

Sustainability Report 2022

Beyond plastics

We do much more than just plastics

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Introduction

Our Corporate Social Responsibility strategy and ambition contribute to our attractiveness to all Interested Parties, including our Customers, our Employees, and our Shareholders.

How we integrate to our environment, support our employees, and conduct our business; prerequisites our right to operate and represents a factor of competitiveness.

Pierre Boulet, CEO

Our **Sustainable Development Priorities** revolve around three pillars:



Our employees at the heart of our CSR commitment



Act Ethically



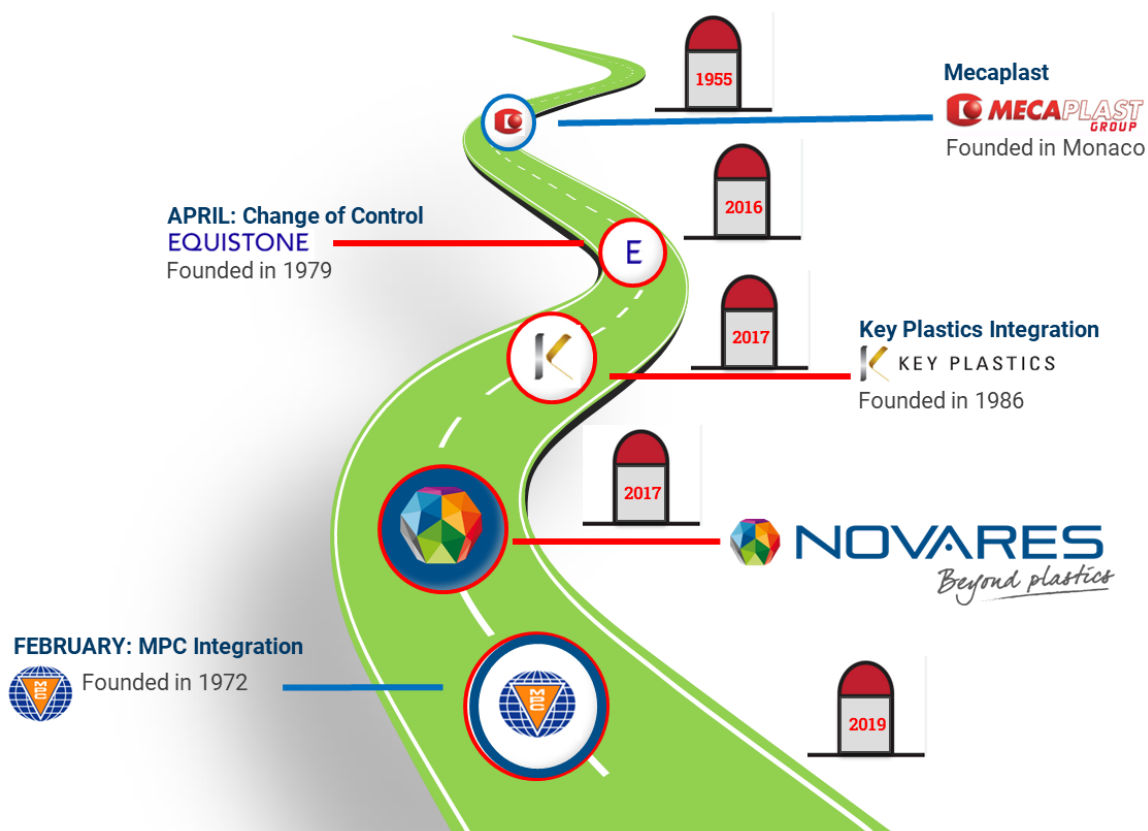
Innovate to limit the environmental impact of our activities

NOVARES in the world

Novares gives special attention to all its employees, who are beneficiaries of its social commitment and actors of its responsible approach. Through its corporate social policy, the Group is committed to ensuring safety and health at work. It also aims to guarantee the respect for human rights, develop skills and promote equal opportunities.

1/ Our DNA: Metal to Plastic

Novares is a global supplier of plastic solutions that designs and manufactures complex components and systems that serve the future of the automotive industry.



The company creates and produces advanced automotive solutions with technical plastic injection for greener, lighter, and connected cars with intelligent and intuitive interfaces for all passengers.

Novares co-develops and provides engineering and manufacturing expertise to virtually every OEM in the world and many Tier 1 companies in the automotive market.

Our ambition is threefold:

1 – GLOBAL PROXIMITY: Novares partners with its customers, stays close to their engineering & production sites in order to optimize logistic costs and ensure on-time deliveries.



2 – RELIABLE EXECUTION: Novares teams-up with both OEMs and Tier 1s on methods, processes, best practices that exceed industry standards and requirements.

3 – PRAGMATIC INNOVATION: Using advanced technologies, we produce cutting edge, ergonomic designs and stylized products offering multi-functionalities for performance, comfort and safety.

“We never stop inventing”, the 3 pillars of the Novares Innovation strategy are:

- ORGANIC INNOVATION
- OPEN INNOVATION LAB
- NOVARES VENTURE CAPITAL

2/ Our 5 Core Values

Our 5 Core Values support the company culture and business ethics:

