



Sustainability Report 2023

**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 Employees, our Customers, our Shareholders, and our Business Partners.

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 of Novares

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



OUR EMPLOYEES AT THE HEART OF OUR CSR COMMITMENT



ACT ETHICALLY

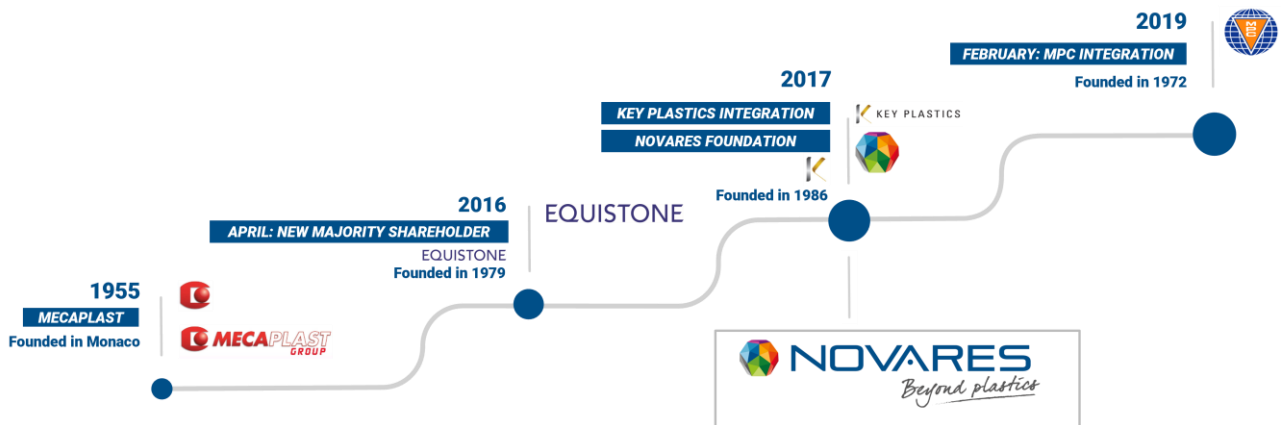


INNOVATE TO LIMIT THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES

NOVARES in the world

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.



Novares Group was created in 2017

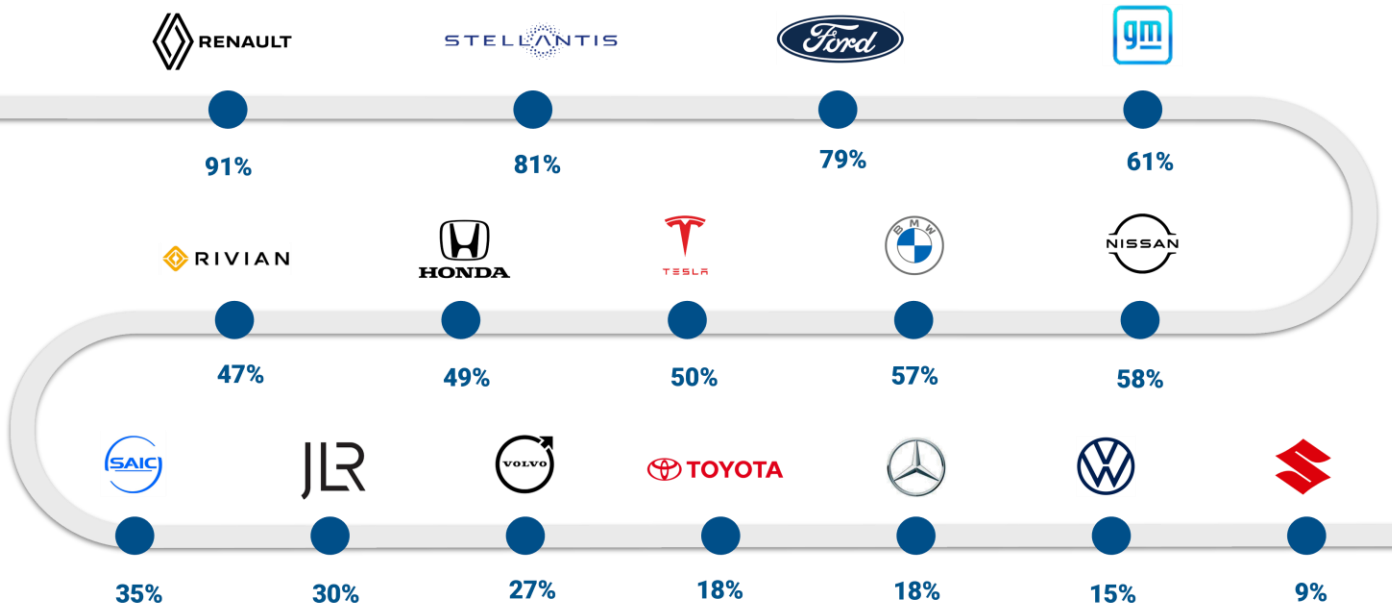
The company creates and produces advanced automotive solutions with technical plastic injection for greener, lighter, and connected cars with intelligent and intuitive interfaces for all occupants. Its portfolio comprises **5 product lines**.



Novares product lines

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.

Novares is inside 1 car out of 3 worldwide



Percentage of vehicles sold in 2023 that feature Novares products, by carmaker

Our ambition is threefold:

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.



RELIABLE EXECUTION

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

PRAGMATIC INNOVATION

Using advanced technologies, we produce cutting edge, ergonomic designs and stylized products offering multifunctionalities for performance, comfort and safety.

2/ Our 5 Core Values

We aim to create a positive and ethical work environment centered on the values we made ours.

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

ONE TEAM



COURAGE



POSITIVE ENERGY



TRANSPARENCY



RESULT DRIVEN



TRANSPARENCY

- Walk your talk
- Tell it like it is, no lies, no feelings
- Be yourself
- Be honest, no matter what
- Free and open exchange

POSITIVE ENERGY

- The worst it looks the most you can improve
- One smile can open many doors
- Do the job with passion and performance
- Can do attitude
- Never say Never

COURAGE

- Dare to face challenges
- Never accept the situation as it is
- Be a player, don't be a spectator
- Failure is an opportunity to learn, improve
- Take risk to transform a problem in a success

