

# Sustainability Report 2022



UFI FILTERS  
CHOSEN BY THE BEST



# Our Vision

Be the trendsetter in the world of filtration and thermal management.

## Our Mission

UFI Filters' mission is to create innovative and sustainable solutions in filtration and thermal management systems. UFI Filters puts customers first and aims to provide them with exceptional quality products to enhance the efficiency of their applications.

UFI Filters believes in a business ethic of continuous improvement and mutual respect, which begins inside the Company and extends to customers and suppliers with equal importance.

## Our Values

**INNOVATION** *Being one step ahead*

**PASSION** *Being driven by passion and heart*

**EXCELLENCE** *Delivering superior results, so that we are always chosen by the best*

**INTEGRITY** *Operating in adherence to moral and ethical principles*

**ACCOUNTABILITY** *Achieving our goals respecting our values*

**DIVERSITY** *Appreciating and valuing our differences*



# Letter To Stakeholders

## A Word From Our Chairman

**Dear Friends,**

An ancient phrase says **“May you live in interesting times”**, and I found myself thinking that these have been incredible years that have reshaped society, business, and the communities where we live and work. And when each one ends, we hope the next one will be better than the one before.

We are facing crisis after crisis (Covid pandemia, wars and sharp political conflicts between countries, energy emergency, environmental issues, etc.), giving us a sense of instability and uncertainty that has had profound effects on the economic and social fabric of society. But every storm in the sky gives way to serenity, and that is why we must always be poised to work to make ready and welcome a better future.

The Hybrid, e-Fuel, Full Electric, Fuel Cell and many other versions of new automotive vehicles will replace the traditional internal combustion engine in a life changing drive, to reduce carbon emission and save the planet for our future generations. A cleaner and more sustainable environment is the objective that all governments have converged to with the **Paris Agreement** and we all must support this cause, making it our own mission.

We are faithful to **our DNA of innovation** that has guided our development during this period, by creating new opportunities and investing in areas that will lead us to our future for generations to come. This has all been made possible by the dedication of **our people** that have risen to the challenge and are continuously finding new ways to come up with new solutions, but also by the flexibility of our partner-suppliers that are supporting these new product requirements.

I am proud of the significant steps we have made in this new uncharted territory and of the advancements that we have made in speed and capacity to respond to client and market demands.

Not only research and development, but also training and new faces to join our family and new initiatives to ensure youth and freshness to our thinking. All the while making sure that each member of our family felt protected and cared for as they deserve in a Group that puts **the people in first place**.

We want to inspire our friends and family with these exciting new developments that have developed thanks to the tenacity of our people and that will lead us towards a new and exciting future.

  
**GIORGIO GIRONDI**



# Index

## Filtering Technology For The Planet

One of the primary objectives of the UFI Filters Group is preserving our planet's natural resources. Our Group is constantly engaged in research and the implementation of solutions that guarantee maximum respect for the environment – providing technologically advanced systems which are able to reduce energy consumption and reduce CO<sub>2</sub> emissions.

<b>INTRO</b>		<b>OUR HOUSE</b>	<b>OUR PEOPLE</b>	<b>OUR WORLD</b>	<b>INDEPENDENT AUDITORS' REPORT</b>
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# 1. Methodological Note

## Introduction

Proud of the journey we started more than a year ago, and fully aware of the expectation of our stakeholders for sustainable economical growth and business development, we pledge to publish our sustainability reporting every year from now on.

Furthermore, in order to give a transparent representation of the Group's performances and to enhance the credibility and reliability of the data, we have decided **to perform a limited assurance engagement** with external auditors.

This **UFI Filters Sustainability Report 2022** is **the second annual report** that presents an overview of the group's activities, commitments, and achievements on all impacts that its operations generate on environmental, social, and governance aspects.

The scope of this Report covers the major operations of the Group for the period from **January 1<sup>st</sup> and December 31<sup>st</sup>, 2022**. Information and data refer to economic, environment and social activities of the entire UFI Filters Group (hereinafter also "UFI Group", "UFI Filters", "the Group" or "the Company").

We highlight the focus on the impact and value created for UFI Filters Group's stakeholders using the following chapters in the report: **OUR IDENTITY – OUR HOUSE –**

### **OUR COMMITMENT – OUR PEOPLE – OUR INNOVATION – OUR WORLD.**

This Report has been developed **with reference to the Global Reporting Initiative Standards** issued in **2021** (hereinafter also "GRI Standards"), and effective for reports published after January 1<sup>st</sup>, 2023.

The following principle have been taken into consideration in defining and reporting the qualitative information and the quantitative data necessary for the consolidation of the Report: accuracy, balance, clarity, comparability, completeness, timeliness and verifiability. Any exceptions, omissions, and restatement of information to the reporting scope are reported in the relevant sections.

The list of the reported disclosure is provided in the "GRI Content Index" at the end of this document.

For any information, comment or need for further detail regarding this Report, please send an email to the following address: **[sustainability@ufifilters.com](mailto:sustainability@ufifilters.com)**

This document can be also downloaded by UFI Filters website, at the following link:

 **Visit UFIFILTERS.COM**  
Click here



## The Group By Numbers



**1971**

Founded in 1971, it's now a world leader in filtration technology and Thermal Management.



**10**

10 application sectors: from automotive (LV/HD), industry and hydraulics to special applications.



**4000**

20 production plants and over 4,000 people in 21 countries worldwide.



**F1**

Present everywhere, from F1 cars to the ExoMars spacecraft.



**95%**

95% of vehicles manufacturers worldwide choose UFI Filters.



**> 250**

>250 specialised technicians in the innovation and development centers in Italy, China and India.



**>280**

>280 patents at international level.



**5%**

5% of turnover reinvested in R&D.



**14**

7 lines of thermal management and 7 lines of filter products supplied.

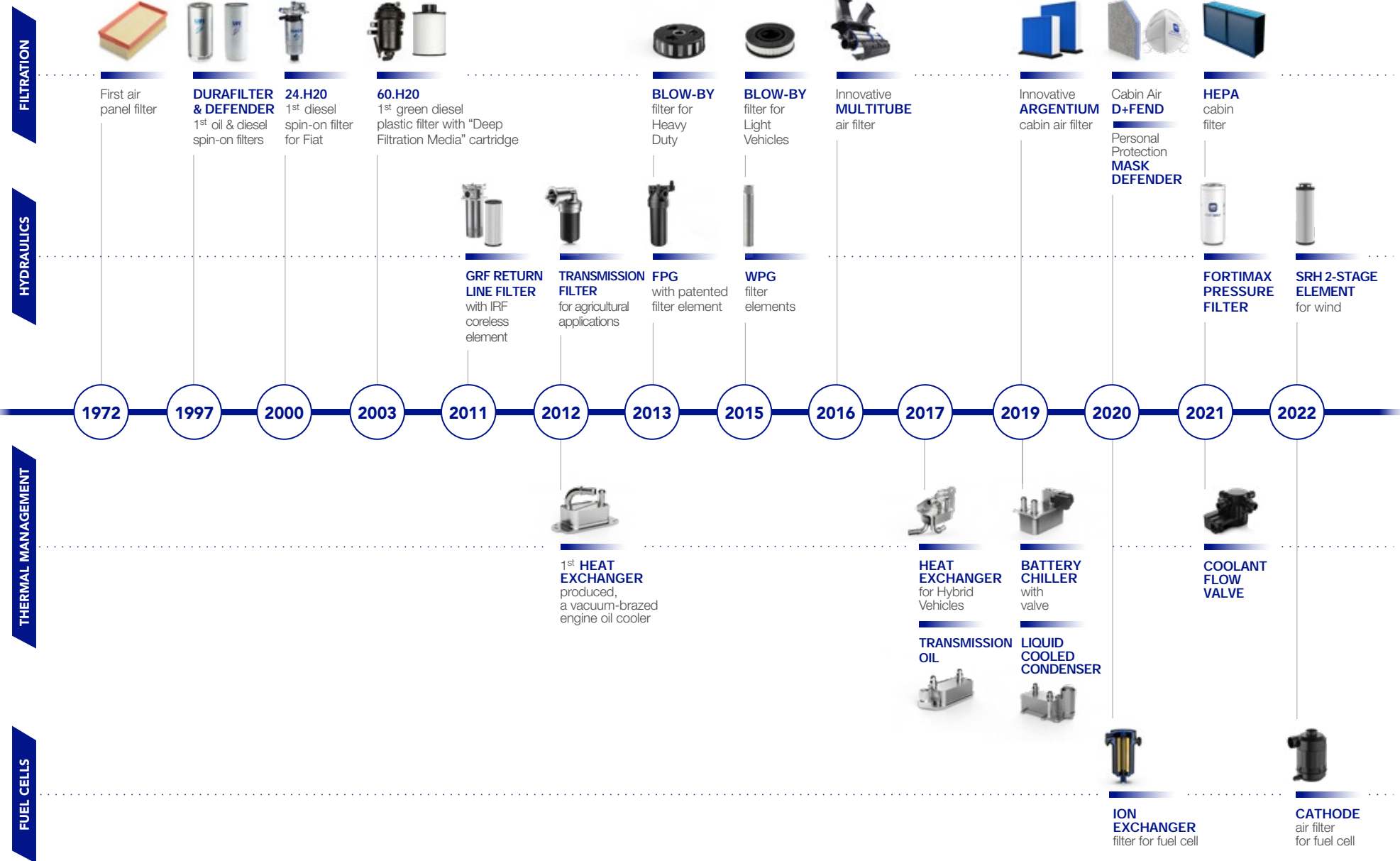


**>250**

>250 co-branded products with the biggest OEM's.



# 2.2 UFI Products History





# OUR IDENTITY | 2.3 Market Presence

## Global Presence

### 20 INDUSTRIAL SITES

### 3 INNOVATION CENTERS

UFI Innovation Center S.r.l. (IT)  
 UFI Innovation Center India Pvt. Ltd (IN)  
 Sofima Filter Shanghai Innovation Center (CN)

### AMERICAS (SINCE 2001)

**2 INDUSTRIAL SITES**  
 UFI Filters do Brasil, Ltda (BR)  
 UFI Filters Mexico (MX)

**4 COMMERCIAL OFFICES**  
 United States  
 Brazil

### EMEA (SINCE 1971)

**8 INDUSTRIAL SITES**  
**UFI Filters S.p.A. Nogarole Rocca (IT) (Headquarter)**  
 UFI Filters S.p.A. (IT)  
 UFI Filters Hydraulics (IT)  
 PlasticTechnologies S.p.A. (IT)  
 UFI Filters Czech s.r.o (CZ)  
 UFI Filters Poland (PL)  
 Sofima Filters S.A (TN)  
 Friedrichs Filtersysteme GmbH (DE)

**18 COMMERCIAL OFFICES**  
 Italy Sweden  
 France South Africa  
 Germany Tunisia  
 South Africa Turkey  
 Spain United Kingdom

### APAC (SINCE 1983)

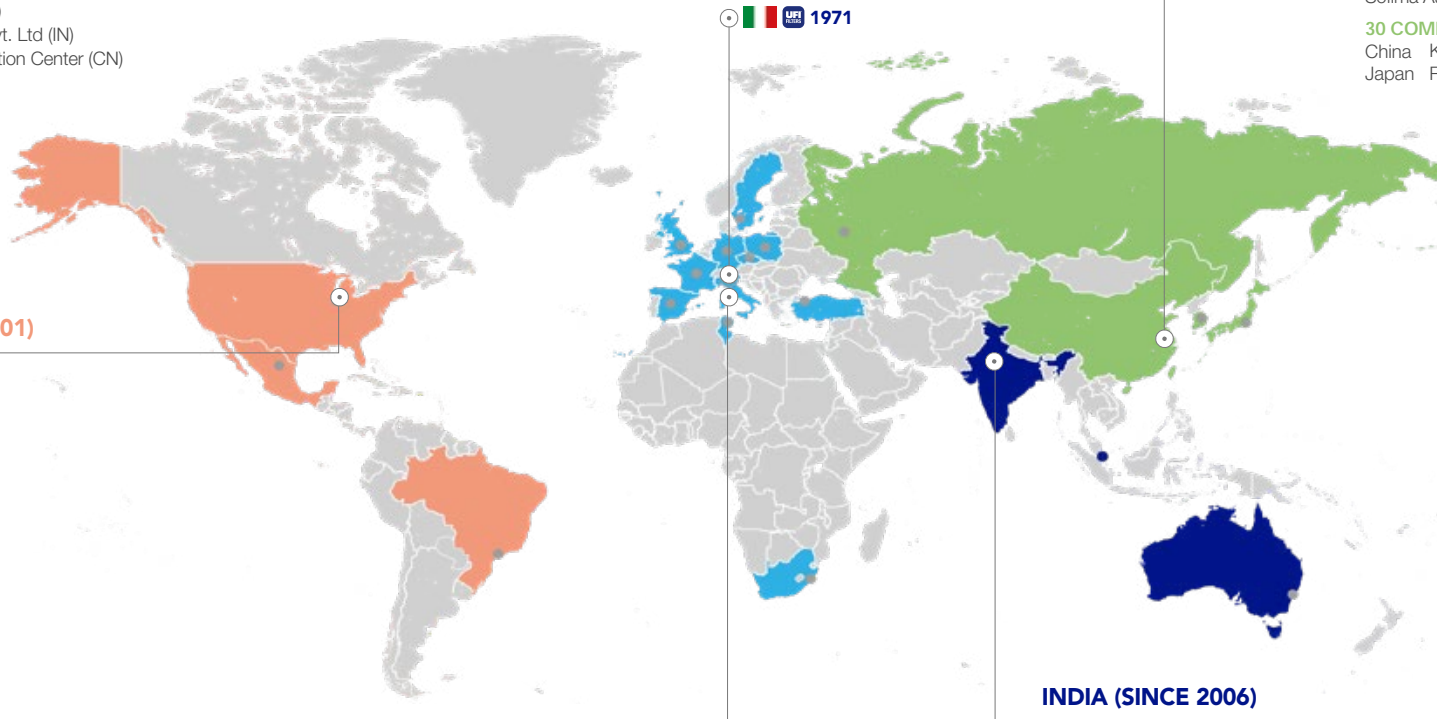
**7 INDUSTRIAL SITES**  
 UFI Filters Shanghai Co, Ltd. (CN)  
 Sofima Industrial Filter Shanghai Co, Ltd (CN)  
 Sofima Automotive Filter Changchun Co, Ltd (CN)  
 Sofima Automotive Filters Shanghai (Aftermarket Division)  
 Sofima Automotive Filters Chongqing (CN)  
 UFI Filters Korea Co, Ltd. (KR)  
 Sofima Automotive Filter Shanghai Co, Ltd (CN)

**30 COMMERCIAL OFFICES**  
 China Korea  
 Japan Russia

### INDIA (SINCE 2006)

**3 INDUSTRIAL SITES**  
 UFI Filters India Pvt. Ltd (Belgaum, IN)  
 UFI Filters India Pvt. Ltd (Delhi, IN)  
 Sofima Filters Aftermarket India (Bahadurgarh, IN)

**4 COMMERCIAL OFFICES**  
 Australia  
 India



## Automotive



### CARS AND COMMERCIAL VEHICLES

More than 2500 references for cars and commercial vehicles up to 3.5 t.