POSITIVE ENERGY



COURAGE



TRANSPARENCY



ONE TEAM

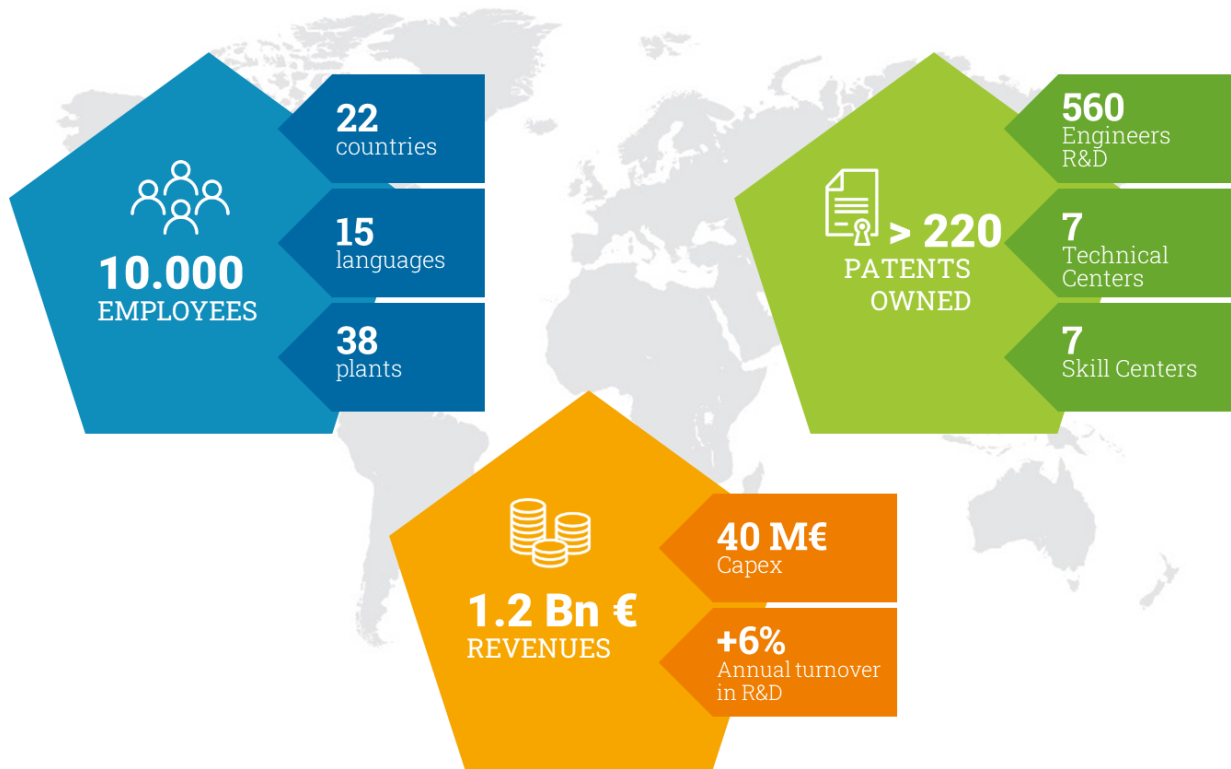


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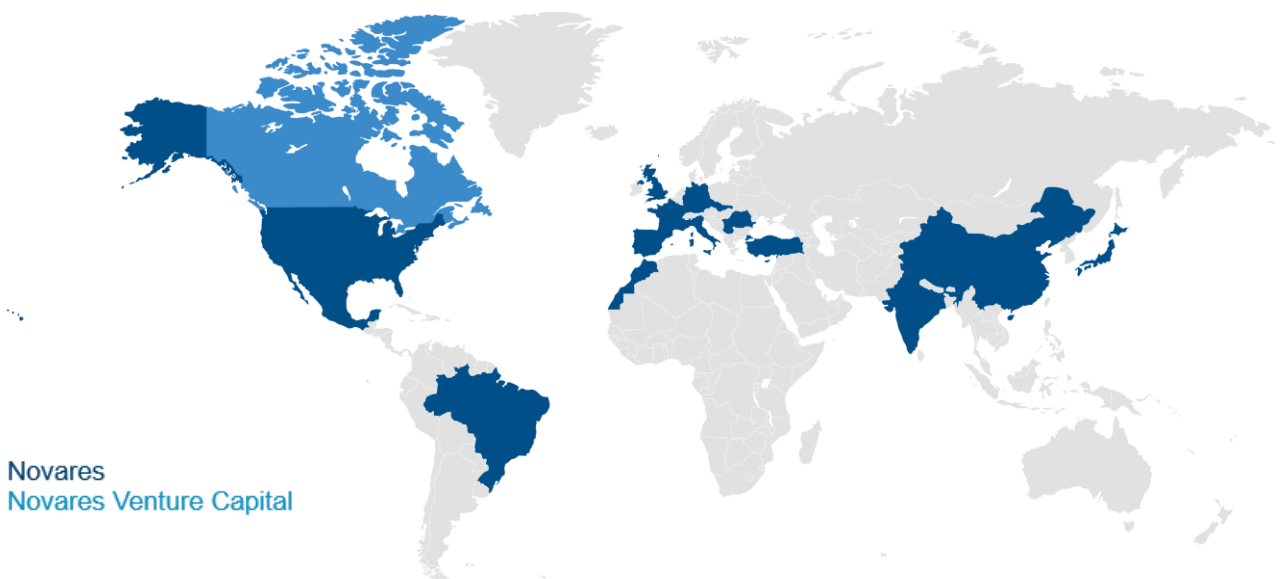
3/ NOVARES at a glance

Main figures (2022 data)



22 countries & 15 languages.

Customer proximity for joint development activities & technical support.



4/ Environment, Social and Governance at NOVARES

Current concerns regarding natural resources depletion, climate change and fair sharing of economic growth, impose to take environmental, social and governance (ESG) topics into account in daily operations as well as in strategic orientations. As a worldwide company, Novares, is committed to maximize its contribution to reducing the automotive industry environmental impact and its positive overflow onto its employees and local communities. This action is carried out in accordance with the 17 sustainable development goals identified by the United Nations.



The 17 UN global goals for sustainable development and Novares contributions

Risk analysis

In 2021, in the wake of the COVID pandemic, a thorough risk mapping study was conducted by executive members and key employees. It emphasized short term priorities and led to a risk mitigation action plan. This first-of-its-kind study, which was shared with global management in 2022, raised awareness regarding several ESG related topics that proved important for Novares activities, such as:

- Health & Safety
- Impact on the Environment
- Climate change mitigation and adaptation.

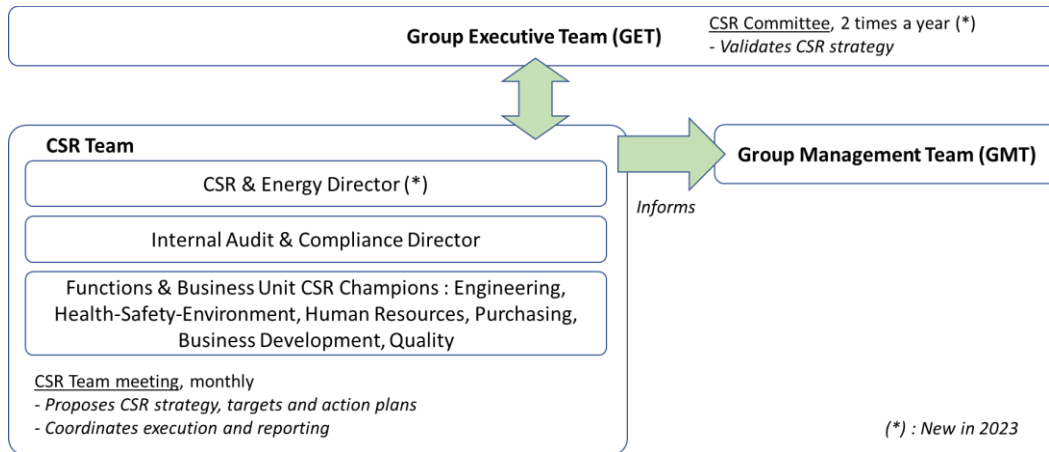
Initiated as a step further, the first evaluation of climate change consequences on operations showed that several concerned countries were at risk of above-acceptable level temperatures, increased frequency of severe flood, hail, and tornadoes, as well as strongly restricted access to water. This new insight will help production sites to anticipate new constraints and risk mitigation leverage in their action plans.

This global risk assessment approach will be extended to a double-materiality approach in 2023, as part of the yearly update process and in line with future European Union reporting requirements (Corporate Sustainability Reporting Directive, or CSRD).