RESULT DRIVEN

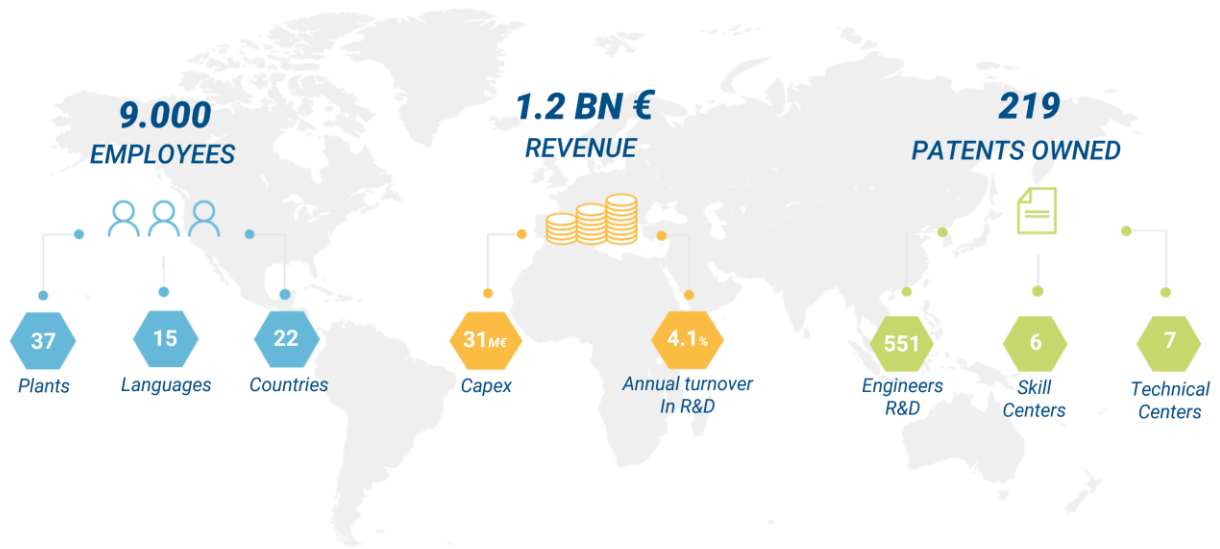
- Being reliable respecting deadlines and quality
- Our plans and evolutions are visible.
- Being proactive and flexible to adapt to business requirements.
- Set clear targets
- Deliver what we promise!

ONE TEAM

- We benefit and learn from our company diversity and take the best from all our practices.
- We help and support each other, inside and outside our organization.
- We work together to achieve common goals.
- The challenge for one is the challenge for all.
- Take commitments and achieve them collectively.
- Support and respect each other.

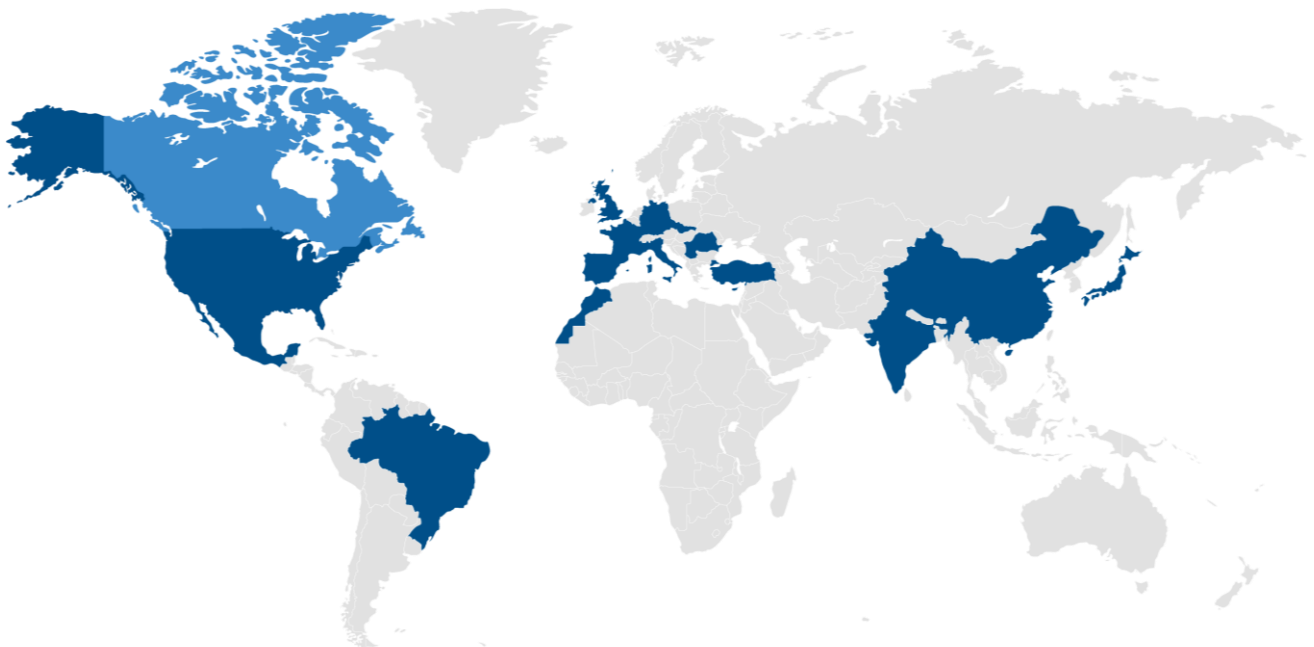
3/ Novares at a glance

Main figures (2023 data)



22 countries & 15 languages.

Customer proximity for joint development activities & technical support.



Novares
Novares Venture Capital

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 and updated in 2023, raised awareness regarding several ESG related topics that proved important for Novares activities, such as:

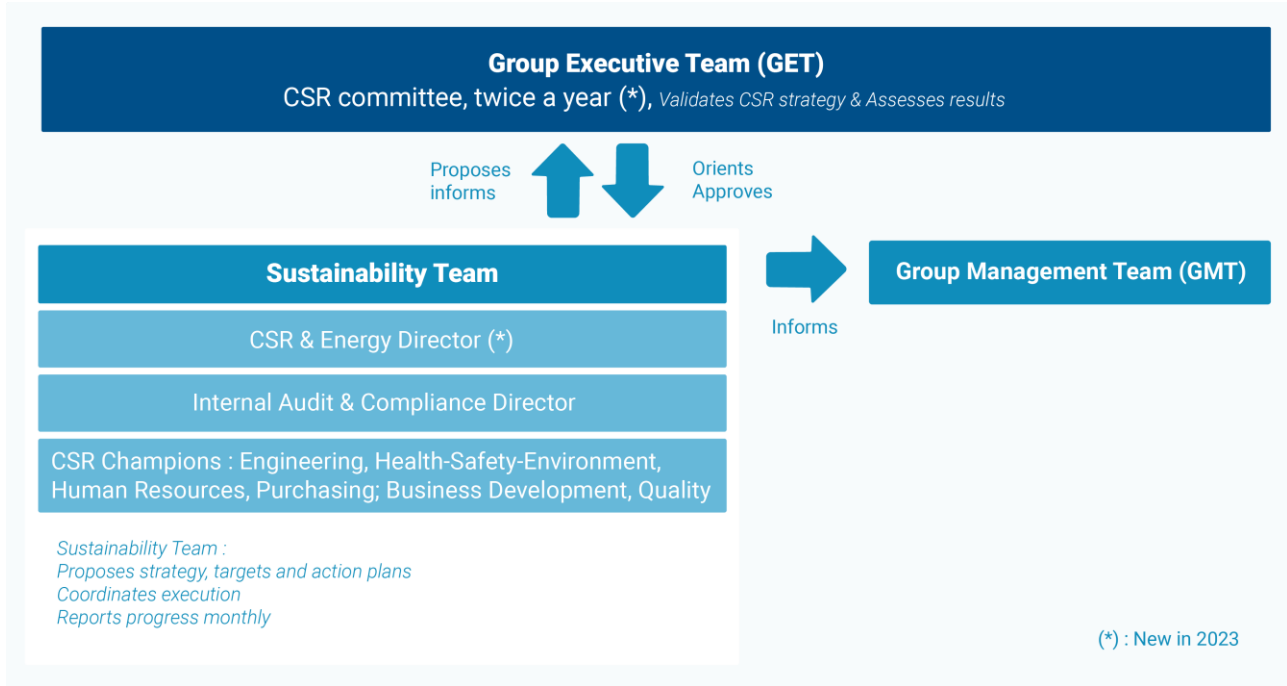
- Health & Safety
- Impact on the Environment
- Climate change mitigation and adaptation.

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.

To extend the global risk assessment approach to environmental, social and governance topics, a double-materiality analysis is currently underway with contributions of various internal stakeholders, in line with upcoming European Union reporting requirements (i.e. 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 organizational scheme presented below became 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 previous Sustainability Reports 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, and managed under the **NOVACARE program**:



Our Employees at the heart of our CSR commitment



Act Ethically



Innovate to limit the environmental impact of our activities

Our corporate-level **key performance indicators** are summarized in the table below, with reference baseline values and targets for 2025.

ACT FOR OUR EMPLOYEES					
Priority	Our commitments	SDG 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%	90%
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	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 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 populations (%) ²	91%	100%
	Deploy Good Practices	8, 11	Anti-fraud & corruption controls compliance self-assessment results for targeted BUS ³	94%	>95%
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 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)	2.90	2.4
	Reduce GHG Emissions	13	Total GHG emissions scopes 1&2 vs turnover ratio (tCO2eq/M€) ⁵	87 (2022)	79
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 turnover ratio (m ³ /M€)	29.8% (2022)	27
Reduce environmental footprint of our products	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 Sustainable Development Goals (SDGs)

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

⁵ Note that Scopes 1 & 2 GHG emissions were recalculated following methodology adjustment.

Building our Sustainable Future

To define next steps of the NOVACARE program, the Group was, at the end of 2023, among the first companies to onboard the new industry-focused initiative from French association CEC (“Convention des Entreprises pour le Climat”, or “Climate Companies Convention”). This 10-month journey, which will take place in 2024, represents a great opportunity to connect with peers from other sectors and build the roadmap to adapt our business model for long-term resilience, as a contribution to the reconciliation of ecology, economy, and society.



Corporate CSR ratings & standards

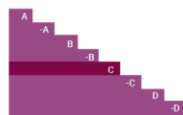
To improve its ESG performance and comply with customer requests, Novares applies the most demanding international standards.



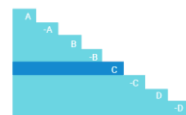
EcoVadis global rating:
55/100



SupplierAssurance SAQ5.0 average rating:
76/100



CLIMATE CHANGE 2023 – SCORE: C



WATER SECURITY 2023 – SCORE: C

Carbon Disclosure Project (CDP) ratings



ISO 14001, ISO 45001, ISO 50001

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



In 2023, we also initiated deployment of the Trusted Information Security Assessment Exchange, or TISAX, standard from ENX for information security and data protection.

This very demanding label relies on the ISO 27001 standard and was designed specifically for the automotive industry value chain.

Employees at the heart of Novares CSR commitment



Novares gives special attention to all its employees, who benefit from 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. 3 main themes are covered:

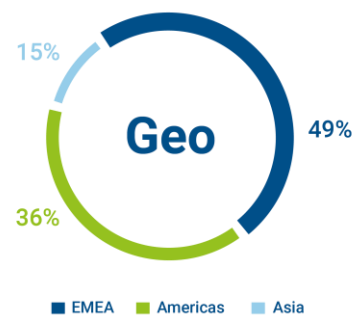
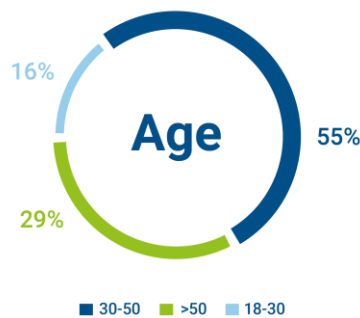
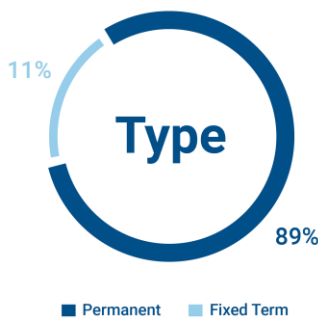
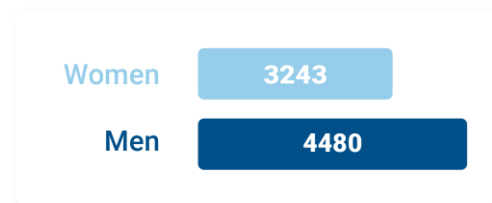
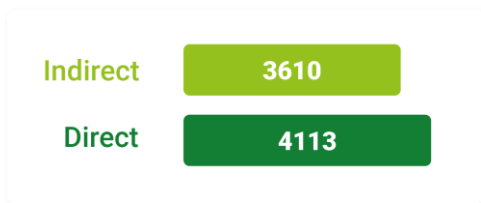
- 1/ Respect human rights
- 2/ Guarantee a healthy and safe working environment
- 3/ Promote equal opportunities

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



General data

Out of our total 9000 strong workforce as of December 31st, 2023, 7723 are contracted people, of which **42% are women**, and the remaining 1277 are temporary workers.