### HEAVY DUTY

More than 600 references for trucks & buses.



### OFF-ROAD AND AGRICULTURAL

More than 550 references for industrial vehicles, earthmoving and agricultural vehicles.



### MOTORBIKES

More than 120 references for two-wheeled and three-wheeled vehicles.



### RACING

A special, dedicated range for each motorsport team.

## Non-Automotive



### HYDRAULICS

More than 5600 references for industrial and special vehicles.



### AERO-SPACE

Products that respect the EASA procedures.



### DEFENCE

Systems for tactical vehicles and hostile areas.



### MARINE

Applications for propellers and generators.



### SPECIAL APPLICATIONS

Our know-how applied to advanced research.



# OUR IDENTITY | 2.5 UFI Business Segments

## Chosen By The Best OEMs



### CAR MANUFACTURERS

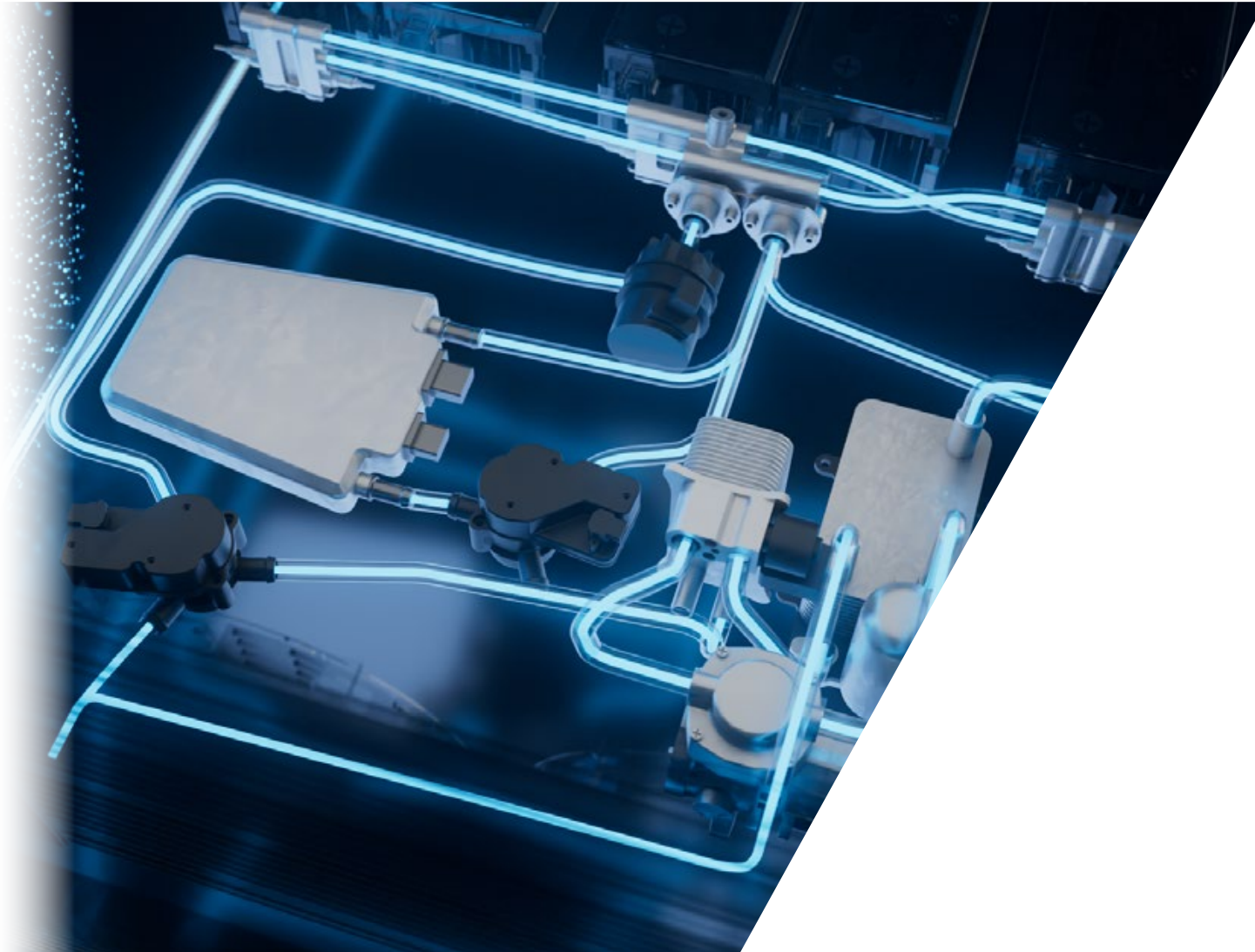
Continuous technological innovation, the search for solutions with extreme performances, investments in technologically advanced products: these are the plus factors that have made **UFI FILTERS** an original equipment leader, **chosen by 95% of the biggest manufacturers in the world**. Thanks to the filtration materials developed with the exclusive **FormulaUFI filtration media**, UFI Filters can provide specific solutions for individual applications, assuring the highest engine protection and therefore a fundamental contribution in consumption and emissions savings. UFI's wide product portfolio offers different solutions in filtration and thermal management.

### HEAVY DUTY MANUFACTURERS

UFI Filters products are chosen as Original Equipment by the leading manufacturers accounting for **50% of the world's production of trucks and industrial vehicles**. High levels of efficiency and safety, the complete range and investments in new technological solutions are the strengths that make UFI a premium supplier for OEMs, which produce vehicles used for professional purposes.

Thanks to the exclusive **FormulaUFI filtration media** developed in the UFI Innovation Centres worldwide and to the new vacuum brazed aluminium heat exchangers, the main truck, agriculture, and construction equipment makers choose UFI's reliable innovations, that can assure the highest filtration and **Thermal Management** performances thus, helping save consumptions and pollutant emissions.

## Thermal Management & Fuel Cell Systems



### THERMAL MANAGEMENT

The UFI Filters Group has been present in the world of heat exchangers for the OEM automotive sector since 2010. In particular, investments in research and innovation have led to specialisation in the design, development and production of **water-cooled and vacuum-brazed aluminium** heat exchangers more robust, efficient and clean.

UFI Filters can rely **on three fully dedicated industrial sites globally** for production of water-cooled and vacuum-brazed aluminium heat exchangers, not only for **traditional vehicles**, but also for **hybrids and electrics**.

### FUEL CELLS SYSTEMS

UFI is working in developing advanced filtration technologies needed to protect the fuel cell system from contamination and damages. Thanks to its experience in filtration and production of heat exchangers for internal combustion, hybrid and electric vehicles, UFI can supply different solutions for fuel cells, such as **the cathode air filter, the ion exchange filter and the demister and the Membrane Electrode Assembly (MEA)**. Hydrogen mobility will be the future of transportation and UFI Filters is ready for it.



## Hydraulic Division



### HYDRAULICS

**UFI Filters Hydraulics**, founded in 1992 in Bolgare, in the north of Italy, is the branch of the UFI Filters Group dedicated to hydraulics filtration solutions. For **30 years**, UFI Filters Hydraulics has specialised in the design and manufacturing of a comprehensive line of hydraulic filters, filter elements, spare parts and accessories, with the aim to create innovative and sustainable solutions in hydraulic filtration and to meet, at the same time, the requirements of the most **demanding operating environments and applications**.

UFI Filters Hydraulics daily journey consists in studying customers' filtration problems and sharing with them its worldwide experience, to ensure a safe and constant cleanliness level thereby creating reliable, proven and highly efficient hydraulics, both in mobile and stationary applications.

**In 2022**, UFI Filters Hydraulics acquired all of the shares of **Friedrichs Filtersysteme GmbH**, gaining access to a new world with several additional markets, and extending its portfolio with new products and patents: duplex fluidtech® series of filters, deltaP® differential pressure indicators, air-oil mist separators for big generators, silencers for air compressors, water filters for marine and industry and other filtration units and breathers for several sectors, including wind power generation, mining and chemical industry.



# OUR IDENTITY | 2.5 UFI Business Segments

## High Tech Division



### RACING

The UFI Filters High Tech Division team is specialised in the production of filtration solutions for “extreme” performances. All the major teams competing in **the Formula 1 World Championship** use a variety of filtration solutions created by UFI Filters, confirming the position of the company as undisputed leader in this premium motorsport class. Indeed, **9 of the 10 Formula 1 teams have chosen UFI**, with the company supplying more than 8,000 individual parts per year, including hydraulic filters, oil filters, fuel filters, last chance filters and air filters, to the leading teams, not only in the best-known series, but also in other competitions, such as **Indycar, Nascar, Formula 3, MOTO GP, MOTO 2, MOTO 3 and others.**

### AEROSPACE

The High Tech Division of the UFI Filters Group is involved in the design and production of air, oil and **fuel filtration systems for aerospace, military, marine and the defence sector vehicles.** From the experience gained from the racing world and the production of Original Equipment for the automotive industry, UFI Filters produces highly technological components, created with craftsmanship, to ensure maximum filtration capacity, performance and reliability in delicate and complex mechanisms.

## Aftermarket



### UFI FILTERS

UFI Filters is the premium quality brand marketed for the independent spare part network. UFI counts more than **3.700 SKUs in its catalogue** for cars, heavy duty, agriculture, and motorbikes, offering the same product standard as the original equipment. There are **19 UFI Aftermarket sales offices** that guarantee a widespread presence in Europe, China, India, North and South America, North and South Africa and Oceania. There are **more than 70 countries** around the world where UFI products are marketed in partnership with the most important distribution Groups in the world.

### SOFIMA FILTER

SOFIMA Filter is the brand marketed for the independent spare part network since the early 1980s. It guarantees the same levels of quality, innovation and technology chosen for Original Equipment. SOFIMA's catalogue range consists of **more than 3,000 products**, so that more than 98% of the European fleet is covered for each product family. There are **17 Group Aftermarket sales offices worldwide**, ensuring a widespread presence in Europe, China, India, North America and North Africa.





# OUR HOUSE 3.1 Company Organization

## #WeAreUFI

Being one of the first Italian companies to identify growth opportunities in the Far East, today UFI Filters has **20 industrial sites** and employs over **4,000 people in 21 countries**.

The Group also employs over **250 specialized technicians** in its **3 Innovation and Research Centers** and holds more than **280 patents**.

We especially pride ourselves in being a place where people come for the image and stay for the environment. The key to this behavior is in the people centric organization we continue to sustain via 3 main factors:

**1. THINK GLOBALLY AND ACT LOCALLY**  
**Glo-Cal** is the mantra that has always accompanied our organization. Our aim is to support our customers, who demand consistent commitment and point of contact. Growing and expanding our geo-footprint in all continents, the decision to think globally and take care of our clients locally is aimed to improve our capability to be effective and efficient in our worldwide network.

**2. MATRIX ORGANIZATION**  
 UFI Filters adopts a **matrix organization** managed by **the Group CEO (Chief Executive Officer)** from **our Headquarter in Italy (Nogarole Rocca**

**- Verona)**. The organizational structure consists of **corporate functions** which operate across the company (Sales, Engineering, Human Resources & Legal, Purchasing & Supply Chain, Controlling and Information Technology) and **Regional Operations** which are led by regional **COOs (Chief Operations Officer) and/or CEO**.

To better coordinate our global network, to allocate resources and projects where most matters and to support the COO's decisions in accordance with the Group strategic objectives, all operations and staff functions are located within the respective region and are linked functionally to the corresponding

central functions. IT Networks, Systems and Infrastructures are designed to ensure timely decision and communication and are compliant with all the necessary laws and regulations to guarantee high standard of security, both internationally and locally.

UFI Worldwide

The regional organization is divided in:

- **EMEA:** Europe, Middle East, Africa
- **APAC:** Asia Pacific, Russia
- **INDIA:** India, Australia
- **AMERICAS:** North, Central, South America



**GIORGIO GIRONDI**  
Chairman

INNOVATION



**RINALDO FACCHINI**  
CEO

Matrix Organization Functions

Regions / BU

	COO EMEA	COO ASIA PACIFIC	CEO INDIA	COO AMERICAS	HYDRAULICS DIVISION
SALES OE	✓	✓	✓	✓	—
LEGAL & HUMAN RESOURCES	✓	✓	✓	✓	✓
PURCHASING & SUPPLY CHAIN	✓	✓	✓	✓	✓
CONTROLLING	✓	✓	✓	✓	✓
INFORMATION TECHNOLOGY	✓	✓	✓	✓	✓
ENGINEERING	✓	✓	✓	✓	✓



# OUR HOUSE

## 3.2 Governance

### 3. GOVERNANCE STRUCTURE

UFI Filters adopts a governance model constituted by a **Board of Directors (BoD)**, which strategically directs the management of the Group, by a **Board of Statutory Auditors**, which supervises the work of the BoD, and by an **Auditing Firm** which oversees the statutory audit and accounting control.

UFI Filters' governance structure has been strengthened in the recent years with the adoption of an **Internal Audit** function with the task of assessing the adequacy and effectiveness of the internal control system and directing actions for the improvement of the model adopted.