Governance

Following the global risk assessment and acknowledgement of the importance of environmental and social topics, the Novares Group Executive Team redefined its CSR governance guidelines and validated internal competence reinforcement.

The target organizational scheme presented below should be operational in 2023.



Novares CSR governance scheme

ESG reporting and 2025 ambition

As both continuous improvement and “speak with data” culture are fully part of Novares core values, an extensive set of ESG-related key performance indicators have been reported for many years at Group Executive Team level (see our 2021 Sustainability Report for more details).

In addition, an ambition for 2025 was defined with specific goals for certain priority items to support short term actions and foster cultural changes throughout the company. They are split into three categories, gathered under the NOVACARE program:



1. **Act for our Employees**
2. **Act Ethically and with Solidarity**
3. **Act for the Environment**

Act for our Employees					
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2025 Ambition
Guarantee a healthy and safe working environment for our employees	Reduce the number of accidents	3	Accident frequency rate	3,3	2,3
	Develop a safety culture at all our Locations	3	Plants Safety Golden Rules application self-assessment deployment rate (%)	88%	95%
			% of "Safety Talk" sessions completed vs plants forecast	84%	95%
	ISO 45001 certification of all our manufacturing sites	3	Share of ISO 45001 certified plants vs total number of plants worldwide (%)	5%	85%
Promote Equal opportunity	Skills development	8, 10	Number of total training hours per employee	6,5h	>8h
	Equal treatment for women and men	5, 10	Share of women amongst total external recruits (%)	42%	45%
	Equal geographical treatment	10, 16	Share of nationalities represented at Group Management Team vs Novares worldwide Footprint	89%	95%
	Give Juniors the opportunity to enter the Business	4, 8	Share of hired interns vs total indirect headcount (%)	3,16%	>2,5%
Act Ethically and with Solidarity					
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2025 Ambition
Business fair practices	Deploy our Ethical values worldwide	8, 11	Share of employees trained on e-learning Code of Ethics vs targeted population (%) ²	91%	100%
			Number of Quarterly Ethics meeting to share Good practices and raise Violations to the Code of Ethics	4	4
	Deploy Good Practices	8, 11	Anti-Fraud & Corruption Controls Compliance self-assessment results for targeted BUs ³	94%	>95%
			Share of employees trained on anti-corruption & anti-competition vs targeted population (%) ²	-	100%
Responsible partnerships	Deploy our commitments to third parties	1, 8, 11	Suppliers having completed CSR self-assessment in % of targeted suppliers ⁴	68%	100%
Solidarity Initiatives	Promote solidarity initiatives	1, 3, 4, 5, 8, 10	Total number of voluntary social or environment employee initiatives completed	51	65
Act for Environment					
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2025 Ambition
Reduce energy intensity and related green-house gases emissions	Optimize our energy consumption	11, 12, 13	Specific Energy Coefficient (MWh per ton of processed material)	2,9	2,4
	Reduce Scopes 1 & 2 GHG emissions	13	Total GHG emissions Scopes 1 & 2 vs Turnover ratio (tCO2eq/M€)	99 (2022)	90
Sustainable natural resources management	Reduce industrial waste	15	Share of total waste vs total processed material (%)	12,4% (2022)	10%
	ISO 14001 certification of all our manufacturing sites	13, 14, 15	Share of ISO 14001 certified plants vs total number of plants worldwide (%)	95%	100%
	Reduce water consumption	14	Total paintshop water consumption vs TO ratio (m3/M€ TO)	29,8 (2022)	27
Improve our products environmental footprint	Integrate environmental aspects in our Product conception & development	12, 13, 14, 15, 17	"Green mobility" innovations vs total innovation projects ratio	46% (2022)	50%
			Number of "Green mobility" Patents	11	>6

Novares 2025 ESG priority items and corresponding targets – Reference year is 2021 (except for Scopes 1 & 2 GHG emissions, industrial waste, paint shop water consumption and "Green mobility" innovations: 2022)

¹ Contribution to UN SDGs (Sustainable Development Goals)

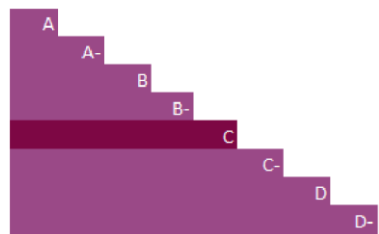
² Targeted population: new recruits

³ Targeted Business Units: 2 out of 6 per year

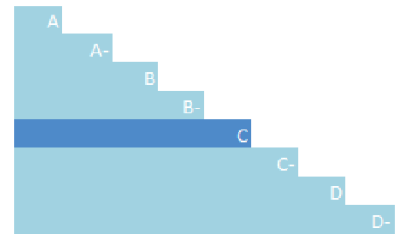
⁴ Targeted suppliers: 2021: TOP30 production + TOP20 non-production; 2025: TOP100 production + TOP30 non-production

Corporate CSR ratings

To improve its ESG performance and comply with customer requests, Novares applies the most demanding international standards. In 2022, the first CDP Water Security assessment was obtained, with a C rating.



CLIMATE CHANGE 2022 – SCORE: C



WATER SECURITY 2022 – SCORE: C

Novares Ecovadis and Carbon Disclosure Project (CDP) ratings

As for most of its internal processes, the Group also relies on ISO standards to support deployment of its ESG improvement efforts.



ISO 14001, ISO 45001, ISO 50001

Employees at the heart of Novares CSR commitment



Novares gives special attention to all its employees, who are beneficiaries of its social commitment and actors of its responsible approach. Through its corporate social policy, the Group is committed to ensuring safety and health at work. It also aims to guarantee the respect for human rights, develop skills and promote equal opportunities.

- 1/ Respect human rights
- 2/ Guarantee a healthy and safe working environment
- 3/ Promote equal opportunities

Through all actions related to those 3 main themes, Novares contributes to 7 of the 17 the United Nations Sustainable Development Goals.



Our commitments & Current status

Act for our Employees							
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2022	2022 Target	2025 Ambition
Guarantee a healthy and safe working environment for our employees	Reduce the number of accidents	3	Accident frequency rate	3,3	4,3	2,95	2,3
	Develop a safety culture at all our Locations	3	Plants Safety Golden Rules application self-assessment deployment rate (%)	88%	91%	90%	95%
			% of "Safety Talk" sessions completed vs plants forecast	84%	90%	90%	95%
ISO 45001 certification of all our manufacturing sites	3	Share of ISO 45001 certified plants vs total number of plants worldwide (%)	5%	22%	20%	85%	
Promote Equal opportunity	Skills development	8, 10	Number of total training hours per employee	6,5h	7,7h	>8h	>8h
	Equal treatment for women and men	5, 10	Share of women amongst total external recruits (%)	42%	43%	44%	45%
	Equal geographical treatment	10, 16	Share of nationalities represented at Group Management Team vs Novares worldwide Footprint	89%	90%	>90%	95%
	Give Juniors the opportunity to enter the Business	4, 8	Share of hired interns vs total indirect headcount (%)	3,16%	1,20%	>2,5%	>2,5%

¹ Contribution to SDG (Sustainable Development Goal) / ODD (Objectifs de Développement Durable)

1/ Respect of human rights

1.1/ Purpose

As an international role-player, Novares conducts its activities with respect for fundamental human rights at work. The Group is therefore committed to promoting the rights and the legal and human structure of work and, if needed, to rectify employees' fundamental rights abuses.