Novares contract employees' statistics by contract type, age, and geography

1/ Respect of human rights

1.1/ Purpose and policies

As a global industry player, Novares commits to **respect fundamental rights** related to working conditions in all countries in which it operates, including in geographical areas where human rights may not yet be sufficiently protected. More specifically, it undertakes:

- To ban recourse to illegal work such as defined by the rules of the countries in which it is involved. In particular, not to resort to any form of forced labor and/or child labor, in accordance with laws and International Labor Organization (ILO) frameworks.
- To avoid and report any participation in commercial, economic, or industrial activities that abuse the rights above, and refrain from violating the human rights of third parties.
- To perform due diligence to identify, prevent, mitigate, and address the foreseen adverse impacts on Human Rights caused from their own business' activities or those directly or indirectly related to its supply chain.

In addition, Novares intends to develop **responsible social dialogue**. To that end, the Group keeps its employees, or their representants, informed of its activities in due course and in compliance with applicable laws and regulations regarding informing and consulting with employees.

Novares also recognizes employee representation through specific organizations and the right of employees to associate freely, establish or join trade union organizations of their choice and to organize staff representation in accordance with the laws and regulations in each country where it operates. It also ensures that employee representatives are not subject to discrimination, fear of reprisal, intimidation, or harassment. More details on those subjects and on Novares commitments can be found in our Code of Ethics.

1.2/ Our main actions in 2023

- An internal audit was conducted by Human Resources department to identify potential workers below 16. The study confirmed that procedures were well applied by sites in all countries, according to the commitment stated in our Code of Ethics. This test is now fully included in the HR quarter corporate reporting.
- Our Code of Ethics was fully reviewed and updated. Many new topics and requirements were introduced based on the most advanced business practices and new regulations in various regions.
- Reporting relative to ESG topics were standardized to ensure fast and accurate answers to the various reports requested by customers or financial institutions.

1.3/ Our priorities for 2024

In 2024, the Group will continue its efforts to ensure compliance with its values on the following priorities:

- Ensure full deployment of the new Code of Ethics throughout the group, mainly through translation into most widely spoken languages, introduction of a dedicated e-learning module and launch of a training campaign, targeting new recruits and indirect labor employees first, then eventually extending to the entire workforce.
- Promote direct exchange between site employees and top management executives during yearly site visits (Plant Operating Reviews, or POR) to address working conditions topics.

2/ Guarantee a healthy and safe working environment

2.1/ Purpose and policies

As presented in our Health, Safety, Environment and Energy policy (see page 41), Novares places paramount importance on health and safety in the workplace and aims at reaching **zero accident**.

Novares undertakes to create and maintain a healthy and safe working environment for its employees and sub-contractors to limit risks of accident or occupational illness, and in compliance with local legal requirements and industry standards. This Occupational Health and Safety (OHS) policy is reviewed and updated every year.

Our prevention approach is based on a comprehensive OHS risk analysis that leads us to remove or mitigate professional risks, monitor the efficiency of prevention measures, and implement a continuous improvement approach. This preventive approach concerns all Group entities, all sites, as well as home office, when applicable.

Novares considers the involvement of all employees to be essential to achieve its goal. Their participation is guaranteed through the organization of safety committees made of different representatives of the company including workers themselves.

Besides, all procedures necessary for identifying and preventing health and safety risks equally apply to any stakeholder likely to be affected.

Employees and concerned stakeholders are properly informed and trained concerning relevant health and safety topics, in compliance with local regulations and industry practices. They are also provided with appropriate personal protection equipment (PPE) that address hearing, mechanical, heating/discharge and chemical risks. In addition, each site has a team which is trained and regularly drilled in giving first aid, intervening to ensure employee safety in the event of an incident and firefighting. All occupational accidents are recorded and analyzed using a problem-solving methodology. Corrective measures are aggregated at group level and communicated to all sites to minimize the chance of recurrence.

To support proper management of health and safety issues, Novares commits to obtain **ISO 45001 certification** in all its production sites.

2.2/ Corporate monitoring

Corporate-level key performance indicators

ACT FOR OUR EMPLOYEES						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Guarantee a healthy and safe working environment for our employees	Reduce the number of accidents	Accident frequency rate	3.3	5.17	2.95	2.3
	Develop a safety culture at all our Locations	Plants Safety Golden Rules Application self-assessment deployment rate (%)	88%	89%	90%	95%
		% of «Safety Talk» sessions completed vs plants forecast	84%	86%	90%	90%
	ISO 45001 certification of all our manufacturing sites	Share of ISO 45001 certified plants vs total number of plants worldwide (%)	5%	27%	35%	85%

Other relevant data

Additional health & safety related data and indicators are presented below.

	2023
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities as result of work-related injuries of temp workforce	0
Number of lost time work-related accidents for own workforce	78
Severity rate for own workforce	0.18

Even though the Novares group had **no work-related fatality**, 2023 was marked by an increase of work-related injuries both in terms of number and of frequency. The severity rate remained quite stable, and 10 accidents lead to what we consider as severe injuries with more than 30 days lost. Despite this overall negative trend, it is important to note that:

- 4 plants concentrated more than 50% of the total number of injuries. Strong actions were taken to identify, address and solve the corresponding areas of concern.
- 17 plants out of 37 had no work-related accidents during the whole year with 10 of them being accident free for more than 3 years.

The number of production sites that were granted the ISO 45 001 certification jumped from 21% in 2022 to 27% in 2023, according to deployment plan.

2.3/ Our main actions in 2023

- Improvement in Occupational Health and Safety management in our plants
 - Regular safety committees are now held everywhere.
 - Training of our employees through DOJO rooms with regular first aid practice.



First aid training

- Bi-monthly safety calls to review root causes of all work-related injuries and corresponding action plans.
- Continued deployment of our safety golden rules, safety talks and transversal memos in every site, ensure a full implementation.
- 2 new sites acquired ISO 45001 certification in 2023, bringing the total to 27% of all sites meeting this demanding standard, which is now required by group policy.
- Reinforced in-depth monitoring of 4 plants, representing more than 50% of our accidents: bi-weekly meetings with local QHSE teams, review of action plans, using the Plan-Do-Check-Act approach and on-site audits.
- Improvement of plant fire prevention
 - Launch of an internal audit program on Property Damage risk management in all plants worldwide.
 - Review and update of existing procedures.
 - Implement 100% smoking ban in 23 plants and new smoking shelter rules launched in others.
 - Organize fire drills.
- Safety culture communication campaigns in several plants.
- Activities to promote health and well-being among employees around the world:
 - Awareness campaigns regarding prevention of obesity, diabetes, depression, stress, Tobacco, drug & alcohol addiction.
 - Promotion of physical exercise through participation to various sport events.



Novares employees from Mexico and France, participating in sporting events.

