 – R5)	-	-
Other recovery operations (R1 – R7 – R8 – R10 – R11 – R12 – R13)	107.272	100%
1) Total weight of waste destined for disposal	**-**	**-**

SOCIAL

ESRS S1 – Internal workforce

Policies and processes

S1-1 – Policies relating to the own workforce

Kab-Lem recognizes corporate responsibility as a strategic element for sustainable and long-term development. In this perspective, it has adopted the Corporate Responsibility Policy, which defines the ethical and behavioral principles to be followed by directors, employees, collaborators, and third parties acting on behalf of the company.

The Corporate Responsibility Policy is based on values such as legality, transparency, professional integrity, protection of health and safety in the workplace, environmental respect, and the promotion of diversity. Kab-Lem condemns all forms of discrimination, conflicts of interest, misuse, or improper use of confidential information, and promotes an inclusive environment that respects the religious and cultural beliefs of everyone.

The company is committed to ensuring fair and dignified working conditions, excluding the use of child and forced labor, recognizing trade union freedom and the right to collective bargaining, and adopting a disciplinary system based on respect for the individual. Any violations are sanctioned in accordance with the Organizational, Management, and Control Model adopted pursuant to Legislative Decree 231/01.

To foster full adherence to the principles contained in the Corporate Responsibility Policy, Kab-Lem promotes targeted training activities aimed at all levels of the organization.

S1-2 & S1-3 - Processes for engaging employees and their representatives regarding impacts & Processes for addressing negative impacts and channels for employees to raise concerns

Kab-Lem recognizes the value of internal dialogue as a strategic lever to improve organizational well-being, strengthen motivation, and support change processes. Active listening and the opportunity for employees to express opinions, suggestions, or concerns in a structured and safe manner are promoted through complementary and structured channels: on one hand, periodic tools for measuring climate and motivation; on the other, formal mechanisms for reporting behaviors that do not comply with company principles.

Structured channels for listening and engagement

Kab-Lem promotes the active engagement of its personnel through structured listening tools, including the annual motivation and awareness survey. This tool, administered to all company units, allows for the systematic collection of employees' perceptions, suggestions, and concerns on topics such as the work environment, collaboration among colleagues, training received, and clarity of objectives.

Whistleblowing

Kab-Lem has established an internal reporting system in line with its Corporate Responsibility Policy, which allows employees and collaborators to report any unlawful behavior, irregularities, or violations of company principles. Reports can be made anonymously or by name, via a dedicated mailbox, email, or a written letter addressed to the plant manager. The company ensures the confidentiality of the reporter's identity and is committed to preventing any form of retaliation, even if the report is found to be unfounded. Reports are reviewed by the Supervisory Body, which conducts investigations in accordance with principles of impartiality, fairness, and protection of all parties involved.

S1-4 – Actions on material impacts on the company's workforce and approaches to mitigate risks and pursue material opportunities related to the workforce, as well as the effectiveness of such actions

Kab-Lem ensures full compliance with current labor legislation, fully applying the relevant national collective labor agreements (CCNL) and guaranteeing remuneration conditions consistent with the established provisions. The company protects its employees through adequate social protection measures and promotes participation in mandatory training programs, in line with regulatory standards and the specific requirements of each role.

Furthermore, Kab-Lem adopts an employment model based predominantly on permanent contracts, providing stability and job continuity to almost the entire workforce, thereby contributing to fostering a corporate climate based on mutual trust and long-term investment in people.

Metrics and objectives

S1-5 – Objectives related to the management of material negative impacts, the promotion of positive impacts, and the management of material risks and opportunities

Within the framework of its commitment to responsible, long-term growth, Kab-Lem intends to launch several initiatives aimed at strengthening the connection between sustainability, skills development, employee empowerment, and the promotion of a health and safety culture. In particular:

- **Strengthening collaboration with the education sector,** through structured agreements with schools to activate pathways for transversal skills and career orientation (PCTO), as well as internships and traineeships. The objective is to facilitate the qualified entry of young people into the workforce.
- **Promotion of continuous training,** through the organisation of non-mandatory courses for employees, with a focus on ESG topics and corporate culture. These programmes aim to enhance awareness of environmental, social, and governance issues while strengthening employees' sense of belonging to the company.