1.2/ Our actions

- Communicate and deploy our ethics, integrity and compliance principles and commitments, building on our 5 Core Values “Positive Energy”, “Courage”, “Result Driven”, “One Team”, “Transparency”. A specific Group communication plan (“Values and Focuses”) is deployed through our local Communications Relays network (called ‘NOVA’Links) and should be led by each site in 2023.
- Our values and ethics guidelines are shared with external candidates through the Corporate Career and corporate website (“NOVA’Talent 2”).
- The recognition system “Super Nova” is used to reward employees acting as role models.
- All our employees are made aware of good practices following their integration which enables them to inform their managers of difficult or non-compliant situations.
- Dedicated modules for newcomers are in place, e.g. pre-onboarding processes, e-learning sessions, Dojo trainings.
- As a contribution to employee satisfaction, the Group introduced an on-boarding satisfaction survey for new recruits in Q4 2022, which aims at evaluating and optimizing the quality of their integration. To date, 75% of the 150 respondents considered that they have benefited from a “good on-boarding process” (note equal or higher than 3 on 4)
- Commit together to maintain relationships based on mutual trust and respect in a professional environment where no form of discrimination or harassment is tolerated. Our Code of Ethics sets out these principles with associated training modules.
- Promote a stimulating work environment and develop our activities in compliance with applicable laws and regulations. Our standards, policies and targets are communicated and accessible to all employees (“Smart Rules & Tools”).

2/ Guarantee a healthy and safe working environment

2.1/ Purpose

Employee’s safety and health preservation are the main priorities of Novares’ social policy. Our prevention approach is based on a comprehensive OHS risk analysis (*MO-QP-U01 Risk assessment - Occupational health and safety*) that lead us to remove the professional risks, when possible, reduce & contain professional risks, monitor the efficiency of prevention measures, implement a continuous improvement approach. This preventive approach concerns all Group entities.

2.2/ Our actions

- Continue to deploy our safety Golden Rules in every site, ensure a full implementation.
- Protect our employees and commit to continuous improvement to protect against work-related or health risks.
- Develop a safety culture through the safety talks, the safety minutes, the sharing of Best Practices for example (*MO-IM-R00 Behavioral based safety improvement program*)
- Train our employees through DOJO rooms and have them practice regular exercises (fire, evacuation, first aid...).
- Comply with applicable laws and collective agreements related to working time.
- Recognize unions and employees’ right to consultation and free expression.
- Hold regular safety committees in all our plants.
- Ensure resolution or mediation in cases of discrimination and/or harassment.
- Adapt medical benefits (including death and disability) by geographic area.
- Develop ISO 45001 certification for improved safety management in production plants: almost 25% sites assessments have been obtained as of 2022.

3/ Promote equal opportunities

3.1/ Purpose

Novares rejects all forms of discrimination. Through its corporate social policy, the Group wishes all employees to be aware of diversity benefits.

Besides, Novares strives to provide everyone with the keys for individual and collective development.

3.2/ Our actions

- Post our job postings internally and follow the recruitment process for all candidates. Our Careers website (“Nova’Talent 2”) presents all offers worldwide.
- Carry out an annual meeting between manager and employee to review performance, define new objectives and discuss career evolution options (97% achievement in 2022, 25% of employees expressed at least one mobility wish).
- Novares promotes the usage of the “Nova’Talent 2” tool for its yearly personal reviews. This tool includes a skills reference system that helps managers and employees understand position expectations and thus allows evaluation on a common worldwide basis.
- Recognize collective and individual performance through our variable and collective performance policies.
- Develop individual skills (80% of management and technician staff have an individual development plan) and collective skills (e.g.: Logistics training campaign).
- Make training accessible to each employee, thanks to online access to a portfolio of more than 300 modules.
- Promote mobility and career development: 33% of open positions were staffed by internals in 2022.
- Identify key positions to facilitate talents retention: 570 key positions were identified throughout the Group and succession plans are currently being defined.
- Promote the integration of young people into the professional world through internships, apprenticeship or first employment
- Ensure the representativeness of our cultural diversity within the Group Management Team.
- Contribute to equal treatment in respect of remuneration and promotions.
- Act for gender equality and equity amongst its employees, whether they are men or women. A significant recognition of this effort lies in the Group’s gender equality index of 84% which was published for France sites and is noticeably high in its sector of activity.

4/ Next steps

Main orientations for 2023 include:

- Continued deployment of ISO 45001 certification of production sites.
- Launch its new “Emerging talents” policy which aims at improving interns, apprentices and VIE candidates’ contributions and recruitment.
- Generalization of the gender equality index throughout all Group entities, to keep track of gender pay gap.
- A discrimination awareness campaign will be launched for all employees, including new recruits through the “on-boarding” module.
- Design of a specific “recruitment for managers” module to improve recruiting practices and favor open-mindedness to novelty and diversity.
- Further efforts will also be made to reinforce diversity within the Group’s management (at Group Management Team level).

Act Ethically and with Solidarity

Novares' social responsibility applies to all partners with whom the Group interacts. This relationship must be conducted in full respect of ethical rules, particularly in terms of business practice. As committed player and ethical company, the Group also promotes solidarity actions and supports citizen initiatives.



- 1/ Respect the rules of business ethics
- 2/ Ensure responsible partnerships
- 3/ Promote solidarity actions

Through all actions related to those 3 main themes, Novares contributes to 7 of the 17 the United Nations Sustainable Development Goals.



Our commitments & Current status

Act Ethically and with Solidarity							
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2022	2022 Target	2025 Ambition
Business fair practices	Deploy our Ethical values worldwide	8, 11	Share of employees trained on e-learning Code of Ethics vs targeted population (%) ²	91%	95%	>90%	100%
			Number of Quarterly Ethics meeting to share Good practices and raise Violations to the Code of Ethics	4	0	4	4
	Deploy Good Practices	8, 11	Anti-Fraud & Corruption Controls Compliance self-assessment results for targeted BUs ³	94%	95%	>95%	>95%
			Share of employees trained on anti-corruption & anti-competition vs targeted population (%) ²	-	-	>90%	100%
Responsible partnerships	Deploy our commitments to third parties	1, 8, 11	Suppliers having completed CSR self-assessment in % of targeted suppliers ⁴	68%	100%	100%	100%
Solidarity Initiatives	Promote solidarity initiatives	1, 3, 4, 5, 8, 10	Total number of voluntary social or environment employee initiatives completed	51	55	50	65

¹ Contribution to SDG (Sustainable Development Goal) / ODD (Objectifs de Développement Durable)

² 2022 Targeted population: new recruits

³ 2022 Targeted Business Units: 2 out of 6

⁴ Targeted suppliers: 2021 & 2022: TOP30 production + TOP20 non-production; 2025: TOP100 production + TOP30 non-production

1/ Respect the rules of business ethics

1.1/ Purpose

Respect for the rules of ethical behavior is one of Novares' fundamental values for profitable long-term development. To prevent corruption and fraud, Novares relies on this ethical corporate identity and commits to respect competition rules, avoid conflicts of interest. This is done by on one hand by raising awareness and training amongst its employees and, on the other hand, by closely

monitoring proper application of its compliance program.