Moreover, our organization is permeated by a culture based on our values and these values have been translated into policies and regulations to maintain integrity, ethical conduct, corporate responsibility, and the respect of compliance obligations. To this end, we have implemented a compliance management system, comprehensive and integrated in the corporate management model. This model consists of tools aimed not only at ensuring the implementation of corporate policies, but also to exert preventive and controlling actions. This guarantees to our people and our governance structure integrity, accountability which are part of our core values and the infrastructure or our culture.

These tools consist of:

#### 1. RISK MANAGEMENT

We have defined and implemented a systematic and proactive approach for the **Risk Management** of business, environmental and social aspects inside the organization.

We continuously monitor trends and events, and we evaluate the company exposure on a timely basis under a structure of roles and responsibility clearly defined and addressed inside the organization.

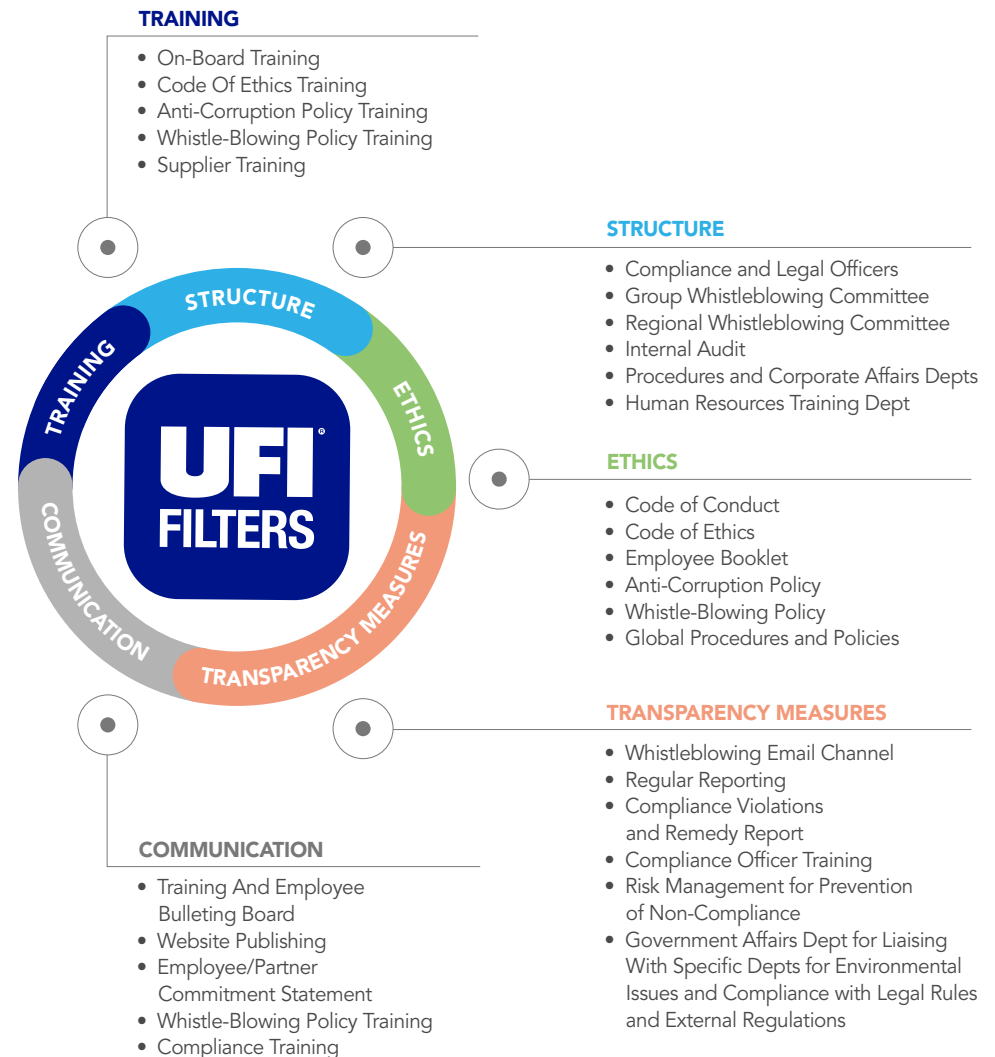
The area of risk that the Group manages actively are those of: Health and Safety - Environmental - Operational and Supply Chain - Compliance and Data Security.

#### Risk Management

**Our risk management system is structured to:**

- Perform context analysis and understand the needs and expectations of the interested parties.
- Identify and assess the organizational risks and opportunities for all the group processes.
- Evaluate operational risks and define appropriate measures and/or contingency plans.
- Take appropriate actions to mitigate and counter the risks to which the Group is exposed.

UFI's Governance Structure



# OUR HOUSE

## 3.3 Compliance

UFI Filters strongly believes on the commitment and application of a transparent, ethical, and compliant conduct, which is essential for managing the company's activities in a fair way.

This is not only pursued by observing laws and regulations, but also considering the expectations of our stakeholders, and to foster this approach we have implemented since years a system of Policies designed to ensure a high ethical standard.

### 2. CODE OF ETHICS

The Code of Ethics is at the heart of our compliance system and highlights the principles to which all company activities are inspired and aligned through Our Values: Innovation, Passion, Excellence, Integrity, Accountability and Diversity.

Furthermore, the Code of Ethics defines the standards of conduct and the adequate behaviors to be observed by all the Group employees, with reference to areas where there is a potential risk of incurring in an offense.

The Code of Ethics is applicable to all Group companies, consistently with the laws and regulations in each Country, and is publicly available on the UFI Filters website.

All UFI Filters employees are expected to understand and comply with the UFI Filters Code of Ethics, that equally applies to our Board of Directors and all our subsidiaries, affiliated companies, and suppliers.

We have reviewed and updated our Code of Ethics during the second half of 2022, with the aim of making the rules of conduct and principles of behavior consistent with regulatory developments and the most advanced reference standards, and with increased focus on the respect of human rights.

### 3. ANTI-BRIBERY

We feel a great responsibility, as a globally operating company, to ensure that one of our core values, Integrity, is respected and is considered one of the main pillars of our business conduct.

We reiterate not only in our Code of Ethics, but also through the adoption of a specific Anti-Bribery policy, that robust processes must be ensured to prevent the occurrence of situations where the company is exposed to the risk of corruption.

Our Anti-Bribery policy clarifies the basic principles that must be adopted, such as segregation of duties, impartiality, traceability, and absence of conflicts of interest, which are implemented and translated into our operating procedures, especially for those business processes that are most exposed to this type of phenomenon.

Not only the principles, but also the potential risk areas are evaluated and analyzed to comply with the applicable laws and regulations, in each country where the company operates.



# OUR HOUSE

## 3.3 Compliance

We have foreseen a small nominal amount acceptable for gifts or donations, but above which we believe the behavior would be non-compliant and therefore subject to potential violation of our code of conduct described in the Code of Ethics and Antibribery policies. The Antibribery policy as well has been revisited in conjunction with the Code of Ethics, during the second half of 2022.

### 4. WHISTLEBLOWING

Any violation of the code of ethics or anti-corruption policy must be reported transparently to the bodies in charge of conducting the appropriate checks, whilst at the same time allowing the person who made the report (the whistle-blower) to be protected, although reports may be also provided anonymously.

**Our Whistleblowing Policy has been updated together with the Code of Ethics and the Anti-Bribery policies in 2022** and has been published and distributed to all our people. It provides clear indications of which are the breaches or misconducts that shall be reported and the proper channels to communicate them, allowing anyway the anonymous reporting or the protection of the informant during and after the investigation. Our system is composed by two levels of Committees, one **Regional Whistleblowing Committee (RWC)** for each of the four

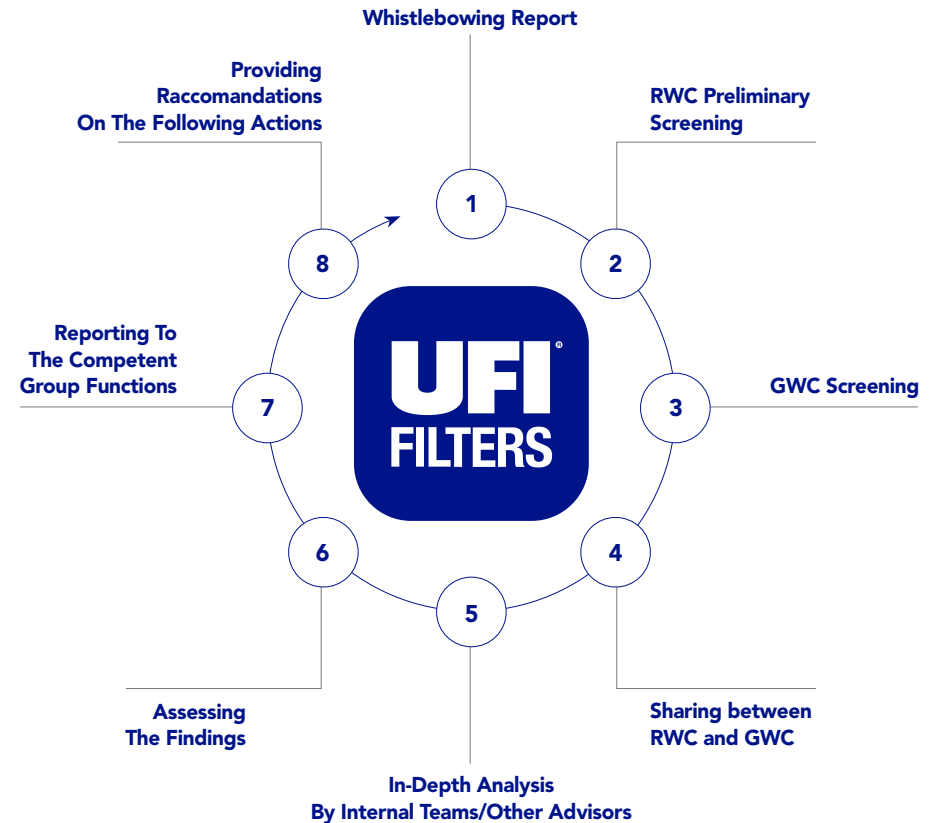
regions and one **Global Whistleblowing Committee (GWC)** that operates at Global Headquarter level. The analysis of the notice will be done by the appointed RWC and further escalated to GWC members (if the case), with recommendation on investigation or further actions by the relevant function, according to the applicable rules and regulations.

To strengthen the learned behaviors that are the natural transmission element of a culture, **the Group Policies have been published on our internal Intranet accessible to all employees, and further communicated through email to all interested parties.** In addition, the Code of Ethics is an integral part of **the Terms and Conditions signed by our suppliers** on a regular basis and we require all employees to undertake regular training related to policies and regulations. In 2022 our Group Policies have been refreshed and updated, so we have decided to deploy them in the most effective way.

In line with previous year, we are proud to say that **no corruption events** were recorded in all our industrial sites or representative offices **during year 2022.**

As well, **no legal action** relating to **unfair competition, antitrust and monopolistic practices** were reported in 2022.

### Whistleblowing And Investigations



# OUR HOUSE 3.3 Compliance

## TRAINING

We have adopted a **new web-based e-Learning platform**, available in every company worldwide and accessible to all colleagues who have a corporate email account.

All regions have been given access to this digital platform, that also provides the Group with real time attendance and results of the training campaign. Each employee can individually access and undergo a quick but intense training in relation to the Code of Ethics, Antibribery and Whistleblowing policies.

The training consists of **online video-training courses and final verification tests**, prepared for each one of the Policies, that allows to **check everyone's learning of the basic principles**

**described in the Policies.** The participation to the course is **mandatory**.

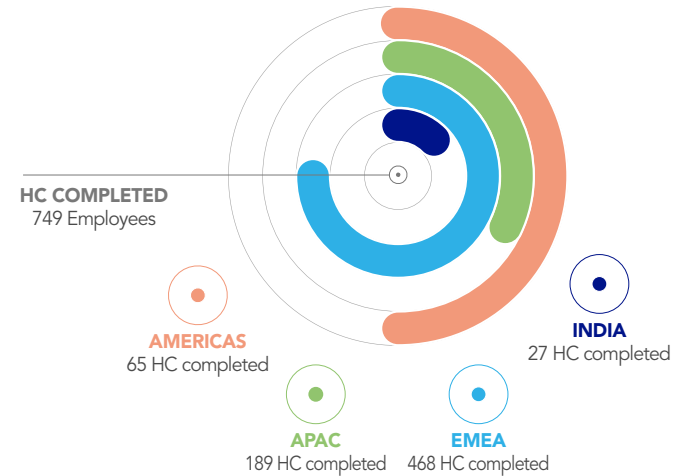
Furthermore, we require all new employees to undergo induction training and to sign the Code of Ethics at the start of the employment. This new eLearning platform has been **launched in 2022** and has seen over **1.495 eligible employees (with corporate email)** involved in online training, of which 1234 white collars (including all levels, e.g. managers, executives, ...) and 261 blue collars.

Similar training will be extended in the future to all other employees who don't have a corporate email (e.g., most of the Blue Collars), or through classroom training or via other devices.

REGION	HC COMPLETED @ 31/12/2022	% COMPLETED @ 31/12/2022	HC COMPLETED @ 31/01/2023	% COMPLETED @ 31/01/2023	HC ELIGIBLE
AMERICAS	65	53%	111	90%	123
APAC	189	32%	504	87%	582
EMEA	468	73%	612	95%	641
INDIA	27	18%	145	97%	149
<b>Total</b>	<b>749</b>	<b>50%</b>	<b>1.372</b>	<b>92%</b>	<b>1.495</b>

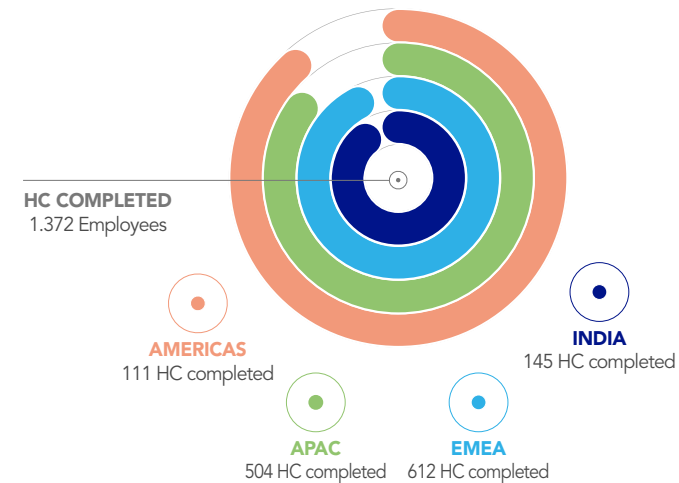
Training completed @ 31/12/2022

GRI 205-2



Training completed @ 31/01/2023

GRI 205-2





# 4.1 Materiality Impact

## CONTEXT ANALYSIS

In the second half of 2021, UFI Filters carried out **the Materiality Analysis** and identified **the Material Topics** with its main internal and external Stakeholders.