2.4/ Our priorities for 2024

In continuity of our 2023 actions, our efforts will be placed on the following priorities:

- Continue the deployment of safety Golden Rules in each site and ensure full implementation.
- Provide proper training to all newcomers and strengthen our health and safety culture via:
 - Specific communication campaigns (events, awareness videos, safety gates, visuals)
 - Realization of safety talks, safety minutes and best practices sharing between plants
- Audit and support plants showing gaps in performance and/or respect of our rules.
- Analysis and update of OHS risk assessments.
- Guarantee 100% of health and safety committees.
- Continue deployment of the ISO 45001 standard with the target to obtain certification for 8 new plants.
- Ensure compliance of our sites regarding our fire prevention program through internal audits and visits of our insurer.
- Train primary and second respond emergency teams.
- Visit local fire brigades and deploy first aid training.

3/ Promote equal opportunities

3.1/ Purpose and policies

Designed for a fast-moving environment, the Novares Human Resources policy revolves around **two main axes**:

1. Attract and retain the most valuable resources.
2. Promote diversity and inclusive work environments.

Attract & Retain

Recruiting

Our goal at Novares is to attract professionals with skills that are key to maintain our leadership in project management and manufacturing technologies, especially in areas with high level of technical expertise.

To do so, we have identified targets on different perspectives:

- short term: perform in our capacity to staff open positions.
- mid-term: prioritize internal mobility in our staffing and focus on technical functions.
- long term: dynamize our employer branding and attract young talents.

Emerging Talents

As welcoming young talents is crucial to the future of Novares, we offer apprentices, trainees, interns, and young graduates challenging opportunities that not only meet their aspirations and allow them to grow on a mid or long-term perspective but also contribute significantly to our collective success. This is the reason why we have developed a program focused on hiring and accompanying those Emerging Talents. We closely follow-up their evolution within the company and encourage them to take their career into their own hands, broaden their horizons and build their internal network, e.g. through **internationalization options**:

- International Internships, during apprenticeship or for 6-month time periods
- International Volunteering Program (or VIE) for young European graduates, in collaboration with Business France, for a period of 24 months.

Thus, we also have set global targets to recruit Emerging Talents and then to hire them with a short term or long-term contract.

Onboarding

Developing our employees starts at Day 1 with our e-Onboarding training available on our Learning Management System, DOKEOS. The purpose is to give newcomers insights on the Group's organization, Governance System, products and Values.

We also share our fundamentals: Code of Ethics, IT Charter & Safety Golden Rules. At Novares, cultural fit is as important as technical skills. For continuous improvement on the subject, we have created a survey we send to newcomers 6 months after their arrival.

Internal mobility

We are committed to offering **new opportunities**, promotions, and career advancement to our employees and we target to staff 45% of our open positions through internal mobility. To monitor and enhance internal mobility, we rely on:

- key position succession planning in our yearly Strategic Resources Plan (SRP).
- dedicated communication.
- collection of employees' mobility wishes through Annual Appraisal Interviews (AAI).
- deployment of individual development plans to help employees grow within the group through training, personal development, and mentoring.

Diversity & Inclusion

At its core, Novares believes that **diversity is an asset** and promotes an inclusive culture where everyone can contribute fully and reach their potential. Novares rejects all forms of discrimination and aims to make all employees aware of the benefits of diversity through its corporate social policy. We comply with salary laws in all operating countries, ensuring wages are based on job responsibilities and performance, and meet minimum living standards.

Our commitment to non-discrimination and harassment-free workplaces ensures equality of treatment and opportunities for all employees, regardless of age, gender, race, nationality, or any other personal or social condition. In particular, Novares provides equal opportunity in employment specifically for women, commits to equal pay for equal work, and undertakes to respect regulations concerning protection of pregnant women.

The Group complies with national laws and regulations related to the employment of disabled persons and undertakes to create specific workstations to ensure good working conditions. No employees may be punished, dismissed, or discriminated against for having testified in good faith about any of the actions listed above or for having reported them.

We communicate and deploy our ethics, integrity, and compliance principles based on our five core values and employees acting as role models are recognized through the **Super Nova and Nova Kaizen** programs and other ceremonies.



Additionally, we believe that promoting a vibrant and inclusive workplace culture is essential for fostering team spirit and employee satisfaction.

Our sites around the world regularly organize events that celebrate local traditions and bring employees together in a spirit of camaraderie and joy like the International Day of “Tortilla de Patatas” at Igualada plant in Spain, St. Patrick’s Day Celebrations at Walworth and Prairie du Chien plants in the USA or celebrating sport at Shanghai, China, and Mioveni, Romania, plants.

3.2/ Corporate monitoring

Corporate-level key performance indicators

ACT FOR OUR EMPLOYEES						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Promote Equal opportunity	Equal treatment for women and men	Share of women amongst total external recruits (%)	42%	49%	44%	45%
	Equal geographical treatment	Share of nationalities represented at Group Management Team vs Novares worldwide footprint	89%	90%	>90%	95%
	Give Juniors the opportunity to enter the Business	Share of hired interns vs total indirect headcount (%)	3.16%	2.15%	>2.5%	>2.5%

Other relevant data

In 2023, 32% of open positions were staffed through internal mobility, a figure close to that achieved in 2022. The **onboarding satisfaction survey**, which was introduced for all new employees in Q4 2022, showed that **75%** of respondents rated their experience positively.

3.3/ Our main actions in 2023

- Identification of key positions and people, definition of appropriate retention actions and individual development plans for all indirect positions within the Group; KPIs were also deployed to measure efficiency of this process and corresponding action plan.
- Creation of a specific development program for 300 employees in the logistics department.
- Induction modules per function for newcomers within the Human Resources Department.
- Creation and launch of our new “Emerging talents” policy which aims at improving trainees, interns, apprentices and VIE candidates’ contributions and recruitment.

3.4/ Our priorities for 2024

In continuity of our 2023 actions, our efforts will be placed on the following priorities:

- Deploy new modules in our Learning Management System (LMS) platform DOKEOS for improved access to training and skills management.
- Launch a specific development program for Manufacturing Engineering.
- Create induction modules per function for newcomers within the Manufacturing Engineering and Quality Departments.
- Design of a specific “recruitment for managers” module to improve recruiting practices and favor open-mindedness to novelty and diversity.
- Define and implement an operational process to manage Emerging Talents, in accordance with new policy and targets set to maximize their recruitment as employees.
- Generalize gender equality index throughout Group entities, to keep track of gender pay gap.
- Define and deploy Sustainability training to HR managers.

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.



1/ Respect the rules of business ethics

1.1/ Purpose and policies

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 addresses a wide variety of themes relevant to its activities, such as prevention of corruption, bribery and money-laundering, fair competition and information security.