The Novares' **Code of Ethics** recalls the Group's commitment to carry out its activities by applying the strictest principles of ethics, integrity, and compliance.

It also reminds our employees of their duty to comply with company policies and put our professional ethics into practice on a daily basis. It provides them with guidelines to follow in order to act with integrity, in full respect for individuals and the environment.

It revolves around the following main themes: respect for fundamental rights, sustainable development, integrity in business relationships, rules of personal and professional behavior.

1.2/ Our actions

- The Code of Ethics is available in all languages spoken within the Group, both on the intranet (SP-MT-N00 Code of Ethics) and on the Novares corporate website. All employees are called upon to read and acknowledge the Code of Ethics through e-learning and via on-site presentations.
- A whistleblower system is available for all employees to report possible code breaches in parallel with the line manager and Human Resources (SP-MT-R00 Whistleblower Application).
- Quarterly Ethics meetings could not be held in 2022 due to a particular resource context but will be reintroduced in 2023 in each Region to address which ethical related topics, e.g. good practices, violations of the code.
- Novares integrates into its Internal Control Matrices, 33 "controls" in relationship with fighting corruption. Each site is periodically requested to self-assess its compliance on such controls. Self-assessments are verified through internal audits.

2/ Ensure responsible partnerships

2.1/ Purpose

Novares' responsible purchasing approach is one of the structuring axes of its corporate and social responsibility.

In order to ensure development of its activities in a sustainable way, the Group expects its Partners to adhere to the same standards of social and environmental responsibility. It engages and supports them in a dynamic of progress.

2.2/ Our actions

- Corruption risk is evaluated through a supplier corruption risk mapping (SM-PU-A14 Supplier Corruption Risk Mapping). Every supplier is assessed before any possibility to integrate Novares panel (SM-PU-A02 Supplier performance assessment) and a Due Diligence questionnaire is required to be filled (status & commitment), in order to assess any exposure to the risk of corruption. A process of control and monitoring is in place, including self-assessments and audits.
- The Novares Code of Ethics is readily available for every supplier at nomination and during the commercial relationship lifetime.
- Our Supplier Quality Requirements Manual states that all supplier sites must be compliant

- with ISO 14001 certification, to underline the importance of ESG topics in the supply chain.
- To initiate supplier sustainability performance documentation, an ESG self-assessment campaign was launched in 2022 with a group of suppliers that represent more than 80% of total sourcing spend. Analysis of filled questionnaires will serve as a baseline for our future supplier ESG performance monitoring and auditing scheme.
 - As part of our Supply Chain Due Diligence, the Group prioritized the use of minerals from responsible sources in reference to the established framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our suppliers are expected to carry out the same due diligence on their supply chain. To ensure compliance with these requirements for reporting manufacturers who are direct or indirect customers, Novares requests information regarding the use of conflict minerals from its suppliers, which, in turn, must solicit that information from the next tier of suppliers, continuing down the supply chain using the Conflict Minerals Reporting Template (CMRT) and/or the Extended Minerals Reporting Template by the Responsible Minerals Initiative (RMI). This reporting pertains to all suppliers that provide production, service, and aftermarket parts to Novares.

The term "conflict minerals" is defined as columbite-tantalite (coltan), cassiterite, gold, wolframite, tantalum, tin, tungsten, and any other mineral or its derivatives determined by the U.S. Secretary of State. The term "extended minerals" is defined as Cobalt and Mica.

3/ Promote solidarity actions

3.1/ Purpose

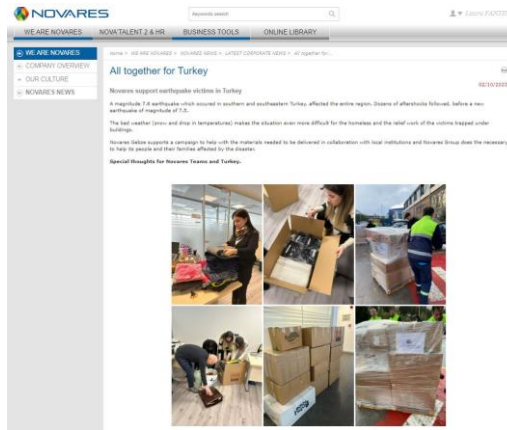
In line with our Social Responsibility, the Group also promotes solidarity actions and supports citizen initiatives around the world.

Novares strives to promote and highlight internally and externally a range of local initiatives that are complementary to our business mission. Employees take an active role and contribute to these successes in their areas.

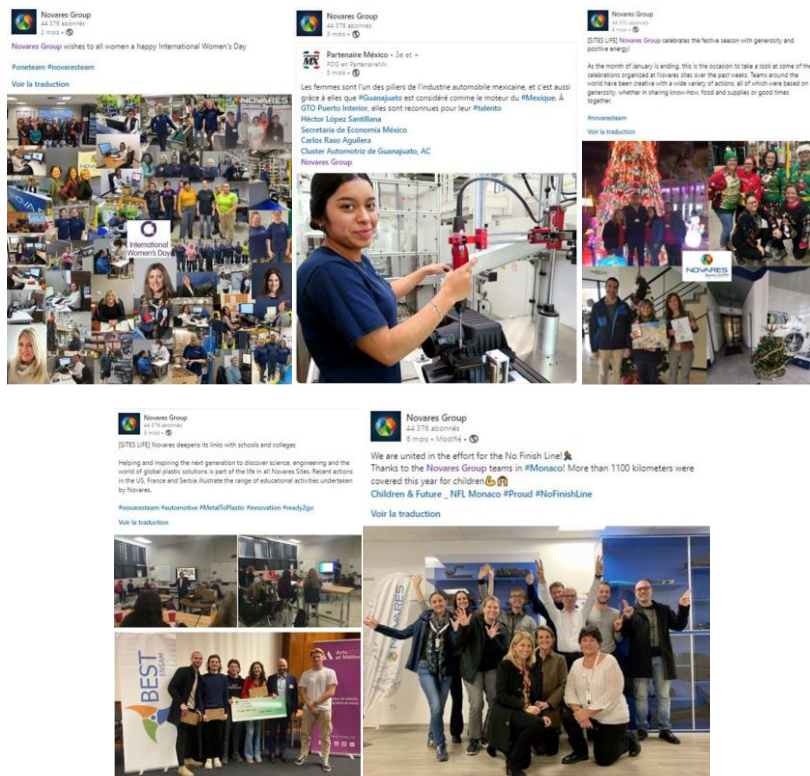
3.2/ Our actions

We especially promote our sites contribution to the socio-economic fabric of local communities through community initiatives, donations, employee support and the development of local human capital.