The process used to select the most relevant topics was performed via an analysis on the global trends and recognized best practices in our industry, together with the help of representatives from Human Resources, Legal, Engineering and Industrialization, Health & Safety and Purchasing & Supply Chain and under the supervision of our Top Management.

The result of that analysis is **valid also for the year 2022**. Furthermore, to transpose the guidelines of the updated **GRI “Universal Standard” 2021**, which include an analysis of the impacts generated by the company on the economy, environment and people, **UFI Group has carried out a Materiality Impact analysis in the context in which has operated during the year 2022**.

We arrived at the following table that illustrates and describe the impact of our operations, and how we manage to mitigate them with our actions and commitments.

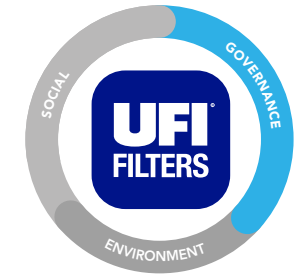
### Analysis & Monitoring

**To perform this analysis, we have kept in mind the following two aspects:**

- 1. Our Mission**, that is to create innovative and sustainable solutions in filtration and thermal management systems. We are constantly engaged in research and implementation of solutions that guarantee maximum respect for the environment, providing technologically advanced systems which can reduce energy consumption and exhaust gas emissions by protecting engine components from the wear and by contributing the improvement of fuel combustion efficiency.
- 2. Our Group Quality Policy**, that puts **Customers First**, therefore we aim to provide them with exceptional quality products to enhance the efficiency of their applications. We also strongly believe in business ethic and mutual respect, which begin inside the Group and extend to our customers and suppliers with equal importance. We invest in the quality of our personnel, provide Our People with all the conditions to work in a safe, fair, and professional environment.



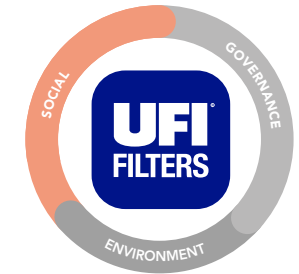
# 4.1 Materiality Impact



Impact Assessment Analysis

TOPIC	IMPACT ON ECONOMY, ENVIRONMENT AND PEOPLE	MANAGEMENT OF THE TOPIC
<p><b>Group Economic Performance</b></p>	<p>The automotive market is rapidly evolving, driven by the transformation linked to decarbonization, therefore the value generated and redistributed is impacted by new technologies and new products developed with a growing share in the vehicle electrification sector.</p>	<p>We have structured ourselves with new organizational and business models oriented to new technologies, investing in new plants and processes in order to develop and produce products and systems in line with the new demands of the automotive market.</p>
<p><b>Product Quality and Safety</b></p>	<p>UFI develops and manufactures complete components and systems that interface with other engine or vehicle parts, in which operating fluids can be subjected to high temperatures and pressures. A defect in these products may cause a reduction or a problem of performance and/or reliability and/or safety on the vehicles that are in the market.</p>	<p>We implement processes, procedures and tools that allow us to develop products that comply with the highest safety standards in the automotive sector, to ensure maximum reliability on the vehicles on which they are used, increasing their durability and therefore with a positive impact on people’s health and the environment.</p>
<p><b>Business Ethics and Integrity</b></p>	<p>The Group collaborates commercially with many partners in all regions and in different countries in the world, relations are generally Tier-2 towards the largest Automotive industrial groups, and towards a very large and fragmented panel of product and service suppliers. Any act of corruption, that might be committed in this context, would have repercussions on the reputation of the company or on certain business partners connected to it.</p>	<p>We promote transparent business management with all business partners and stakeholders through awareness and internal training for all employees, we adopt internal policies and processes that avoid situations of potential risk of committing illegal activities or maintaining improper conduct.</p>
<p><b>Responsible procurement practices and sustainable logistics</b></p>	<p>Thanks to a footprint and a global presence that sees the Group present with production facilities in numerous countries, our supply chain can have an important impact on transport logistics in terms of CO2 emissions.</p>	<p>We push towards a local-to-local approach by growing partners and suppliers close to production sites, thus shortening the supply chain and consequently reducing the impact on logistics and transport.</p>

# 4.1 Materiality Impact



Impact Assessment Analysis

TOPIC	IMPACT ON ECONOMY, ENVIRONMENT AND PEOPLE	MANAGEMENT OF THE TOPIC
<p><b>Occupational Health &amp; Safety</b></p>	<p>UFI Filters uses machines and lines with moving parts, under pressure and temperature, in its industrial processes, therefore any unsafe condition could cause a potential work accident, of varying severity with consequent psycho-physical damage to its employees and collaborators.</p>	<p>We use plants and machines with an ever-increasing automation, subjected to safety certification, we continuously train staff to the awareness of risks at work, we promote preventive activities and internal audits to search for any risks in the workplace in order to eliminate them.</p>
<p><b>Attractive working conditions – work/life balance</b></p>	<p>The Group operates in a context of high competitiveness and complexity in which specific skills and constant updating are required, as well as a great ability to adapt to new scenarios and be extremely flexible. If the company does not provide adequate tools and working conditions, this could result in high staff turnover and lack of talent retention.</p>	<p>We promote the possibility of working in smartworking mode to allow people to use their time more efficiently, we promote training and mentoring programs, as well as benefit policies and reward systems, we provide external services available to support the physical and emotional well-being of the person.</p>
<p><b>Diversity, equal opportunities promotion and people development</b></p>	<p>The manufacturing processes and skills required for the development of highly engineered products in the Automotive sector could limit professional opportunities to certain categories of employees. In addition, the international presence in different countries in the world means having to deal with different cultures, mentalities and traditions.</p>	<p>We adopt policies and development programs based on an objective assessment of people through transparent business processes that guarantee growth opportunities equal to all, also through job rotation or internal job posting. We promote internal training to allow all employees to increase their skills and knowledge for appropriate professional growth.</p>
<p><b>Human Rights Respect</b></p>	<p>UFI operates globally and maintains commercial partnerships worldwide, relying on a vast and far-reaching supply chain. In certain situations, where controls are beyond the group’s jurisdiction, it is possible that individuals could experience inappropriate treatment and behavior.</p>	<p>We promote respect for people’s rights through our compliance policies and internal training, we promote the reporting of improper conduct with complaint mechanisms, we extend the application of the same models to our suppliers as well as we verify that raw materials (e.g. minerals subject to the Conflict Mineral Act) do not come from countries at risk of human rights violations.</p>
<p><b>Freedom of association</b></p>	<p>With an international presence in many countries and regions where labour costs are lower and with inconsistent laws and regulations, or even in the absence of local agreements or legislation, workers might not be protected in their rights.</p>	<p>We promote for all workers the right to be represented and to be able to submit their requests and requests in a transparent manner according to the regulations in force in the countries where the company is present.</p>

# 4.1 Materiality Impact



Impact Assessment Analysis

TOPIC	IMPACT ON ECONOMY, ENVIRONMENT AND PEOPLE	MANAGEMENT OF THE TOPIC
<p><b>Energy consumption and CO2 emissions</b></p>	<p>UFI Filters mainly consumes electricity and natural gas for its industrial activities and internal vertical processes, therefore it contributes to the emission of greenhouse gases into the atmosphere that can have an impact on climate change.</p>	<p>We are monitoring our energy consumption to understand where to direct our actions effectively. Where possible and convenient, we are using or evaluating the use of installations for the self-production of electricity from renewable sources (e.g. photovoltaic), otherwise through the purchase of renewable energy from the grid supplier or by offsetting with green certificates.</p>
<p><b>Environmental protection</b></p>	<p>Having many internal transformation processes from raw material to semi-finished product and finally to the finished product, the Group contributes to the generation of waste that can be identified as hazardous and non-hazardous, and which must be appropriately treated for its disposal with further impact on the environment.</p>	<p>In all internal transformation processes, we already implement actions to optimize the use of raw materials and to reduce processing waste, as well as to recycle waste materials and / or packaging, trying to limit their disposal in landfills or incineration as much as possible.</p>
<p><b>Innovative and eco-responsible products</b></p>	<p>UFI manufactures components and integrated systems for filtration and for the management of thermal balancing of engine fluids, whose performance impacts on the efficiency and emissions of the vehicles on which they are installed.</p>	<p>We verticalize the design and production of filter materials and heat exchangers internally in order to provide best-in-class and highly innovative solutions, using as much as possible materials with a high degree of recycling, compatibly with the technical requirements they must meet.</p>

# OUR PEOPLE 5. #WeAreUFI

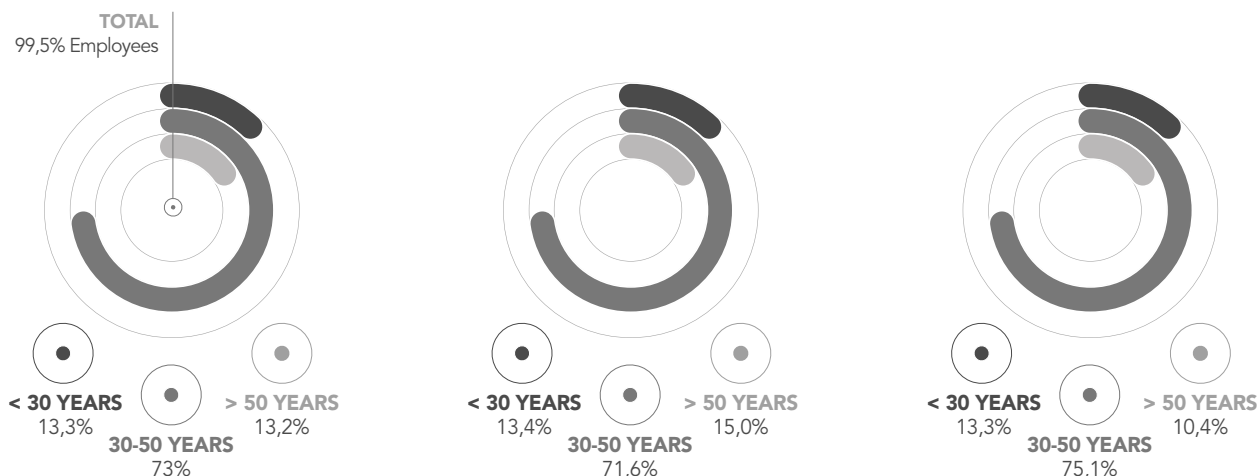
In a world where the importance of fundamental resources such as air, water, and environment is widely recognized, it's essential to acknowledge that an organization's most valuable resource is its people. The reason being, they are the ones who drive the organization forward. **Our people have been the driving force behind our success for the past 50 years**, and as the world is taking care of its resources, we take care of our people by creating an environment based on our principles and values.

Our organization spans across five continents and various languages and cultures, but **diversity and training are the common denominators** that create a cohesive team and interchangeable units that help each other grow and thrive. We appreciate our people and their unwavering spirit, which has helped us navigate through difficult situations and continues to inspire us daily.

Please be advised that temporary personnel were included in the blue-collar headcount in India for 2021 due to a not clear definition of the perimeter. As a result, the on-roll full-time employee headcount for the reporting year 2021 needs to be adjusted from 3.664 to 3.365 HC, resulting in a total variance of 8.2%. In 2022, the On-Roll Full Time Employees are 3.325, while the total workforce in UFI Filters Group is around 4.200 people, of which almost 850+ HC are temporary blue collars employees distributed in all the regions.

## 2022 | On-Roll Full Time UFI's Employees' Age

GRI 405-1



AREA	< 30	30-50	> 50	TOT
AMERICAS	50	179	22	267
APAC	92	1.170	144	1.406
EMEA	246	897	261	1.404
INDIA	55	180	13	248
<b>Total</b>	<b>443</b>	<b>2.426</b>	<b>440</b>	<b>3.325</b>

Blue Collars	< 30	30-50	> 50	TOT
	32	123	16	171
	57	780	113	950
	177	498	176	851
	5	52		57
<b>Total</b>	<b>271</b>	<b>1.453</b>	<b>305</b>	<b>2.029</b>

White Collars	< 30	30-50	> 50	TOT
	18	56	6	96
	35	390	31	456
	69	399	85	553
	50	128	13	191
<b>Total</b>	<b>172</b>	<b>973</b>	<b>135</b>	<b>1.296</b>

\* The information is not available for 16 HC (0,5%) due to privacy.

Board of Directors composition - Men: 6 (100%) - Age Groups: > 50 years (5 - 83%) - 30-50 Years (1 - 17%)



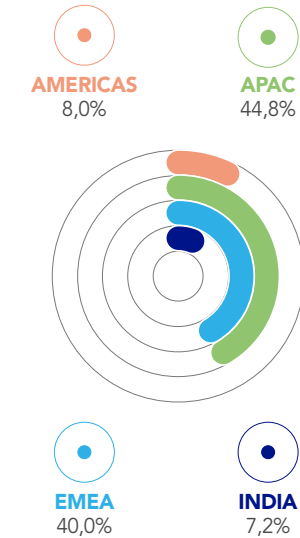
# OUR PEOPLE | 5. #WeAreUFI

When comparing our **workforce in 2022** with the previous year, we need to consider two major factors that have changed our people: the growth of thermal management and technological advances in our factories to improve production facilities. The total number of white-collar employees increased by 6% to reflect our innovation in thermal management, while the number of blue-collar employees decreased by a similar percentage. Overall, there was a small change in the total workforce, reflecting the efficiency of our ever-evolving and improving production systems.