- • **Implementation of a structured system for evaluating individual performance,** based on clear and transparent criteria. This tool is designed to recognise merit, foster motivation, and support professional growth.
- Launch of the process **to obtain ISO 45001 certification**, with the aim of further strengthening the occupational health and safety management system in line with the highest international standards.

S1-6 Characteristics of the Company's Employees

The section presents the main data relating to the company's direct workforce as of 31/12/2024. The information includes the total number of employees, broken down by gender, type of contract (permanent or fixed-term), and working hours (full-time or part-time). The section also provides data on employees who left during the reporting period and the corresponding turnover rate.

The data refer to the actual HeadCount (H/C) and have been processed through direct measurements.

The reporting is carried out with reference to the perimeter of Kab-lem S.p.A., as defined in ESRS 2 – BP-1, which sets out the general criteria for preparing the sustainability statement. It should be noted that 100% of the workforce included within this perimeter operates in Italy.

Gender Distribution of Employees

GENDER	# Employees	%
Female	47	42,7%
Male	63	57,3%
Other	-	-
Not specified	-	-
Total Employees	**110**	

Employees by Contract Type and Gender

CONTRACT TYPE	Female	Male	Total	%
Permanent employees	47	62	109	*99,1%*
Fixed-term employees	0	1	1	*0,9%*
Total Employees	**47**	**63**	**110**	

Employees by Working Hours and Gender

CONTRACT TYPE	Female	Male	Total	%
Permanent employees	46	63	109	*99,1%*
Fixed-term employees	1	0	1	*0,9%*
Total Employees	**47**	**63**	**110**	

Employees Exiting the Company and Turnover Rate

	2024
Employees leaving	1
Total workforce at period-end	*110*
TURNOVER	**0,9%**

At the end of 2024, Kab-Lem's direct workforce consisted of **110 employees**, with a gender distribution showing a predominance of **males (57.3%)** compared to females **(42.7%)**.

From a contractual perspective, the workforce is highly stable: **99.1% of employees are on permanent contracts**, while only one person (male) is employed on a fixed-term contract.

The distribution by working hours also reflects a strong orientation towards full-time employment, with **109 out of 110 employees working full-time**.

Finally, during 2024, there was only one employee departure, corresponding to a **turnover rate of 0.9%**. This particularly low figure reflects a high level of employee retention and workforce stability.

S1-7 Non-employee Workforce Characteristics

As of 31 December 2024, Kab-Lem's workforce also includes 4 temporary agency workers, provided by agencies specializing in recruitment and personnel selection.

The data are expressed in Headcount (HC) and refer to the actual number recorded at the end of the reporting period.

S1-8 – Coverage of Collective Bargaining and Employee Relations

As of 31 December 2024, all Kab-Lem employees are covered by national collective labor agreements (CCNL).

S1-9 – Diversity Indicators

This section provides information on the gender distribution within senior management, which includes managers and executives, as well as the overall workforce composition, broken down by age group, gender, and contract type.

Gender distribution at senior management level (executives and managers**)**

GENDER	# MEMBERS	%
Female	1	12,5%
Male	7	87,5%
Total	**8**	

Workforce Distribution by Age, Gender, and Contract Type

	Under 30		30–50 years		Over 50	
	Female	Male	Female	Male	Female	Male
Directors	0	0	0	0	0	3
Managers	0	0	1	0	0	4
White-collar worker	2	2	6	14	5	10
Workers	0	0	16	15	17	15
TOTAL	**2**	**2**	**23**	**29**	**22**	**32**

The gender distribution at Kab-Lem's senior management level shows a significant male predominance: out of a total of 8 top executives, 7 are men (87.5%) and only 1 is a woman (12.5%).

Regarding the overall workforce composition, the analysis by age group, gender, and job category shows the largest segment is between 30 and 50 years old (52 employees), followed by over 50 (54 employees), and a very limited number under 30 (4 employees).

Women are mainly present among employees and workers, whereas managerial roles are occupied exclusively by men over 50.