- As part of our Group Communications policy (*Group Communications indicators*), CSR indicators have been leveraged at site's level since July 2020 (*Target indicators – Communication Smart Card*). CSR-related objectives are defined yearly with local site communication relays (called NOVA'Links) and are followed-up at Group level.
- A promotion is also regularly conducted through the broadcast of internal and external communications of the "solidarity" actions, whether through **Corporate Internal News**, our Intranet, or dedicated posts on social media such as LinkedIn, Facebook, Twitter and Instagram.
- In 2022, a total of 55 solidarity actions were carried out by employees in all locations and readily promoted within the Group.



Example of Internal Corporate News promoting local solidarity actions



Example of social media posts promoting local solidarity actions

- In addition, main sustainability stakes and initiatives were also presented and discussed during the 2022 Group Management Team, which annually brings the 120 top managers and experts from all over the world together.

4/ Next steps

In 2023, the Group intends to further develop its ethical business and sustainable procurement practices. Main identified priorities include:

- Sourcing teams training on sustainable procurement.
- Definition and deployment of an efficient supplier ESG performance monitoring scheme, including database and regular audits.

- Intensified data exchange with key suppliers that represent a significant share of yearly spend and contribution to our Scope 3 GHG emissions.
- Launch of an internal audit campaign regarding ethical business and conduct Ethics meetings under leadership of a new Internal Control Director, who should be recruited in 2023.

Innovate to limit the environmental impact of our activities

As an industrial key-player, Novares considers that reducing the impacts of its activities on the environment as a priority. For years, our approach has been based on implementing a continuous improvement approach and on involving all the Group entities.



- 1/ Reduce energy intensity and related GHG emissions
- 2/ Sustainable management of natural resources
- 3/ Improve our products environmental footprint

Through all actions related to those 3 main themes, Novares contributes to 6 of the 17 the United Nations Sustainable Development Goals.



Our commitments & Current status

Act for Environment							
Priority	Our commitments	SDG / ODD ¹	KPI	2021	2022	2022 Target	2025 Ambition
Reduce energy intensity and related green-house gases emissions	Optimize our energy consumption	11, 12, 13	Specific Energy Coefficient (MWh per ton of processed material)	2,9	2,76	2,7	2,4
	Reduce Scopes 1 & 2 GHG emissions	13	Total GHG emissions Scopes 1 & 2 vs Turnover ratio (tCO2eq/ME)	99 (2022)	99	100	90
Sustainable natural resources management	Reduce industrial waste	15	Share of total waste vs total processed material (%)	12,4% (2022)	12,4%	15%	10%
	ISO 14001 certification of all our manufacturing sites	13, 14, 15	Share of ISO 14001 certified plants vs total number of plants worldwide (%)	95%	95%	100%	100%
	Reduce water consumption	14	Total paintshop water consumption vs TO ratio (m3/ME TO)	29,8 (2022)	29,8	30	27
Improve our products environmental footprint	Integrate environmental aspects in our Product conception & development	12, 13, 14, 15, 17	"Green mobility" innovations vs total innovation projects ratio	46% (2022)	46%	47%	50%
			Number of "Green mobility" Patents	11	6	>6	>6

¹ Contribution to SDG (Sustainable Development Goal) / ODD (Objectifs de Développement Durable)

1/ Reduce energy intensity and related green-house gases emissions

1.1/ Purpose

Novares considers that optimizing energy usage of its activities and the corresponding Scopes 1 and 2 green-house gases (GHG) emissions is a priority. The latter have been evaluated at Group level for several years and reported through the Carbon Disclosure Project (CDP) initiative since 2021.

Main results are presented in the table below.

Region	Energy consumption (GWh)				GHG Emissions (tCO2e)	
	Electricity	Natural gas	Fuel, LPG	Steam, cold and heat	Scope 1	Scope 2
Europe, Africa & Middle East	125	26	2,6	0	7 400	41 900
Americas	77	21	0,7	0	5 400	37 300
Asia	32	2	0,8	2,4	800	26 100
TOTAL	234	49	4,1	2,4	13 600	105 300

2022 Novares Group energy consumption and Scopes 1 & 2 GHG emissions

The total of 2022 Scopes 1 and 2 GHG emissions is approximately 11% higher than the previous year despite implementation of many energy savings initiatives. This results from an internal effort to improve production and R&D sites energy data reporting.

It corresponds to a Scopes 1 and 2 **carbon intensity of 99 tCO2e per Million € turnover**. Due to the nature of the injection process, this figure is strongly linked to the origin of locally consumed electricity.

Benefiting from a solid manufacturing experience, energy consumption optimization is now part of the Group's standard excellence toolkit, and each plant is empowered to reach assigned reduction objectives.

1.2/ Our actions

As rigorous and representative data acquisition is key to improving performance, Novares supports deployment of efficient energy management in all production sites:

- Local initiatives, best practices and lessons learned are shared through an expertise network to ensure continuous improvement and coordination.
- ISO 50001 certification: 1 new site was certified in 2022, bringing the total to 16% of all sites that meet this demanding standard.
- A full submetering system and associated dashboards were successfully installed on the Villers-Bretonneux site to improve energy usage management.

In addition, efforts to reduce energy consumption continued in 2022 and will be generalized to other sites whenever possible. A few examples are presented below:

- Lighting Optimization: 8 new sites deployed LED lightning. The Riva, Italy, site thus achieved 5% electricity bill reduction and saved more than 70 tCO2e of GHG emissions.
- Injection molding machines thermal insulation: this very effective energy efficiency measure was deployed on 6 sites, leading significant savings, e.g. 7% of electricity bill and more than 100 tCO2e of GHG emissions on the Mioveni plant in Romania.
- Minimum consumption optimization: 5 new sites applied best practices concerning reducing power usage during non-production periods, such as holidays or weekends. More than 4% of electricity bill was saved this way in Villers-Bretonneux, France.

Lastly, decision was made in 2022 at Group level to promote production of local onsite renewable energy. The first photovoltaic (PV) power plants projects were validated for two sites in Mioveni, Romania, and Shenyang, China. Those installations should be fully operational and deliver the first

100% renewable and affordable electricity kilowatt-hours in Q1 2023. PV plants implementation will be achieved either through CAPEX investments or power purchase agreements contracts with local operators, fully in line with the additionality principle.

2/ Sustainable management of natural resources

2.1/ Purpose

Firmly committed to preserve natural resources, Novares contributes to reduce raw material consumption by using secondary materials, by recycling of its own production wastes. Also, Novares strives to reduce pollution of water, air, soil, as well as limiting local nuisances. Novares also has the constant concern of reducing the quantities of water taken from the resource.