Within the total headcount, we noticed some notable trends worth mentioning, such as average age and education. However, our Chairman is particularly proud of the longevity of our people, which demonstrates the environment and sense of family we have created. Several UFI employees have spent most or all of their work lives with our group, proving that our vision of the workplace is shared by our people.

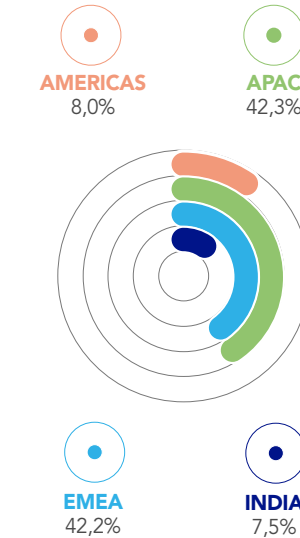
Our environment is based on four pillars that are also part of our values: EHS, diversity, accountability, and equality. EHS is discussed in detail in another section of this report, but we illustrate how we manage the environment (our working sites) to benefit and enhance the welfare of our people.

2021 | Full Time Employees | GRI 2-7



AREA	EMPLOYEES
AMERICAS	268
APAC	1.509
EMEA	1.346
INDIA	242
<b>Total</b>	<b>3.365</b>

2022 | Full Time Employees | GRI 2-7



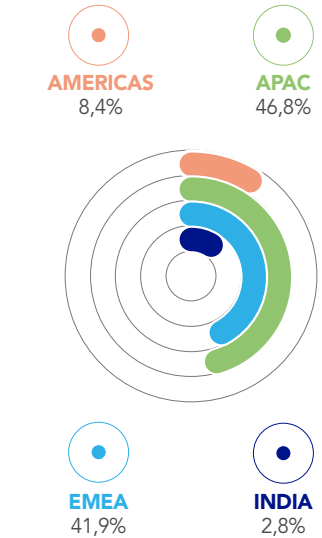
AREA	EMPLOYEES
AMERICAS	267
APAC	1.406
EMEA	1.404
INDIA	248
<b>Total</b>	<b>3.325</b>

2022 | UFI's White Collars | GRI 2-7



AREA	EMPLOYEES
AMERICAS	96
APAC	456
EMEA	553
INDIA	191
<b>Total</b>	<b>1.296</b>

2022 | UFI's Blue Collars | GRI 2-7



AREA	EMPLOYEES
AMERICAS	171
APAC	950
EMEA	851
INDIA	57
<b>Total</b>	<b>2.029</b>

# OUR PEOPLE | 5.1 Occupational Health & Safety

At UFI Filters, we prioritize the health and safety of our employees above all else. Our proactive culture is focused on continuous improvement and the implementation of global safety management systems to ensure **Zero Accidents**. This includes visible leadership, safe behaviors, and comprehensive training and equipment to carry out work safely.

Our commitment to health and safety starts at the highest level, with all UFI Filters production facilities required to comply **with applicable health and safety legislation in the country of operation, as well as our own procedures**. To ensure that these standards are met across all sites, **a Steering Committee led by the Group CEO** provides strategic direction and leads the development of tools, frameworks, and requirements. These are based on high-risk activities and international best practice standards, among which ISO, ILO, IOSH.

At UFI Filters, we believe that a safety culture is not something that can be imposed, but rather is created and sustained by the thoughts and actions of all members of the Group. We encourage every employee to think **SAFETY FIRST** in everything they do, and we reinforce this culture through posters, reminders, and videos that promote health and safety needs according to local legislation and UFI Filters requirements. This formal structure ensures that SAFETY FIRST

is not just a wish, but a core value of the company in terms of responsibility and accountability. We also provide access to occupational health services in line with regulatory requirements, including works doctors/nurses, first aid services, and counseling.

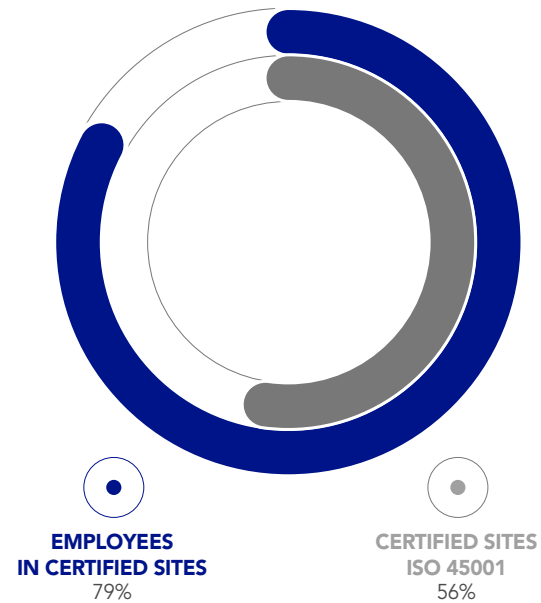
We continuously analyze and learn from suggestions and incidents to improve our processes and minimize risks. This includes identifying occupational health hazards and developing prevention measures/equipment, as well as improving production processes and equipment to minimize risk.

At UFI Filters, we invest in the continuous improvement of working conditions by formulating and implementing **comprehensive risk analysis and assessments**. We develop corrective and preventive action plans, continuously monitor health and safety activities, and address risk factors that may arise from the introduction of new processes, materials, or technologies.

In addition to taking preventative measures, UFI Filters conducts **audits to ensure compliance with HSE legal requirements and internal policies, standards, and practices**. The company believes that compliance with laws and regulations is a critical component of its safety culture. Audit results are reported annually to the headquarters, and any corrective actions or other risk improvement items are addressed.

Certified Sites And Employees

ISO 45001



**79% of Our People works in sites with ISO 45001 Certification**

**56% of our Industrial sites are certified ISO 45001 and we are planning to extend the certification to the remaining plants in the next few years.**

# OUR PEOPLE | 5.1 Occupational Health & Safety

The year 2022 was marked by significant changes and challenges, including many stops and restrictions. Despite these difficulties, UFI Filters improved its system, resulting in a tangible reduction in the total number of accidents while increasing working hours due to new business growth.

The number of recordable incidents has reduced significantly from 48 in 2021 to 39 in 2022, indicating a 19% reduction in such events. For context, there were 52 incidents recorded in 2019. We must note that 2020 was excluded from the analysis because of the impact of the Covid-19 pandemic on operations. The Injury Frequency Index also shows significant improvement, having decreased from 6.55 in 2019 to 5.30 in 2021 and finally reaching 4.12 in 2022. This decrease suggests that our efforts to create a safer working environment and reduce the number of incidents are effective and yielding positive results.

In 2021, we calculated the injury frequency index using a criterion that identified high-severity occupational accidents as longer than 40 days, resulting in a more rigorous assessment. This year, we updated our methodology according to the recommendations of the Global Reporting Initiative, which identifies high severity injuries as exceeding 180 days. As a result, the total

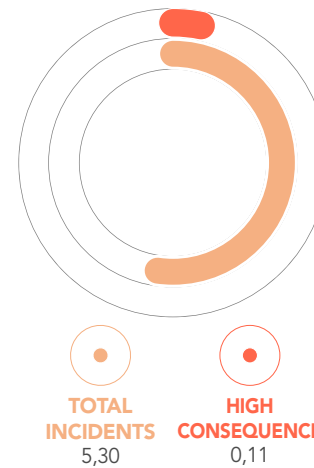
recordable injuries remained unchanged for 2021, while the assessment of high severity injuries was further improved.

**UFI Filters' core values of Safety, People, Integrity, Responsibility, Innovation, and Teamwork guide its actions** and confirm that safety is fundamental to the company's operations. The company consistently promotes safe work practices and focuses on controlling work environments.

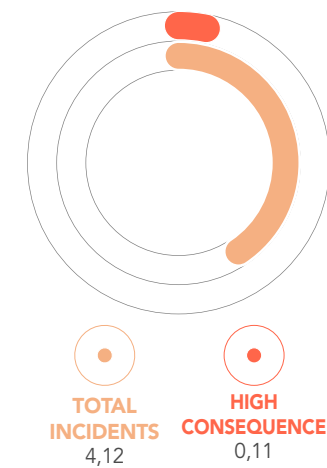
During the COVID-19 pandemic, UFI Filters implemented a policy of **SMART WORKING**, allowing employees to work from home while remaining fully connected to all IT and communication systems. All sites have adopted this policy to give employees greater flexibility in managing work-life balance. The policy has been positively received by employees, who appreciate its benefits, providing them with additional motivation and a sense of belonging.

This policy has been particularly valuable in helping UFI Filters weather the difficult period of the lockdown in China, where staff were required to stay isolated for two months due to the COVID-19 prevention measures. The company operated under the SMART WORKING policy, ensuring that production could continue without interruption.

**2021** | Frequency Index Injuries GRI 403-9  
Number of incidents per 1,0 Mio worked hours



**2022** | Frequency Index Injuries GRI 403-9  
Number of incidents per 1,0 Mio worked hours



	2021	2022
NUMBER OF INCIDENTS	TOTAL	TOTAL
FATALITIES	0	0
HIGH CONSEQUENCE*	1	1
TOTAL RECORDABLE INCIDENTS**	48	39
TOTAL WORK HOURS	9.060.346	9.473.108

\* Work-related injury that resulted in an injury from which the worker could not fully recover to pre-injury health status before 6 months.

\*\* Including fatalities and high-consequences work related injuries.

# OUR PEOPLE

## 5.2 Diversity, Equity, Inclusion (DEI)

Diversity has become one of our Values and one of our competitive advantages because it allows us to be truly **“GLOBAL” and all-inclusive** in reference to our people and Group Culture.

We pride ourselves to be not only fostering diversity but also equality of opportunities. This belief derives from the **TALENT PROGRAM** that we have started during the last few years, and that allows us to identify hidden gems in our workforce pool that properly trained and with the right mentoring can become the leaders of the future UFI. In this talent pool we have people from all cultures within our universe that cooperate with each other and believe in our vision and strategy.

**APAC Talent** program regularly enlist young talents every year that are engaged in an extracurricular program with supervision of dedicated Coach and mentor to guide them in cross functional projects.

A similar program has been launched in **EMEA** at the end of 2022, that involves **12 young talents** that will measure themselves on **4 projects of major interest** for the Company.

These talents are sent to sharpen their skills firstly in their industrial site in a different department then as a middle manager in another industrial

site within the same country and they become progressively ready to jump continents to prove their talent in a different environment. This process fosters diversity and opportunities creating the UFI culture from the grass roots all the way up to the higher branches of the Group.

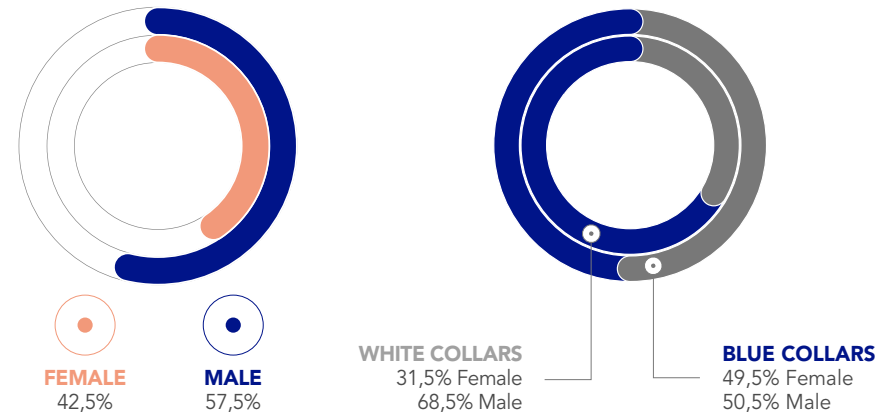
We promote the program via internal social networks (both digital and in bulletin boards) to ensure maximum dissemination of the information and show that our engagement in terms of values mirrors our vision.

The restatement of the workforce already mentioned at page 23 also impacts the gender analysis by slightly increasing the number of women in 2021, which passes from 40,5% to 43,7%, with an increase of about 3%. The COVID and lockdowns impacted the gender makeup of our workforce in APAC that has led to a lower number of women in our headcount. Analyzing the make-up of Blue collar people we discover a parity between men and women in our production sites. We are still above 40% in our “pink quota” across the board.

Naturally having industrial sites in 5 continents means that we need to respect different cultures also in terms of equal opportunities. A diversity environment needs to respect local customs and incorporate them in our own culture.

2022 | Gender Diversity

GRI 405-1



AREA	2022			Blue Collars			White Collars		
	F	M	TOT	F	M	TOT	F	M	TOT
AMERICAS	112	155	267	86	85	171	26	70	96
APAC	683	723	1.406	503	447	950	180	276	456
EMEA	600	804	1.404	409	442	851	191	362	553
INDIA	17	231	248	6	51	57	11	180	191
<b>Total</b>	<b>1.412</b>	<b>1.913</b>	<b>3.325</b>	<b>1.004</b>	<b>1.025</b>	<b>2.029</b>	<b>408</b>	<b>888</b>	<b>1.296</b>



# OUR PEOPLE

## 5.3 People Development

In order to facilitate the development of our employees, it is crucial to understand their skills, personality traits, needs, and desires. This involves monitoring these characteristics throughout their work period, including times of stress and social interaction. Once the manager or supervisor has a solid grasp of the employee, development can begin.

Our **Personal Business Plan (PBP)** is a tool based on UFI Values that enables our employees to be evaluated and graded fairly and transparently. It serves several purposes, including guiding the employee in achieving their targets, providing a development plan that includes training, and aiding the manager in objectively evaluating their staff.

The PBP is actively considered when promoting or adjusting compensation for any employee in the Group. If an employee fails to achieve their targets, the PBP develops into a recovery plan that provides training to support the person in achieving their objectives. Additionally, every new employee receives a specific induction plan to support their onboarding process.

The PBP process applies **to all white collars employees on-roll** in the Group at least since more than one full year, and during 2022 has been delivered to 1031 people all around the different

Regions, with a coverage of around 80% of the total white collars HC (new entry and resigned people not included per above criteria).

The Global HR Function in Nogarole Rocca ensures that policies and regulations are uniformly applied and carried out in all of our industrial sites to ensure fairness and equality within the system. This is a core characteristic of our environment in the UFI Filters Group.