S1-10 – Fair wages

All Kab-Lem employees receive compensation in accordance with the National Collective Labor Agreement applicable to all personnel in Italy. This agreement sets minimum wages based on job level and contractual classification, ensuring economic conditions consistent with industry regulations.

S1-11 – Social security

All Kab-Lem employees benefit from forms of social protection provided either by the Italian public system or under the National Collective Labor Agreement applied within the company. In particular, personnel are enrolled in the social security and welfare system managed by INPS, which provides coverage in cases of illness, maternity/paternity, unemployment, disability, and retirement, as well as for other events resulting in temporary or permanent loss of income.

In addition to these protections, employees are covered by workplace accident insurance provided by INAIL. The collective agreement further complements the public system by offering additional benefits to safeguard employees' well-being and safety.

S1-12 – Employees with disabilities

As of December 31, 2024, Kab-Lem's workforce includes 6 people with disabilities, representing 5.5% of the total employees. The gender distribution is perfectly balanced: 3 women and 3 men, each accounting for 50% of the total employees with disabilities.

In relation to the overall workforce, women with disabilities make up 6.4% of all female employees, while men represent 4.8% of the male workforce.

Employees with disabilities by gender

GENDER	# PEOPLE with disabilities	% of total people with disabilities	% of the total workforce
Female	3	50%	6,4%%
Male	3	50%	4,8%
Total	**6**		**5,5%**

S1-13 – Training and skills development metrics

This section presents data on the training hours provided by Kab-Lem during the reporting period, with reference to mandatory courses for employees. Training activities were delivered through in-person sessions, online courses, and other company-supported methods.

For the calculation of average training hours, the total hours provided were divided by the workforce, with a breakdown by gender.

Total and average training hours per employee, broken down by gender and job category

	Female	Male	Total
Training hours per employee	**658,0**	**880,5**	**1538,5**
Directors	0,0	2	**2**
Managers	2,5	56	**58,5**
White-collar workers	255,5	408	**663,5**
Worker	400,0	414,5	**814,5**
Average training hours per employee	**14,0**	**14,0**	**14,0**
Directors	-	0,7	**0,7**
Managers	2,5	14,0	**11,7**
White-collar workers	19,7	15,7	**17,0**
Worker	12,1	13,8	**12,9**

Overall, a total of 1,538.5 training hours were delivered, of which 658 hours were provided to female employees and 880.5 hours to male employees. The average training hours per employee were 14.0 for both men and women. Training primarily involved clerical and manual staff, with a higher average among female clerical employees (19.7 hours) compared to their male counterparts (15.7 hours). Participation among middle managers and executives, particularly women, was more limited.

S1-14 – Occupational Health and Safety Metrics

Kab-Lem places great importance on the health and safety of its workers, adopting a preventive approach fully compliant with current regulations. The entire workforce, including employees and non-employees, is covered by an Occupational Health and Safety Management System based on the requirements of Legislative Decree 81/2008, ensuring compliance with legal obligations and promoting safe and protected work environments.

During 2024, no work-related injuries, occupational illnesses, or fatalities were recorded.

S1-16 – Compensation Metrics (Pay Gap and Total Remuneration)

This paragraph presents data on the gender pay gap, calculated based on the average gross hourly annual remuneration received by men and women. The value is determined by subtracting the average female remuneration from the average male remuneration and expressing the difference as a percentage of the average male remuneration.

Gender Pay Gap

Job Category	Pay Gap
Managers	19,4%
White-collar workers	14,8%
Workers	5,1%

The table shows that the pay gap increases with the level of the occupational category. Among managers, women earn on average 19.4% less than their male colleagues, while among clerical staff the gap stands at 14.8%. The gap is smaller among workers, with a difference of 5.1%

S1-17 – Incidents, complaints, and serious impacts on human rights

During the reporting period, and in the preceding period, no incidents, complaints, or serious impacts related to human rights were reported. Kab-lem reaffirms its commitment to safeguarding human dignity and preventing any potential violations of fundamental rights through continuous monitoring and compliance with applicable regulations.