To ensure application of best industry practices on information security, beyond requirements of EU's General Data Protection Regulation (GDPR), the Group decided to deploy the automotive-specific and highly demanding TISAX standard by ENX in all its production sites and Skill Centers.

In addition, a **whistleblower mechanism** is made available to employees and external stakeholders to report possible breaches in the Code of Ethics and self-assessments are conducted regularly by local entities to check compliance with group recommendations set to fight corruption.

More details on those subjects and on Novares commitments can be found in our Code of Ethics.

1.2/ Corporate monitoring

Corporate-level key performance indicators

ACT ETHICALLY AND WITH SOLIDARITY						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Business fair practices	Deploy our Ethical values worldwide	Share of employees trained on e-learning code of Bhics vs targeted population (%) ²	91%	100%	>93%	100%
	Deploy good practices	Anti-fraud & corruption controls compliance self-assessment results for targeted BUs ³	94%	94%	>95%	>95%

² Targeted population: new recruits

³ Targeted Business Units: 2 out of 6 per year

Other relevant data

In 2023, and for the first time in the Group, 3 sites obtained the TISAX label:

- 2 out of 6 Skill Centers (33%), in Monaco, Monaco, and Shanghai, China.
- 1 out of 37 production plants (3%), in Janovice, Czechia.

1.3/ Our main actions in 2023

- Our Code of Ethics was fully reviewed and updated in 2023. Many new topics and requirements were introduced based on the most advanced business practices and new regulations in various regions.
- Two Business Units were targeted to complete anti-fraud and corruption control self-assessment. For the evaluated production sites, the obtained results obtained showed 94% compliance, just short of company requirement of 95%.
- We initiated deployment of the TISAX standard from ENX, to comply with most demanding information security requirements from our customer:
 - A thorough gap analysis with existing standards and practices was conducted.
 - Workgroups were defined to tackle priorities and produce reference documents of the IS management system: governance, recovery plan, compliance with GDPR, physical and virtual access management, cyber security.
 - Launch of labelling campaign in the first 3 concerned sites concerned, 2 Skills Centers and 1 plant, which led to successful audits from third-party auditor.
 - Deployment of an eLearning campaign on cybersecurity risks, with more than 2500 employees trained.

1.4/ Our priorities for 2024

In 2024, the Group will continue its efforts to ensure compliance with its values and commitments, with the following priorities:

- Ensure full deployment of the new Code of Ethics throughout the group, mainly through:
 - Translation into most widely spoken languages.
 - Introduction of a comprehensive dedicated e-learning module.
 - Launch of a training campaign, targeting new recruits and indirect labor employees first, then eventually extending to the entire workforce.

- Update the whistleblower process and tool to modernize and simplify reporting and issue management tools and extend application scope of application to a larger group of stakeholders.
- Engage a new self-assessment campaign and update training on Business Ethics.
- Continue deployment of the TISAX standard:
 - Obtain labelling of several Skill Centers and production sites, under supervision of the corporate Quality department and out of our Monaco site.
 - Extend training on information security: deployment of an eLearning campaign on GDPR awareness and introduction of information security awareness in DOJO (training room) guidelines and training for production plants and operators.

2/ Ensure responsible partnerships

2.1/ Purpose and policies

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 and long-lasting relationships, 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 for a solid and long-lasting cooperation.

Main requirements are listed in our Supplier Code of Conduct and our Supplier Quality Requirements Manual, which are readily available on the group's corporate website and must be signed off by every supplier at nomination and during the commercial relationship lifetime. As an illustration to underline the importance of ESG topics in the supply chain, all supplier manufacturing sites must be compliant with ISO 14001 certification.

ESG performance of suppliers is also part of the selection process. It is evaluated through self-assessment and analysis of filled questionnaires serve as a baseline for our future supplier ESG performance monitoring and auditing scheme.

Corruption risk is evaluated through a supplier corruption risk mapping. Every supplier is

assessed before any possibility to integrate Novares panel and a Due Diligence questionnaire is required to be filled (status & commitment), to assess any exposure to the risk of corruption. A process of control and monitoring is in place, including self-assessments and audits.

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, Novares requests information regarding the use of conflict minerals from its suppliers, which, in turn, solicit that information from the next tier of suppliers, continuing down the supply chain. This is done using the Conflict Minerals Reporting Template (CMRT) and/or the Extended Minerals Reporting Template (EMRT) issued 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.

2.2/ Corporate monitoring

Corporate-level key performance indicators

ACT ETHICALLY AND WITH SOLIDARITY						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Responsible partnerships	Deploy our commitments to third parties	Suppliers having completed CSR self-assessment in % of targeted suppliers ⁴	68%	100%	100%	100%

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

2.3/ Our main actions in 2023

- In 2023, the content of a wide Responsible Sourcing training campaign was defined, and the first session took place with a group of selected managers. It is designed to share principles of sustainable development and responsible sourcing, current and upcoming regulatory contexts worldwide, industry practices and present the group's priorities. All Purchasing managers and leaders are targeted to understand how ESG performance will become key.
- ESG performance criteria were introduced and are now fully integrated in supplier risk assessment procedure and tools.
- A Supplier Code of Conduct was created and deployed to all suppliers for new nominations, their commitments in full consistency with our own Code of Ethics.
- Purchasing and CSR teamed up to evaluate and select a new Supplier to overcome limitations of in-house self-assessment and allow a strong acceleration on ESG risk management. After reviewing several market options, the group selected the Supplier Assurance platform from NQC, a widely used in the automotive industry well-known SAQ5.0 questionnaire.



- Full CMRT & EMRT update was carried out with contributions of identified impacting suppliers and support of third-party. Global response rate was improved by 37% vs 2022, in shorter time and satisfactory response quality. Action plans defined for suppliers that did not comply with customer requirements.
- In the context of implementing of the Russian Iron & Steel ban in Europe, in the UK and in the USA: metal parts suppliers were assessed thanks to a specific questionnaire.
- Novares also contributed to the EU public consultation on new regulation project regarding per- and polyfluoroalkyl substances, also known as PFAS, through Groupement Plasturgie Automobile (GPA). First internal impact analysis showed that approximately 200 parts and 30 suppliers could be concerned for the European region.
- Several initiatives were also launched to support efforts on decarbonization:
 - Scope 3 upstream emissions were calculated for the first time to evaluate contribution of supply chain through purchased goods and services.

- Main worldwide plastic resins suppliers were met to discuss their decarbonization plans, low-carbon product portfolio and cooperation opportunities in the scope of ongoing and future proposals to customers.
- Primary emission factor information of purchased plastic resin references was collected to feed internal database. Retrieved data covers more than 80% of total resin weight.