Promoting from within is preferred because it fosters employee loyalty, guarantees the know-how base, improves employee belief in the meritocratic system, and empowers people to develop and grow within the Group. We regularly communicate these changes via email and digital means within our network, which generates a sense of accountability and responsibility, furthering the bond between the Group and its people.

**Our Talent Program and Employee Development programs** provide individual career plans that engage both the Group and the employee. Development of people depends on the skills of the individual and the tools provided by the Group, including training courses, on-the-job training, mentoring, and team-building exercises. Training is not only essential for development but



# OUR PEOPLE | 5.3 People Development

also for maintaining know-how and a competitive edge in today's market.

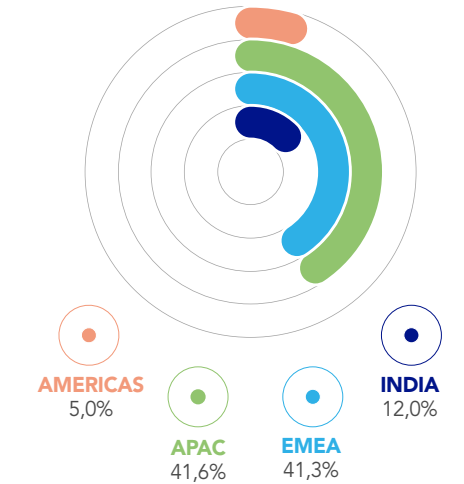
It can be delivered in a classroom or technical environment, but more and more it is administered through digital channels, such as social and intranet. We recently launched a program on a **web-based e-Learning platform** to train and test employees' learning efficacy.

This program provides flexibility in delivering training of diverse nature and monitoring results, particularly in compliance and internal controls.

Across our 20 industrial sites, total training delivered in 2022 equates to almost 2.000 training hours per site on average for all employees. This corresponds to a 30% increase from the 32.753 hours of 2021 after our restated numbers of headcounts, all while maintaining our quality, production commitments to clients, and honoring employee holidays and personal obligations.

Among all the Regions, APAC has suffered a decrease in the training hours delivered in 2022 due to the long lockdown that has interested the region during the months of April and May. It is a joint effort by the employee and the Group to sustain the values we believe in.

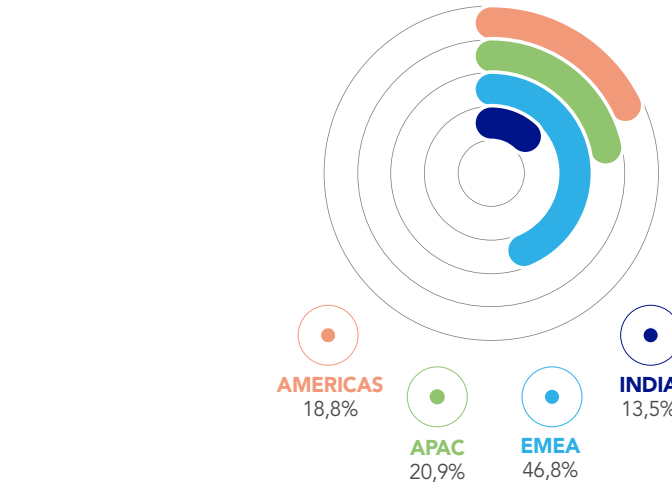
2022 | PBP Adoption



AREA	2022 Number of WC with PBP evaluation
AMERICAS	52
APAC	429
EMEA	426
INDIA	124
<b>Total</b>	<b>1.031</b>

2022 | Training Hours

GRI 404-1



AREA	Training Hours				TOTAL (training hrs)
	F	M	BC	WC	
AMERICAS	2.387	5.388	3.656	4.119	7.775
APAC	2.617	6.071	4.961	3.725	8.686
EMEA	6.375	13.028	7.469	11.935	19.403
INDIA	647	4.953	2.094	3.506	5.600
<b>Total</b>	<b>12.026</b>	<b>29.440</b>	<b>18.180</b>	<b>23.284</b>	<b>41.464</b>
<b>Average hrs</b>	<b>8,52</b>	<b>15,39</b>	<b>8,96</b>	<b>17,97</b>	<b>12,47</b>

# OUR PEOPLE | 5.4 Attractive Working Conditions

## Work/Life Balance

The allure of our Group lies in the job and compensation, while the environment and work/life balance are instrumental in retaining employees.

We have instances where employees dedicate their entire careers to UFI Filters Group, without seeking external opportunities. This serves as a testament to our nurturing environment and the harmonious equilibrium between work and personal life.

HR policies act as the social foundation and infrastructure that ensure the well-being of both employees and the company. Policies like **SMART WORKING** enable individuals to effectively manage their lives. SMART WORKING is a recent addition to the exemplification of the core Values upon which UFI Filters Group is built, garnering support and endorsement at the highest level.

Our commitment to fostering a diverse and inclusive environment is grounded in Our Values. Each employee is responsible for cultivating and sustaining an inclusive work environment.

These values are instilled during the induction process at the outset of an employee's tenure and continue throughout their professional journey, encompassing all internal communications. HR functions strive, whenever possible, to designate a dedicated individual for internal communication, ensuring the consistent thread of our values throughout an employee's association with the Group.

### Our Values

These values that we hold dear and that we instill in our everyday actions are:

- **INNOVATION:** being one step ahead.
- **PASSION:** being driven by passion and heart.
- **EXCELLENCE:** delivering superior results, we are chosen by the best.
- **INTEGRITY:** adhering to moral and ethical principles.
- **ACCOUNTABILITY:** reaching our goals respecting our values.
- **DIVERSITY:** appreciating and valuing our differences.

Transparency and disclosure are essential for our people and stakeholders, serving as crucial mechanisms for visible progress. Our Social Channels and websites consistently advertise open positions, giving preference to internal candidates while also collaborating with external channels to find the most suitable candidates.

Given our preference for internal promotions, it is natural for us to have numerous internship programs and full-time hiring initiatives in partnership with universities worldwide. As a gesture of gratitude to the universities we collaborate with, our executives are also available for lectures in Graduate and Postgraduate programs, fostering a mutually beneficial long-term relationship between the two organizations.



# OUR PEOPLE | 5.4 Attractive Working Conditions

**ON-BOARD** procedures facilitate seamless integration into the Group's social fabric, equipping new employees with a roadmap to maximize their experience with us.

The Group's remarkable working conditions over its 50-year history have resulted in remarkable employee loyalty. We annually celebrate employees reaching milestone years of service, at the Year End Employee Meeting, as recognition holds significance not only for the individual but also for their colleagues.

Healthcare and occupational health & safety are paramount benefits, as "mens sana in corpore sano" (a healthy mind in a healthy body) is a mantra we embrace. Health, along with family, are the most valuable treasures for individuals, and a healthy work environment enables our employees to concentrate on their jobs and their loved ones. It is a mutually beneficial arrangement.

We are all part of a big Team

**#weareUFI**





# OUR PEOPLE | 5.5 Freedom Of Association

UFI Filters has a long history of upholding employee needs and maintaining positive and constructive industrial relations.

We believe in the **Freedom of the Individual** and in respecting his/her rights and an expression of this respect for the individual is the Freedom of Association and representation of the rights of the employees in all the sites where we operate.

According to the local legislation and regulations we cooperate and respect the formation of representative bodies in all countries. Those representatives chosen by our people monitor and communicate with us on labour conditions, health and safety, environment and business ethics. Working together on these topics ensures that the environment we created is a joint effort and as such more readily accepted by our people.

Our values permeate UFI Filters's strategy, policy and activities across our operations and supply chain. We promote respect for people along the entire value chain and we hold the highest regard for the people that work with us day in and day out.



# OUR INNOVATION | 6.1 Our Sustainable Innovation

## #ChosenByTheBest

Yes, climate change is indeed a global emergency that requires immediate action to prevent further damage to the environment. **The Paris Agreement of 2015** is a significant step towards mitigating climate change and promoting international cooperation in addressing this issue. Transportation is one of the major sources of greenhouse gas emissions, and reducing these emissions is crucial to achieving the targets set out in the Paris Agreement.

Electrification of vehicles, both full electric and hybrid, is a promising solution to reduce emissions from transportation. However, internal combustion engines will continue to be used for some time, and thus, improving their efficiency is equally important. Innovations in thermal management and combustion optimization are essential in achieving this goal.

For 50 years, UFI Filters has been at the forefront of offering advanced solutions to meet the technological advancements in the automotive industry. Our success in developing clean mobility solutions with our customers is based **on continuous technological innovation, research for extreme performance, and investment in technologically advanced products.**

As a principal player in the filtration, **UFI Filters is**

**committed to helping OEMs achieve their emission targets by providing systems and solutions that reduce weight and minimize fuel consumption and pollutant emissions.**

We have consistently provided cutting-edge filtration solutions for diesel, gasoline, and engine oil to ensure the efficient operation of engines.

Our latest product line, **FormulaUFI**, is a testament to our engineers' expertise and our commitment to excellence. We have worked closely with OEMs to develop and introduce superior products that exceed industry standards.

Our extensive knowledge of thermal management and investment in this area for several years make us a major player in this new product line and market segment.

Our R&D centers' expertise has led to the production of water-cooled and vacuum-brazed aluminum heat exchangers for the OEM automotive sector since 2010. These new products enable a more robust, efficient, and clean cooling process. We have developed our own designed thermostatic by-pass valves to regulate the flow and circuit of the oil according to the operating temperature, saving fuel and space in the engine compartment.

FormulaUFI / Liquid Filtration



Thermal Management



# OUR INNOVATION

## 6.1 Our Sustainable Innovation

**New energy vehicles (NEVs)** with hybrid and full battery-powered engines, as well as fuel cell systems, have developed rapidly, especially in China, where the government has been pushing for NEV development. This development has created a new market for electric vehicles, and it is a significant paradigm shift in the car market, which has not seen such a revolution since the first internal combustion engine was patented.

This revolution is a great opportunity for the car manufacturing industry to make a quantum leap in innovation, leading the way in developing and supplying these new propulsion systems. The adoption of these systems is not limited to the passenger car sector, but also sees an increasingly impact on the heavy-duty sector.

UFI Filters offers **Thermal Management systems**, which provide efficient temperature range for the optimal operation of New Energy Vehicles (NEVs). These systems include **Coolers, Chillers, E-axle cooler, Liquid Cool Condenser, and Coolant-Coolant Heater**, which are the best solutions available in the market.

The company's contribution to the development of **Daimler Truck AG's zero-emissions electric truck** was significant. This truck won two awards in 2022, **the Truck Innovation Award** and **the Sustainable Truck of the Year**

**Award** in the Distribution category.

UFI Filters designed and produced a dual cooling system for the e-axle of the truck, which incorporates two electric motors providing a continuous 300 kW, with peak power of up to 400 kW. This system includes a module composed of two pairs of heat exchangers operating in parallel, installed in a single aluminum housing. The module is perfectly integrated with the transmission circuit, providing optimization of the temperature of the fluid in the circuit.

The entire UFI Filters module is manufactured in our dedicated plant in **Opole, Poland**, using vacuum brazing techniques to provide high levels of durability and cleanliness.

The heat exchanger contributes to reducing vehicle consumption and increasing the lifespan of the transmission system, thereby raising the performance of all types of motors, including those used on heavy vehicles. UFI Filters' technology is considered premium, and the company is well-positioned to provide thermal management solutions for the electrification of vehicles.

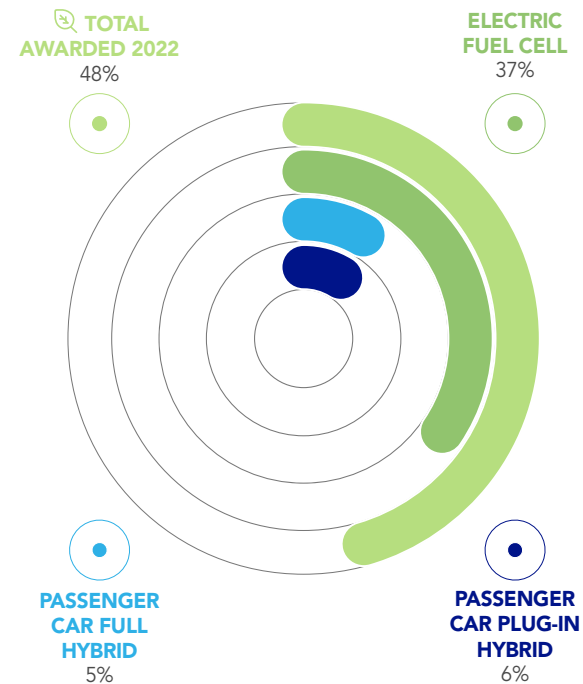
Overall, the shift towards electrification and more efficient combustion engines is a critical step towards mitigating climate change and protecting the environment. The development

of new technologies and the adoption of NEVs will be crucial in achieving the targets set out in the Paris Agreement.

**UFI Filters has already incorporated this new direction into its portfolio, with 48% of newly awarded business projects in 2022 being focused on applications for electrified**

**vehicles.** This represents a significant increase from just three years prior in 2019, when the share was only about 26%, and last year when it was around 39%. As a result, UFI Filters has shifted its product applications towards new full electric and fuel cell vehicle applications, which now make up approximately 37% of their new awarded portfolio, compared to only 8% in 2019 and 29% in 2021.

### 2022 | Our Business Awarded



# OUR INNOVATION | 6.2 Product Quality & Safety

## #WeCare

**#WeCare**... for the health and safety of our customers, providing them with the best-in-class products in term of performance, quality and reliability.

To accomplish this, UFI Filters has developed and implemented all its internal processes in compliance with the high requirements of the sector provided by the **“Automotive Quality Management System Standard” IATF 16949:2016**, that incorporates the structure and requirements of the ISO 9001:2015 quality management system standard with the additional automotive customer-specific requirements.

We have developed corporate policies, procedures and guidelines that allows to transfer the best practices and the lesson learned to all production sites of the Group, and to manage all production plants with the same standards and the same quality indicators. These metrics are defined by the Quality department, which also set out the annual objectives in this area in agreement with the top management. In line with automotive practices, we monitor our customer satisfaction through monthly scorecard published on their portal, receiving the performance evaluation of the service and products supplied by each plant. In particular, the scorecard monitors industrial performance as regards quality, purchasing, logistics and responsiveness indexes. These results are then shared internally as part of a monthly quality reporting.