2.2/ Our actions

The first step towards efficient environmental impact management consists in deploying third-party ISO 14001 certification for all production sites. Local teams define and implement appropriate action plans for continuous performance improvement and full environmental risk prevention.

- 95% of our sites are now ISO 14001 certified and report environmental data, such as waste generation and water consumption at Group level.
- Best practices are shared to reduce waste and increase their valorization, e.g. through onsite scrap shredding.
- Internal emergency plans are defined according to the Group standard for all production sites. Intervention teams are regularly trained and global organization (e.g. fire scenario) is tested yearly.
- Develop resilience by reinforcing our Disaster Recovery Plan in facilities and at Group level.

Complementary to standards and processes, a wide variety of actions were implemented in 2022 for water resources preservation, as well as air pollution and waste reduction, such as:

WATER

- 100% of cooling systems are now in closed circuit, as a Novares standard.
- Monitoring of consumption in sites. Communicating actions and awareness of small, simple steps to save money and leakage reporting in the workshop. Example: HSE training to newcomers in Libercourt plant (France).
- Monitoring the quality of aqueous discharges by the sites in accordance with applicable regulatory requirements. Example: Villers Bretonneux plant (France) works with different contractors to optimize the waste treatment and optimization.
- Implementation of filters on drain plates to collect plastic pellets and prevent them from polluting the water environment. Specific cleaning procedures were reinforced, and awareness campaign were launched in our French plants.

WASTE

- Reduce the volume of hazardous and non-hazardous waste generated on the sites by improving staff awareness (clear and visual sorting area, training actions, daily audits); Villers-Bretonneux (France), Chihuahua (Mexico).
- Assessment on scrap and waste costs at group level made every year, data collected in sites. Best practices identification done and shared with all sites.
- Reinforce the use of recycled materials from grinding scrap in place of virgin material in most of our plants. Strasbourg plant example: 55% of waste avoided thanks to this on-site process. 1500 tons of plastic waste avoided overall in the group.

AIR POLLUTION

- Air treatment module to reduce volatile organic compound (VOC) emissions of the new painting line in Sainte-Marguerite (France) and painting robot of the current painting line in Igualada (Spain) to reduce solvent consumption and VOC emissions.

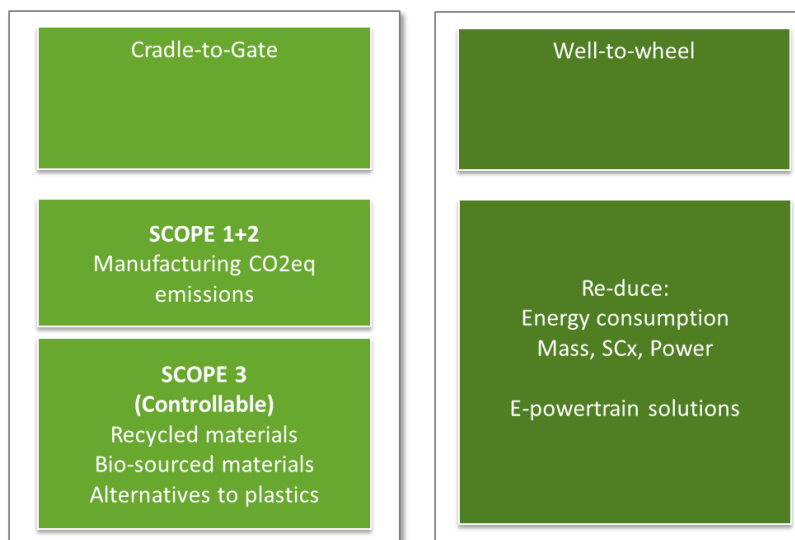
3/ Improve our products environmental footprint

3.1/ Purpose

Novares wishes to promote eco-design in its skills centers and take environmental aspects into consideration in the design and development of its products: integrate, during concept definition phase, the life cycle analysis, the Group's environmental requirements and ultimately certify its approach with a third party (AFAQ Eco Conception or equivalent).

3.2/ Our actions

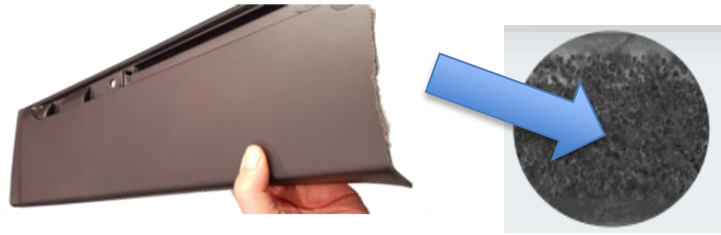
Contribution to reducing GHG emissions during vehicle usage (i.e. "well-to-wheel" emissions) has been at the core of Novares Innovation strategy for many years. Weight reduction of our products and new e-powertrain solutions have contributed to this challenge and will continue to play an important role. Furthermore, as vehicle electrification is becoming a new standard, reducing vehicles manufacturing and end-of-life emissions become a new challenge that needs to be addressed. For Novares, it implies new efforts to reduce "cradle-to-gate" emissions, i.e. upstream of the value chain.



Main contributions of Novares Group to decarbonize the automotive value chain

- **Less vehicle usage GHG emissions through mass reduction**

Novares engineers constantly investigate new ways to further reduce vehicle weight. The NOVA W8 solution is a clear example: this proprietary approach to ready-to-use aesthetics plastic parts makes painting process unnecessary and yields up to 30% part mass reduction through process-based foam integration as a replacement for plain plastic.



Novares NOVA W8 product line

- **New products for low emissions powertrains**

e-Motor components: Novares adapted its plastic module expertise to current and future e-motor challenges. 27 patents offer new possibilities to improve acoustics, cooling, packaging and sensing, in order to improve performance and robustness.

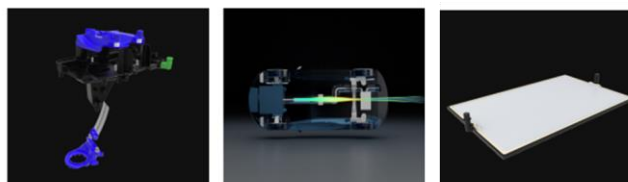
One example is our weight-saving, sensor-monitored and quiet cooled rotor & stator proposal. It features plastic cooling modules to prevent magnet, high power electronics from overheating, a rotor-integrated sensor and a specific acoustics module. Main customer benefits include:

- Direct monitoring of rotor temperature and position.
- Improved vehicle thermal management and e-motor capacity.
- Enhanced acoustic behavior.
- Process cycle time optimization.



Novares improved e-motor

Low-emission ICE systems: as around 50% of the automotive market will remain ICE based (including HEVs) by 2031 (source: S&P Global Mobility), Novares continues to support reduction of GHG emissions of these powertrain systems.