GOVERNANCE

ESRS G1 – Business ethics

Policies and processes

G1-1 – Policies on corporate culture and business conduct

Kab-lem S.p.A. bases its corporate culture on principles of legality, integrity, transparency, and respect for individuals. These values are formalized in the Code of Ethics and the Corporate Responsibility Policy, which serve as a reference for all those operating within and on behalf of the organization. The company promotes an inclusive and safe work environment, values individual skills, and ensures equal opportunities, in compliance with applicable regulations and best practices in social responsibility.

Responsible conduct is supported by a governance system that includes the Organizational Model 231, through which Kab-lem defines behavioral rules and control measures to prevent unlawful acts and manage reputational risks. In this context, the company has implemented an internal reporting system that allows, including anonymously, the communication of non-compliant behaviors. Reports are handled confidentially and in accordance with European regulations, ensuring protection for whistleblowers against any form of retaliation.

During 2023, Kab-lem launched a training program focused on ethical conduct and compliance, particularly targeting senior roles and functions most exposed to operational

risks. The goal is to promote a culture of responsibility and strengthen internal awareness of the principles guiding the company's actions.

G1-2 – Supplier relationship management

Kab-lem adopts a structured and integrated approach to managing its supply chain, based on criteria of quality, reliability, and responsibility. Operational procedures are defined in the Procurement Management Procedure, which governs the entire process, from the initial qualification of suppliers to performance monitoring and the management of critical issues.

Supplier qualification is carried out based on criteria differentiated according to the type of supply (direct, indirect, or subcontracted), and may include verification of quality system certifications, results of technical audits, supplier risk assessment, and, where necessary, sampling tests. Qualified suppliers are entered into an official register and involved in the processes of request for quotation and order allocation.

Performance monitoring is conducted regularly and is based on a scorecard system that considers logistical, quality, financial, and commercial aspects. Suppliers are classified into three levels, and in the event of deviations from objectives, corrective actions are implemented, including additional audits and improvement plans. Attention is given to subcontracted suppliers, for whom a guided development path is provided to strengthen organizational capacity and ensure compliance with technical and quality requirements in the automotive sector.

Regarding direct materials, supplier selection is often constrained by customer specifications (Bill to Print), limiting the ability to apply ESG criteria during the selection process. However, for indirect supplies and services, Kab-lem gives preference to local suppliers, contributing to the enhancement of the local area and the reduction of environmental impacts related to logistics.

G1-3 – Prevention and detection of corruption and extortion

Kab-lem has formalized its commitment to preventing corruption through the adoption of an Anti-Corruption Policy applicable to all Group companies, in line with the principles of the United Nations Convention and the OECD Convention. This policy, approved in 2022 and updated in 2023, establishes a clear framework to prevent unlawful behavior by defining prohibited conduct and the procedures for managing relationships with third parties.

The internal control system is supported by the Anti-Corruption Procedure, which defines operational responsibilities and the mechanisms for prevention and detection. Any violations are managed by the Supervisory Body (Organismo di Vigilanza, OdV), which receives reports and coordinates verification activities in collaboration with the relevant company functions. Reports can also be submitted anonymously through the channels provided by the Whistleblowing Policy, which ensures the confidentiality of the reporter and compliance with Directive (EU) 2019/1937.

During 2023, Kab-lem launched a dedicated training program on corruption prevention, targeting senior roles and the functions most exposed to risk. The policy has been disseminated

through internal communication channels and is also available on the company website, demonstrating the organization's commitment to transparency and integrity.

Metrics

G1-4 – Episodes of corruption or extortion

During the reporting period, no incidents of corruption or extortion occurred within Kab-lem S.p.A. The company confirms the absence of convictions, financial penalties, or disciplinary proceedings related to violations of anti-corruption regulations or internal procedures. This evidence has also been confirmed through the control activities provided for by the 231 Model and the Anti-Corruption Procedure, as well as through the monitoring of reports received via the whistleblowing system. The absence of incidents should be considered a positive indicator of the effectiveness of the measures implemented, while remaining aware that prevention requires continuous commitment and ongoing updates to control tools.