Our engineering centers apply the **Failure Mode**

**Effect Analysis (FMEA)** methodology to identify and evaluate in advance the potential risks and weaknesses related to the product design and the production process development that could affect product quality and reliability. All necessary improvements and their priority of intervention are scheduled, validated, and implemented in advance to the start of production. Through the FMEA, the key characteristics of our products and processes that have potential impact on safety of the end user are identified to be further managed, systematically monitored, and controlled for the full product life and all along the entire production chain (product development, internal process, and supplier process). This analysis continues for the entire life cycle of the product, and it is updated periodically integrating any deviation that might occur along the process or evaluating the impact of any change request received.

Furthermore, we ensure the compliance with the standard requirements and the continuous improvement of our management system and its associated processes, through regular auditing made by internal and external personnel on both the production sites and the central functions.

The awarded certification by third parties confirms the validity and effectiveness of our Quality Management System. **No incidents concerning end-customer health and safety resulting in a fine, penalty or warning were reported in 2022.**

Automotive Quality Management System Standard

IATF 16949:2016 Certification



100% of Our Sites delivering to Automotive OEM are certified IATF 16949

93% of Our People works in sites with IATF 16949 Certification

83% of All Our Sites are certified IATF 16949 (GRI index)



## OUR INNOVATION

# 6.2 Product Quality & Safety

Our commitment on the product safety extends also on the verification of **the material compliance**, as part of our strategy to ensure that high social and environmental standards are deployed to our Supply Chain. We continuously verify during our development phases, that products and processes do not contain hazardous substances, or if applicable that they are within the limits imposed by international legislation, and that materials are sourced from conflict-free areas. Our compliance is **not only limited to the verification, but also extends to the declaration of the content of all the substances contained in the products**, supplied to any UFI Filters Group companies worldwide.

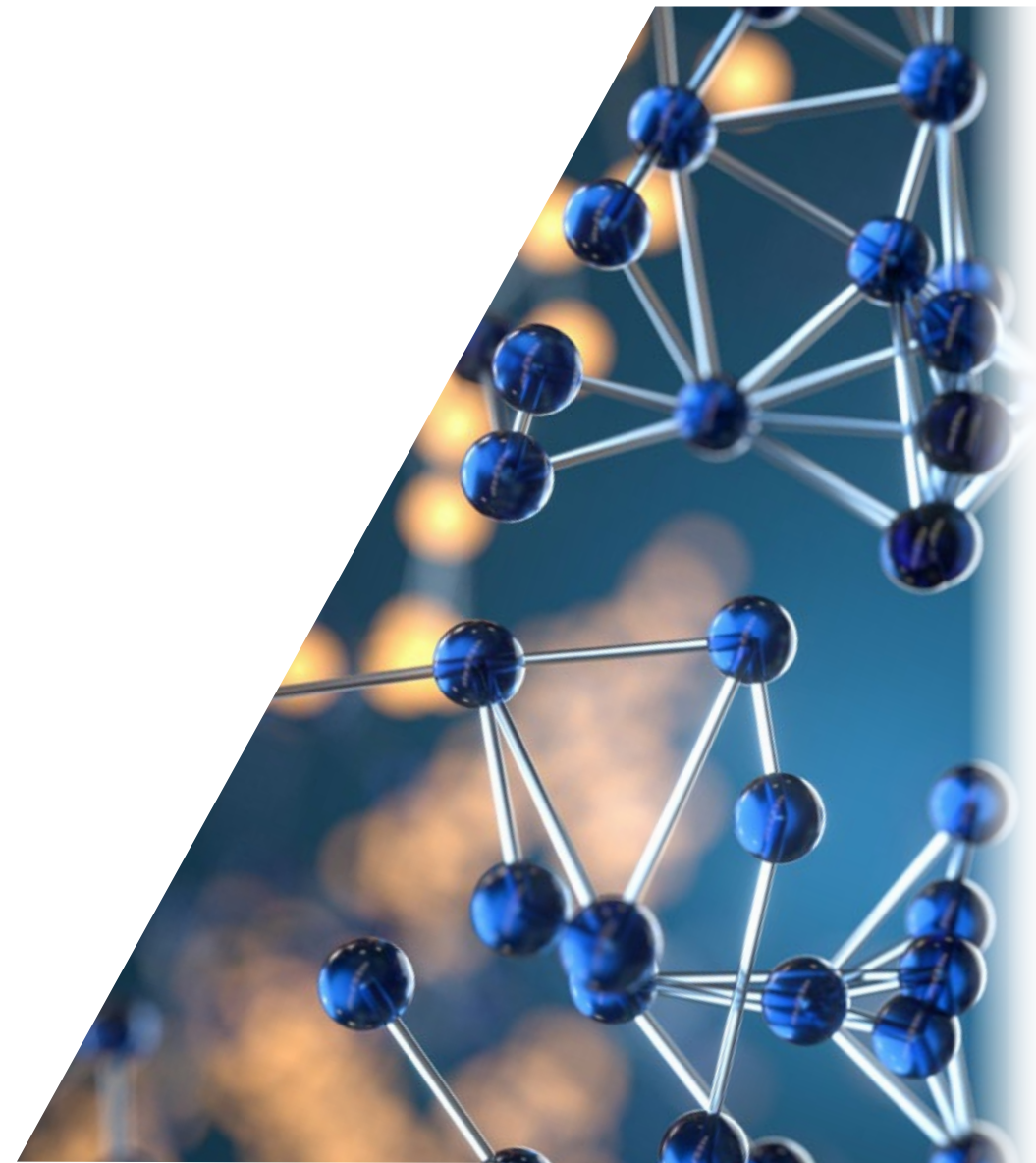
To support our ongoing efforts to manage the compliance with applicable governmental laws and regulations, UFI Filters requires to all its suppliers and commercial partners to comply with **the Group Material Compliance Policy, which is funded on the following points:**

### The Group Material Compliance Policy

- **IMDS System (International Material Data System)**, it is a globally standardized exchange and management system for material data in the automotive industry, in which the chemical composition of materials, components, and products is declared. IMDS is used to collect, maintain, analyze and archive all materials used for car manufacturing.

- **REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)** it is an EU Commission Regulation on chemicals and their safe use. It requires companies to manage the risks from chemicals and to provide safety information on the substances present in the products manufactured, imported and distributed into the European market.
- **ROHS (Restriction Of the use of certain Hazardous Substances in electrical and electronic equipment)** it is a European Union Directive (2011/655) with the aim of restricting the usage of certain hazardous substances in electrical and electronic equipment (EEE) including the environmentally recovery and disposal of waste EEE.
- **Conflict Minerals (also referred as the “3TG” - Tin, Tantalum, Tungsten and Gold):** it is an Act set up by the SEC Commission of the USA. It requires to disclose whether 3TG are contained in the products, to trace and regularly monitor the sourcing of the minerals across the supply chains and validated smelters whose due diligence practices have been proven and declared.

The purpose of all these mentioned regulations is to ensure high-level protection of human health and of the environment.



# OUR INNOVATION

## 6.3 Our Supply Chain

We would not be able to produce our quality products without the great support of our Supply Chain. This is one of the biggest companies' challenges because we take responsibility not only for our quality, but also for our Suppliers' quality and safety.

At UFI Group, every new supplier undergoes a multi-stage approval process which is coordinated by our central Headquarter, and in which several information are requested and checked as regards social, governance and environmental compliance. **Certifications by third parties, such as ISO 9001, ISO 14001 and ISO 45001, are essential for our supplier vendor rating system and for approving new suppliers' contracts.** In 2022, we have also launched a new pilot initiative for the assessment of the suppliers' sustainability performance through an on-line platform, which we would like to further develop in 2023.

In the recent years, UFI's purchasing strategy has developed more and more a local-to-local (geographical definition of local is the Region) approach, with the aim of increasing sustainability for its own products. This has enabled the supply chain to stabilize, minimizing the risks associated with the lack of deliveries and the increase in products costs caused by several factors, such as political tensions between different geographical areas.

Moreover, lack of availability of slot and containers due to tensions on the overseas transport market, exchange rate volatility, price increase of raw materials and their lack of availability, and finally duties between countries caused by growing protectionism, are among other unfavorable consequences caused by the intercountry situations.

Since the start of the pandemic, the shipping industry has struggled with port closures and congestions, labor shortages, difficulties with capacity utilization, as well as a lack of new shipping containers. Container freight rates increased dramatically between 2020 and 2022.

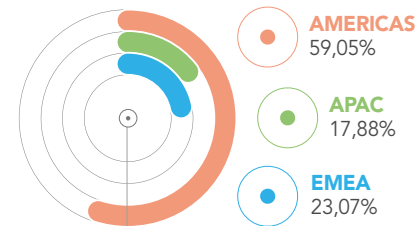
In 2021, we saw an especially steep increase in global freight rates, reaching a record price in the last quarter of 2021, with a further increase and stabilization in 2022, when the global freight rate index showed an increase compared to historical trend of about 6-7 times the value. Additionally, the increase of Crude Oil price has caused a 7 to 10% increase on land transportation prices.

**Local to local approach allows to reduce these issues and favors greater control and predictability,** that positively affect the supply chain. Furthermore, the reduction of shipping and products storage allows to limit energy consumption and emissions caused by long journeys between continents.

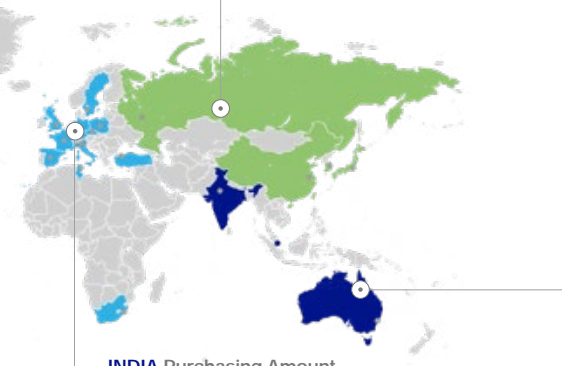
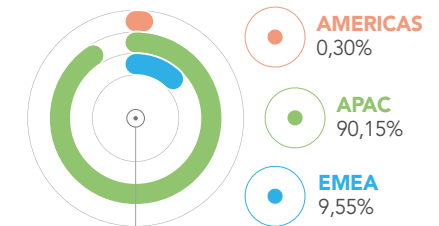
2022 | UFI's Suppliers

GRI 204-1

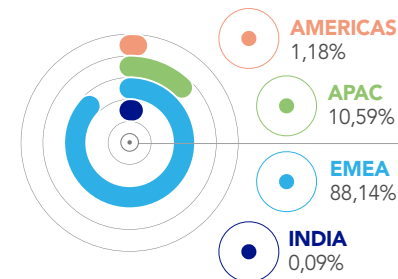
AMERICAS Purchasing Amount



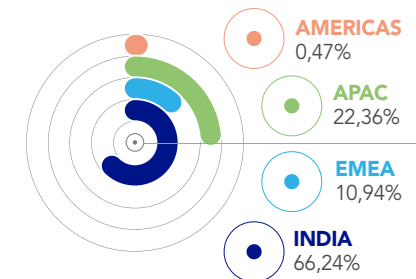
APAC Purchasing Amount



EMEA Purchasing Amount



INDIA Purchasing Amount



# OUR WORLD | 7.1 Approach To Environmental Management

**The Paris Climate Agreement** is a movement that is sweeping the world and generating new commitments that will shape our world and environment in the future. **2030 is a target that most countries agree to be the first objective in carbon neutrality.** This is also supported by our customers, who in turn have started their own platforms to ensure compliance at all levels in the organization. We at UFI support the commitment taken by the governments and all our customers and we are committed to go above and beyond the legal requirements and ensure that our products in the future will be carbon neutral. This movement will cover all our industrial sites and we are currently evaluating the methodology for achieving these objectives.

We have always been supportive of a cleaner planet with our filtration products but now we can do more by also expanding our product line in New Energy vehicles that are emission free. Thermal Management is a field that we have cultivated since the beginning of the millennium and is now growing exponentially. Our products and new know-how along with our R&D capabilities are allowing us to be on the edge of this new technology allowing us to be one of the leaders in this field. We are also exploring future technologies with fuel cell products that are seen as the future of electrification. This is the most tangible demonstration of our motto #wecare. We are committed to preserve our planet for future generations.

Naturally our approach involves everyone in our industrial sites with the EHS functions coordinating our efforts with a central coordination by the Group CEO steering committee, and a monitoring by the regional leadership and the regional EHS committees.

We use a 2 Vector approach to ensure that the directives and efforts are continuously moving towards our objectives.

The **1<sup>st</sup> Vector is the Compliance Vector** which has the objective to analyze the compliance with the various laws, rules and regulations that each country has in terms of environment and each industrial site has the mandate to be always compliant with the above rules and regulations.

## Compliance Vector

---

**The analysis and monitoring are carried out via:**

- 1. Verification of legislative compliance** – because we are always compliant as the minimum engagement of any of our industrial sites;
- 2. Environmental analysis** – because we need to go beyond and understand how our productions and operations impact the resources and the environment used in the manufacturing process;
- 3. Management review** – because the



# OUR WORLD | 7.1 Approach To Environmental Management

commitment is made at the highest level and it is carried out via the various management level coordinated by the Group Steering Committee;

**4. Compliance with the international standard ISO 14001: 2015** – it is our objective that all our industrial sites should be ISO 14001:2015 compliant as verified by an independent body.

The 2<sup>nd</sup> point of the environmental analysis has also the objective to look at the risks for the environment. This is **the 2<sup>nd</sup> vector** that we analyze in our production processes and in their design and implementation.

**The RISK Vector** has the task to look at the risks both internal and external that could impact the environment and the resources involved in our manufacturing operations.

## Risk Vector

**Our Risk Vector comprises the following steps:**

**1. Risks of an external context (environmental sustainability)** - regarding the protection of the environment and the territory, through the

reduction of environmental impacts and the containment of the use of natural resources and energetic.

**2. Strategic risks** - including collaboration with suppliers' strategic services with potential environmental risk (collection of waste, cleaning services, maintenance).