2.4/ Our priorities for 2024

In 2024, the Group intends to further develop its sustainable procurement practices. Main identified priorities include:

- Continue training campaign on fundamentals of Sustainable Sourcing for Purchasing managers, commodity buyers and supplier quality leaders.
- Deploy Supplier Assurance platform throughout the Group:
 - training of buyers
 - information to suppliers
 - launch of a first assessment campaign for priority production suppliers
 - analysis and ESG risk map
- Update group sourcing policy with new ESG performance-related objectives and criteria for supplier nomination, define new relevant KPIs to monitor global performance and progress.
- Implement declaration requirements of the new Carbon Border Adjustment Mechanism (CBAM) regulation for production sites located within the EU.
- On Sensible substances:
 - Anticipate compliance with new requirements of REACH regulations, including analysis of presence of PFAS and investigation of possible alternatives.
 - Update CMRT and EMRT due diligence with higher response rate and full compliance with customer expectations.
- On Decarbonization:
 - Obtain more carbon intensity information from raw materials & components key suppliers to support deployment of Part Carbon Footprint (PCF) assessment during quote.
 - Update Scope 3 upstream methodology for improved accuracy and robustness.

3/ Promote solidarity actions

3.1/ Purpose and policies

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. As a result, the Group promotes solidarity actions and supports citizen initiatives around the world, which represent contributions to the socio-economical fabric of local communities.

Communication of our commitments on Environment, Social and Governance topics is key for efficient execution throughout the Group. Regular reports on main successes are assembled by our

network of local Communication Relays, NOVALinks, and included in the communication plan for corporate broadcast; internally on our Intranet, or externally through dedicated posts on social media such as LinkedIn, Facebook, X and Instagram.

3.2/ Corporate monitoring

Corporate-level key performance indicators

ACT ETHICALLY AND WITH SOLIDARITY						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Solidarity Initiatives	Promote solidarity initiatives	Total number of voluntary social or environment employee initiatives completed	51	73	60	65

3.3/ Our main actions in 2023

- Creation of the **NOVACARE program** and its graphical identity, as well as of a series of dedicated videos on various Sustainability-related subjects, such as publication of Sustainability Report or implementation of energy saving practices in our Peterlee, UK, plant.
- In 2023, a record total of 73 solidarity actions were carried out by employees in all locations and readily promoted within the Group.



Example of Internal Corporate News and of social media posts promoting local solidarity actions

- In addition, main sustainability stakes and initiatives were also presented and discussed during the 2023 Group Management Team, which annually brings the 120 top managers and experts from all over the world together.

3.4/ Our priorities for 2024

In 2024, significant efforts will be put on supporting the NOVACARE program to ensure employee endorsement and improve employer branding.

Innovate to limit the environmental impact of our activities

As an industrial key-player, Novares considers that reducing the impact 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 Group entities. It is broken down into three main themes:



- 1/ Reduce energy intensity and green-house gases emissions
- 2/ Ensure sustainable management of natural resources
- 3/ Improve our products environmental footprint

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



1/ Reduce energy intensity and green-house gases emissions

1.1/ Purpose and policies

As presented in its Health, Safety, Environment and Energy policy (see page 41), Novares considers that optimizing energy usage of its activities and reducing the carbon footprint of its value chain is a priority. 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. Our approach to responsible energy usage is twofold:

- **Reduce energy consumption** as much as possible, by implementing Energy Efficiency Best Practices in all our plants through a common action plan. Local initiatives are also encouraged and used to enhance the Group action plan.
- **Make use of renewable energy**, whenever possible and relevant. As our manufacturing processes mainly depend on electricity, our priority today is to produce and self-consume more renewable electricity directly on site.

In addition, green-house gas (GHG) emissions of its own operations, i.e. Scopes 1 and 2, have been evaluated at Group level for several years and reported through the Carbon Disclosure Project (CDP) initiative since 2021. This assessment was extended to full indirect, or Scope 3, emissions, for the first time in 2023.

1.2/ Corporate monitoring

Corporate-level key performance indicators

ACT FOR ENVIRONMENT						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Reduce energy intensity and related green-house gases emissions	Optimize our energy	Specific Energy Coefficient (MWH per ton of processed material)	2.90	2.54	2.6	2.4
	Reduce GHG Emissions	Total GHG Emissions Scopes 1&2 vs Turnover Ratio (tCO2eq/ME) ⁵	87 (2022)	79	82	79

⁵ Note that Scopes 1 & 2 GHG emissions were recalculated following methodology adjustment.

Other relevant data

Energy consumption and absolute Scopes 1 & 2 greenhouse gas (GHG) emissions

REGION	ENERGY CONSUMPTION (GWH)				GHG EMISSIONS (TCO2E)	
	Electricity	Natural gas	Fuel, LPG	Steam, cold and heat system	Scope 1	Scope 2
Europe, Africa & Middle East	114.6	22.4	0.8	0.0	5271	34 098
Americas	83.5	16.1	0.1	0.0	3696	35 431
Asia	30.3	1.6	0.8	1.4	731	18 142
Total	228.5	40.1	1.6	1.4	9698	87671

2023 Novares Group energy consumption and Scopes 1 & 2 GHG emissions

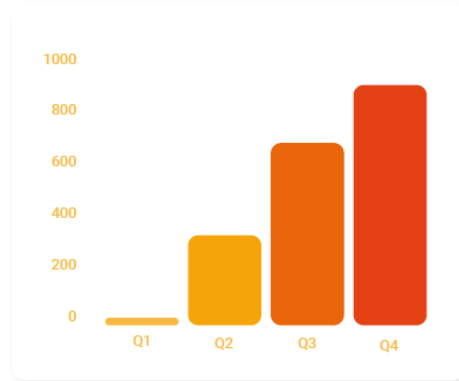
Total 2023 Scopes 1 and 2 GHG emissions are approximately 2,7% lower than those of 2022, which were recalculated following methodology improvements. This results mainly from:

1. Changes in perimeter: 1 new site using natural gas, 2 divested plants and 1 destroyed by fire.
2. Energy efficiency improvement: increase of injection activity combined with deployment of energy efficiency standards (see examples below).
3. Favorable climatic conditions: lower gas consumption due to a 7% decrease of Degree Days.
4. An increase of electricity carbon intensity in certain countries, due to reactivation of high carbon production means and resulting in +4% of Scope 2 emissions.

With similar turnover, this yields a reduction of Scopes 1 and 2 carbon intensity of **79 tCO2e per Million € turnover**, compared to 87 the previous year, thus putting the Group on track to reach the target set in the Ambition for 2025.

Photovoltaic renewable electricity production & self-consumption

In 2023, and for the first time in its history, the Group self-consumed 0,5% of its total electricity from locally established **renewable photovoltaic** (PV) power plants.