GREEN BAFFLE PLATE

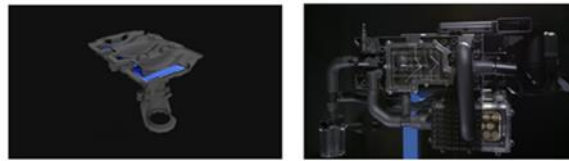
Plug and play passive CO2 emissions reducer

GREEN BOOST

Aerodynamic deflectors for better overall car performance

COOLING BASE

High thermal efficiency and lightweight



OIL MANAGEMENT FOR CO2 EMISSIONS REDUCTION

Plug and play active CO2 emissions reducer

PLASTIC FUEL CELL COMPONENTS

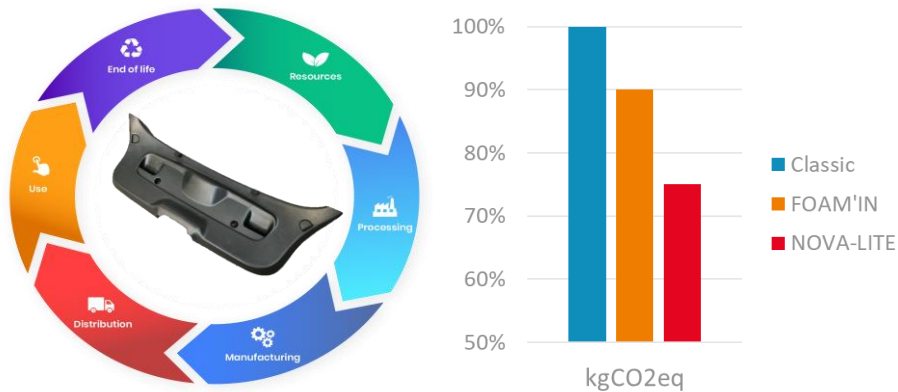
Lightweight solution for fuel cell stack module

Examples of innovative solutions from Novares for ICE, HEV, BEV and FC powertrains

- **Reduce the environmental impact of our products**

In the dual context of increasing pressure to preserve natural resources and intensification of climate change mitigation efforts, Novares is committed to reducing the environmental impact of its products. The first priority is to address GHG emissions. This is done using a Life-cycle Assessment (LCA) approach during development and serial-life phases of new products. Decision was made in 2022 to acquire specialized software solution GaBi from Sphera. This tool, which is widely used in the automotive sector, will support LCA culture deployment and identification of new design options to comply with our customers' requirements to reach carbon neutrality by 2040.

First eco-design studies were also carried-out in 2022 to measure the impact of various design & material options on a product cradle-to-gate carbon footprint reduction analysis.



Product carbon footprint sensivity study results

- **Promote usage of recycled & bio sourced resins in product design**

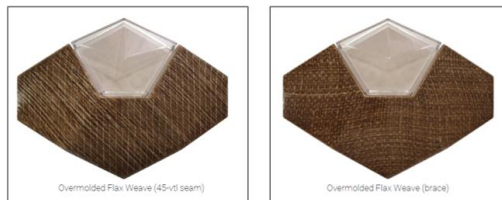
In 2022, more than 10% of total resins used in Novares products manufacturing originate from recycled sources. In addition to cooperating with carmakers to adapt technical specifications to even larger recycled content ratios and reduced virgin material usage, Novares teams up with its supplier base to propose injected compound materials alternatives with exciting new styling effects: marble, granite, spotted.



New recycled resin rendering

Since recycling fossil-naphtha based materials is not enough, Novares innovation engineers also investigate new combinations including bio-sourced materials from performance, quality and durability perspectives. This knowledge leads to breakthrough proposals to our customers that combine desirability alongside with technical and environmental performance.

- Natural fibers "rigid" covering + Bio or recycled material



- Natural pulp/fibers "flexible" covering + Bio or recycled material



Innovative bio-sourced material proposals

4/ Next steps

In 2023, Novares will intensify its efforts to reduce the impact of its operations and value chain on the environment. Main retained orientations are presented below:

- Implementation of energy management systems, ISO 50001 certification and consumption reduction solutions on manufacturing sites with the support of a new Group Energy manager that will join in Q1 2023.
- Promote production of local renewable electricity through photovoltaic panels whenever financial conditions prove favorable.

- Expand Group GHG emissions assessment to full Scope 3 and initiate definition of a decarbonization strategy for process, products and supply chain, in line with the 2015 Paris Agreement and carmakers commitments.
- Define and follow up water and waste reduction objectives for all production sites.
- Accelerate deployment of Lifecycle Analysis (LCA) for all new products, first on GHG emissions but later expanded to other environmental impacts such as water consumption, direct pollution or biodiversity.
- Promote recycled and new material options to our OEM and Tier1 customers, as part of our innovation plan.

HSE Policy

Our HSE policy communicated
to all internal or external stakeholders:

	<p>MANAGEMENT COMMITMENT – HEALTH, SAFETY AND ENVIRONMENT (HSE) and Energy (En) POLICY</p>
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March 28, 2023

NOVARES Group promotes and protects people and environment.

Our principles:

- We respect and care about safety, environment, health and wellbeing of people, whether they are employees, contractors, visitors or neighbors around the world.
- We continuously improve our business processes to meet or exceed legal and regulatory HSE requirements.
- We promote the respect, control and progress of our processes and our organization, in line with the ISO 14001, ISO 45001 and ISO 50001 requirements.
- We provide an environment for open and transparent communication of HSE matters and concerns.
- We recognize that the skills, involvement and discipline of our employees are essential for fulfilling the HSE principles and commitment of our company.

Our vision:

- Zero incidents.
- Safe, secure and healthy working conditions for each and every one working with and for us.
- High quality, safe and environmentally responsible products that meet or exceed the expectations of our Customers.
- Responsible use of natural resources.
- Environmental sustainability in everything we do.

Our commitment:

- To measure and prevent any kind of occupational incidents, health concerns and environmental issue.
- To comply with applicable regulations and other requirements we endorse.
- To design, build and operate our facilities in a safe, secure, efficient and environmentally responsible way.
- To measure and fight against climate change by reducing greenhouse gas emissions
- To control and improve our energy consumption
- To measure and reduce the impact of our energy use
- To develop the purchase of renewable energy
- To measure and reduce water consumption and limit the use of hazardous materials.
- To measure and optimize waste streams and raw material consumption by maximizing reuse and recycling.
- To preserve the biodiversity by monitoring our air and water emissions, to comply with regulatory discharge limits and to limit our impact on environment.
- To develop our products considering a lifecycle perspective, from the design until the end of life.
- To provide resources, training, equipment and other support to enable fulfillment of this policy.

NOVARES commits to continuously improve the HSE performance through tracking against our goals and targets and ensure a proactive risk management in our businesses.

This policy is integral to NOVARES strategy and the Group Executive Team is committed to its implementation.

Pierre Boulet
CEO



Christophe Hertel
MPQS SVP



Loïc Maréchal
HSE Director