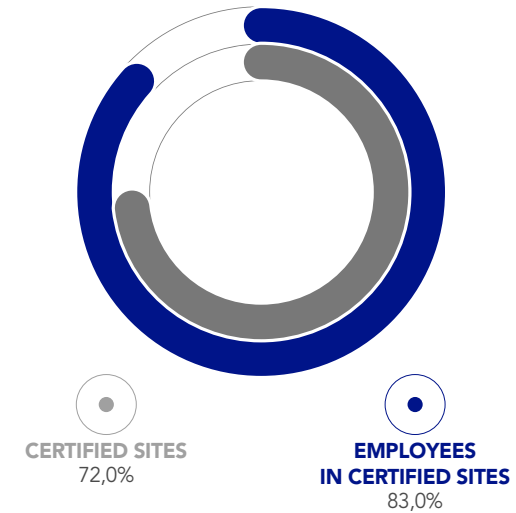
**3. Legal and compliance risks** - associated with compliance with obligations legislative (authorizations and compliance obligations) and requests of local institutions.

The result of the 2 Vectors are the environmental policies, which establish the foundations of this system management, also includes the criteria to which UFI wants to comply to minimize their environmental footprint with a view to sustainability, as regards the use of materials, energy, water and waste management.

Thanks to an accurate environmental management and a progressive ISO 14001 Certification extension to all Operations, **in 2022 no monetary fines and no legal disputes on environmental matters were identified in UFI Plants.**

Certified Employees And Sites

ISO 14001



**83,0% of Our People works in sites with ISO 14001 Certification**

**72,0% of our industrial sites is ISO 14001 Compliant with 2 sites just over 24 months old**



# OUR WORLD

## 7.2 Energy Consumption

**UFI Filters uses primarily electricity and natural gas as energy sources**, accounting for almost all the Group total energy consumption. Electrical energy is used primarily for assembly and verticalized processes, as well as for all the auxiliary systems. Natural gas on the other hand is mainly used for heating and production of domestic hot water, the use of natural gas in manufacturing is limited to some few processes where heating ovens are used (e.g., die-casting production...). **We are studying how to diversify our energy sources as part of our decarbonization strategy from here to 2025 and beyond.**

But we are not sitting idle in the meantime. Innovation is also part of the way in which we produce. This is demonstrated by the continuous updating of the machines used for the production, but also by the continuous improvement methodology which is applied in all our industrial sites to make our manufacturing processes more efficient. Examples of this new methodology are the plants in Poland, Mexico and Chongqing China constructed with the latest technology and building materials, including sustainable energy sources and emission control.

We have reduced our total Electricity consumption by 6 Giga Joules, which corresponds to a 2,4% reduction year to year, whereas the total Energy including the other sources has been decreased by 1,55% overall.

Furthermore, the productivity has not changed significantly, since we have slightly increased our total production of pieces by only 0,26% from 2021 to 2022, passing from 171,55 Mio pcs to 171,99 Mio pcs produced.

This is further reflected by the Energy Intensity index calculated in Mega Joule/produced pieces, which has changed from the 1,633 MJ/pc of 2021 to the 1,610 MJ/pc of 2022, with an improvement of 1,39% year to year, that means that we have reduced the need of energy to produce one unit of product. If we consider the same calculation based on the sources of energy strictly related with the manufacturing operations, thus excluding the car fleet consumption, the improvement of the Energy Intensity increases to 1,81% year to year (from 1,602 to 1,573 MJ/pc). Commercial offices are not included in the energy calculation due to the low significance of data.

We are exploring now all the possible solution that will compose our decarbonization strategy, that may vary from country to country mainly for local requirements and company resources / consumption.

### Source Strategy

#### Our strategy pillars will be:

- 1. Own Energy Supply by PV panels** - A photovoltaic panel is a type of solar panel designed for the use of photovoltaic solar energy. Its function is to transform solar energy into electricity. Global solar photovoltaic capacity





# OUR WORLD | 7.2 Energy Consumption

has grown from around five gigawatts in 2005 to approximately 940 gigawatts in 2021. In that same year, cumulative solar PV installations reached some 307 gigawatts in China alone. (source: Statista.com).

- Renewable energy purchase** - Renewable resources include biomass energy (such as ethanol), hydropower, geothermal power, wind energy, and solar energy. These are harnessed and resold as electricity by several service providers that differ from country to country. The sourcing will exclude nuclear power generated electricity.
- International Renewable Energy Certificates (i-RECs, )** - i-RECs allow energy suppliers and consumers to label the source of their procured energy as the global economy moves towards broader electrification. They can be traded as bundled products, together with power itself, or as detached certificates. Buying certified energy helps consumers — often utilities, corporates, manufacturers and industrials — achieve their net zero targets under various carbon disclosure mechanisms.

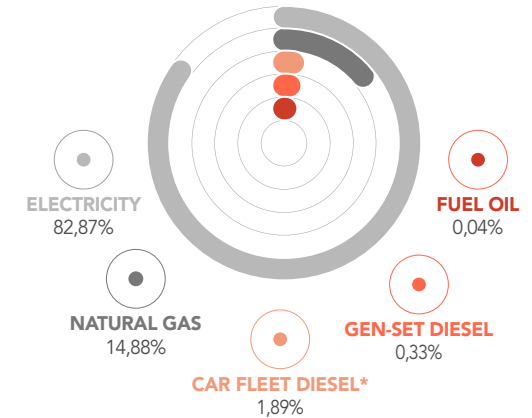
In the first half of 2023 we will finalize our strategy and submit it to the Board of Directors, in order to implement in time all the necessary steps to achieve our sustainability targets in the year to come.

## 2021 | Energy Consumption

GRI 302-1

ENERGY SOURCE CONSUMPTION	2021		2021	
	QUANTITY	UoM	QUANTITY	UoM
TOTAL ELECTRICITY	64.489.592	kWh	232.162,5	GJ
NATURAL GAS	1.161.394	Sm3	41.676,4	GJ
CAR FLEET DIESEL *	147.226	l	5.289,4	GJ
GEN-SET DIESEL	25.349	l	910,7	GJ
FUEL OIL	3.083	l	123,6	GJ
<b>Total</b>			<b>280.162,7</b>	<b>GJ</b>

\*Diesel Consumption of UFI Italy Headquarter Car Fleet

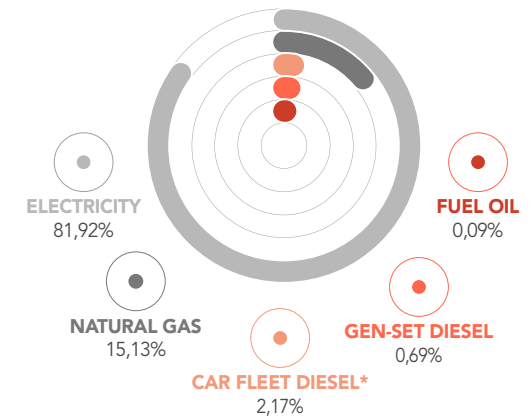


## 2022 | Energy Consumption

GRI 302-1

ENERGY SOURCE CONSUMPTION	2022		2022	
	QUANTITY	UoM	QUANTITY	UoM
TOTAL ELECTRICITY	63.032.203	kWh	226.915,9	GJ
NATURAL GAS	1.167.946	Sm3	41.911,5	GJ
CAR FLEET DIESEL*	167.116	l	6.004,0	GJ
GEN-SET DIESEL	53.553	l	1.924,0	GJ
FUEL OIL	5.986	l	239,9	GJ
<b>Total</b>			<b>276.995,5</b>	<b>GJ</b>

\*Diesel Consumption of UFI Italy Headquarter Car Fleet



# OUR WORLD 7.3 Waste And Water Management

## WASTE MANAGEMENT

All our industrial sites record all individual waste flows and categorize waste in **hazardous** and **non-hazardous** according to the country-specific regulations. Furthermore, waste sorting and selective collection is implemented in all our industrial sites with the use of color-coded trash bins and waste disposals.

We are also mindful that the waste needs to be tackled at the source. So, we are implementing in our sites several internal initiatives and actions to optimize our manufacturing processes with minimal process scraps, to reduce the consumption of raw materials and the related environmental impacts. Most of the waste are generated by our verticalized processes, where mainly aluminum, steel and plastic injection waste are managed, in addition we have to consider derived from packaging and household waste.

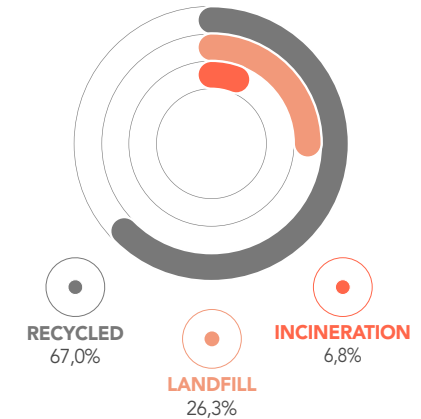
Typically, the waste generated is mostly **recycled**, as we don't have any preparation for reuse or other type of recovery managed internally. The waste disposal is always handled by qualified collection companies, in accordance with local regulations. UFI does not directly transport waste neither in country nor abroad. **Actually, waste disposal is typically managed by landfilling or by incineration, when recycling is not possible.**

We are always striving to find new ways to reduce waste and to reduce harmful impacts to the environment.

2021 | Waste Management

GRI 306

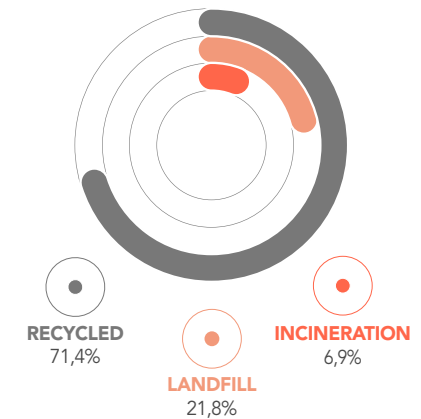
	2021		
TOTAL WASTE	HAZARDOUS (Tons)	NON-HAZARDOUS (Tons)	TOTAL-WASTE (Tons)
DIVERTED FROM DISPOSAL - RECYCLED	54,9	3.815,3	3.870,3
DIRECTED TO DISPOSAL - LANDFILL	438,9	1.078,2	1.517,1
DIRECTED TO DISPOSAL - INCINERATION	-	391,1	391,1
<b>Total</b>	<b>493,9</b>	<b>5.284,6</b>	<b>5.778,5</b>



2022 | Waste Management

GRI 306

	2022		
TOTAL WASTE	HAZARDOUS (Tons)	NON-HAZARDOUS (Tons)	TOTAL-WASTE (Tons)
DIVERTED FROM DISPOSAL - RECYCLED	69,6	4.121,4	4.191,0
DIRECTED TO DISPOSAL - LANDFILL	326,6	953,2	1.279,8
DIRECTED TO DISPOSAL - INCINERATION	-	402,6	402,6
<b>Total</b>	<b>396,2</b>	<b>5.477,3</b>	<b>5.873,5</b>



# OUR WORLD : 7.3 Waste And Water Management

During 2022 we have reduce hazardous waste by almost 100 Tonnes, a decrease of 20% in the harmful waste and we manage to recycle 17% of this material. This represents an improvement in recycling of 27% over the previous year value. An even more notable result was achieved in non hazardous waste where the recycling touched the peak of 75% of the total non hazardous waste generated with an improvement of 3% over the previous year. This remarkable improvement is mainly due to local initiatives which has seen an increased in the recycling of the packaging materials mainly used for the internal transportation of goods and components.

## WATER MANAGEMENT

Due to its special qualities, **water** is an important resource and is used in many ways. All living things need water to survive. Humans can't survive more than five to seven days without fresh water. Water is an essential element to life but not a key element in our production processes. The water consumption of the UFI Filters Group is monitored and controlled in all its uses. The use of the water resource concerns the production of the sales items (mechanical processing and washing processes) and auxiliary services to production (testing room, cleaning processes, water for hygienic use / sanitary - bathrooms / toilets, changing room showers, heating, reserves water systems, canteens). We also have reserves of water for fire-fighting purposes. Wastewater is mainly discharged into public sewage system, in some cases wastewater form production is collected as hazardous waste.



## **GRI CONTENT INDEX UFI**

# GRI CONTENT INDEX

<b>Statement of use</b>	UFI Filters has reported the information cited in this GRI content index for the period January, 1st to December, 31st 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

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	2-2	Entities included in the organisation's sustainability reporting	1. Methodological Note 2.3 Market Presence	4 7
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	<b>PROCUREMENT PRACTICES</b>	3-3	Management of material topics	6.3 Our Supply Chain
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<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Aspects	GRI Standards		Chapter	Page
	Disclosure	Description		
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# GRI CONTENT INDEX

<b>Statement of use</b>	UFI Filters has reported the information cited in this GRI content index for the period January, 1st to December, 31st 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

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# **INDIPENDENT AUDITORS' REPORT**

# INDEPENDENT AUDITORS' REPORT



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## Independent auditors' report on the "Sustainability Report 2022"

To the Board of Directors of  
UFI Filters S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2022" (hereinafter the "Sustainability Report") of UFI Filters S.p.A. and its subsidiaries (hereinafter the "Group" or "UFI Filters Group") for the year ended on December 31<sup>st</sup>, 2022.

### Responsibilities of Directors on the Sustainability Report

The Directors of UFI Filters S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), with reference to the GRI Standards selection as described in the section "GRI Content Index" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of UFI Filters S.p.A. regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

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A member firm of Ernst & Young Global Limited

# INDEPENDENT AUDITORS' REPORT



## Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
2. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with the management of UFI Filters S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability Report.



# INDEPENDENT AUDITORS' REPORT



Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level:
  - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For UFI Filters S.p.A. (Marcaria and Nogarole Rocca plants), that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of UFI Filters Group for the year ended on December 31<sup>st</sup>, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, with reference to the GRI Standards selection as described in the section "GRI Content Index" of the Sustainability Report.

## Other information

The comparative information presented in the Sustainability Report for the year ended on December 31<sup>st</sup>, 2021 have not been examined.

Verona, June 9<sup>th</sup>, 2023

EY S.p.A.

Daniele Tosi  
(Auditor)



# UFI FILTERS CHOSEN BY THE BEST

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