2023 Novares total PV electricity production, in MWh

Number of ISO 50001 certified sites

In addition, the number of ISO 50001 certified sites jumped from 13% in 2022 to 19% in 2023.

1.3/ Our main actions in 2023

- Resources reinforcement, with appointment of a Group Energy Manager and a CSR & Energy Director. Positions were created to enhance expertise and intensify efforts on energy management and decarbonization and resulted in improved handling of energy management topics, such as:
 - Monthly meetings, improved robustness in data consolidation at corporate level, lessons learned sharing between plants.
 - Creation of many new standards for energy savings and access to renewable electricity
 - Internal audits to support ISO 50001, training sessions and deployment of energy mapping analysis & efficient monitoring system for quality data to support performance improvement.
 - Technical support for local initiatives and expert partner assessment
 - Communication to employees and management (energy savings workshop at Group Management Team)
- ISO 50001 deployment continued in 2023, with 2 new sites certified in 2023, bringing the total to 19% of all sites that meet this demanding standard.
- Energy efficiency standard deployment continued. We continue our efforts to reduce energy consumption in 2023. The few examples presented below contributed to avoid emissions of approximately 2000 tCO₂e:
 - Lighting: 7 new sites deployed LED technology
 - Injection molding machines thermal insulation: this very effective energy efficiency measure was deployed on several new sites.
 - Air leaks audit and repair campaign deployed on 3 sites.

- Renewable electricity onsite production and self-consumption
 - Our very first large-scale photovoltaic (PV) power plant started delivering affordable 100% renewable electricity in our Shenyang, China, plant in March 2023, according to the announced plan. It was soon followed by two similar installations: one in Mioveni, Romania and the other one in Chihuahua, Mexico, in April and December respectively.



Photovoltaic panels installed on the roof of our Shenyang, China, plant.

- First calculation of Scope 3 GHG emissions, based on 2022 data. This preliminary study showed the importance of upstream and downstream indirect emissions as they represent 90% of total emissions. Though not verified by third-party auditor and therefore not disclosed publicly, it was shared internally for training purposes.

1.4/ Our priorities for 2024

The strategy picks up on 2023 program with the following objectives along two main axes:

- Energy efficiency
 - Complete deployment of our standards in all plants: LED lighting, injection machines insulation, compressed air sealing and weekend power-off.
 - Achieve additional energy savings thanks to the energy monitoring system in plants equipped using a strong and very regular energy management.
 - Systematically study energy savings options in new manufacturing setups (new site, site extension, new machines, or process systems).
 - Obtain ISO 50001 certification for 2 additional sites, to reach 24% sites certified.
- Decarbonization
 - Develop our capacity to produce our own green and local electricity through new solar power plants construction.
 - Conduct the second assessment of full GHG emissions, including Scope 3 upstream, & downstream, with improved methodology and verification by third party auditor.
 - Explore long-term decarbonization options to materialize our commitment, in line with the Paris agreement.

2/ Sustainable management of natural resources

2.1/ Purpose and policies

As presented in its Health, Safety, Environment and Energy policy (see page 41), Novares is firmly committed to **natural resources preservation**. Our approach to responsible natural resources usage is twofold:

1. Novares contributes to reduce raw material consumption by using secondary materials, by reducing our amount of scrap and by recycling of its own production wastes.
2. Novares strives to reduce pollution of water, air, and soil with a constant concern of reducing our water consumption.

Novares Group complies with environmental laws of countries where it operates and deploys the **ISO 14001** standard in all its production sites for efficient management of environmental impacts. It is important to note that Novares' use of water is mainly sanitary and in specific production processes (painting). Overall, the company's impact on water consumption remains at low levels.

2.2/ Corporate monitoring

Corporate-level key performance indicators

ACT FOR ENVIRONMENT						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Sustainable natural Resources management	Reduce industrial waste	Share of total waste vs total processed material (%)	12,4% (2022)	11,1%	12%	10%
	ISO 14001 certification of all our manufacturing sites	Share of ISO 14001 certified plants vs total number of plants worldwide (%)	95%	97%	100%	100%
	Reduce water consumption	Total paintshop water consumption vs TO ratio (m3/M€ TO)	29,9 (2022)	24,6	28	27

Other relevant data

Waste and Water

ENVIRONMENT DATA	YEAR	
	2022	2023
Total waste (tons, T)	10 936	9755
Part of hazardous waste (tons, T)	2 833	1 243
Total water withdrawal(Megaliter, ML)	239	299

2023 Novares Group waste and water withdrawal data

Number of ISO 14001 certified sites

97% of our production sites are now ISO 14001 certified and report environmental data, such as waste generation and water consumption.

2.3/ Our main actions in 2023

Complementary to standards and processes, a wide variety of actions were implemented in 2023 for waste reduction, water resources preservation, and air pollution reduction, such as:

Waste

- Full update of our sprue and scrap regrind policy and launch of deployment in all plants, based on the lessons learned from various pilot sites equipped with injection machine-located of central plastic resin grinders, such as our Sesena, Spain, plant.
- Launched several initiatives to reduce:
 - Scrap % in all facilities, with both environmental and economic benefits.
 - Volume of hazardous and non-hazardous waste generated on the sites by improving staff awareness (clear and visual sorting area, training actions, daily audits).
- Reinforced coordination at corporate level:
 - Assessment on scrap and waste costs every year, data collected in sites.
 - Track and report waste quantity and treatment according to local/regional legislation.
 - Share best practices between sites.
- Invest in waste compactors to improve the % of cardboard and plastic film recycling, thus reducing our environmental footprint.
- Awareness campaigns in several plants, like World Environment Day celebration in our Silao, Mexico, Sesena, Spain and Felton, USA, plants, or World Environment & Oceans Days action in our Yantai, China, site.



Beach rubbish pickup action by our Yantai, China, team

Water

- Reduction of water withdrawals
 - 100% of cooling systems are in closed circuit, as a Novares standard. Water is recirculated within the system and doesn't require a constant flow of water, thus generating almost no water discharge.

- 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).
- Leak detection and sealing in Chihuahua plants.
- Several initiatives were also launched by sites to reduce and guarantee the non-pollution of the discharged water:
 - Installation of hydrocarbon separators in Strasbourg, France, to separate and retain sludge and hydrocarbons (mainly oils) contained in wastewater.
 - Spill containment systems to prevent rainwater contamination in Arouca, Portugal.
 - Purification system maintenance reinforcement and use biological treatments as an aid in Sesena, Spain.
 - Grease traps, replacement of cooling system filters and improved environmental education and waste management in Silao, Mexico.
 - Painting line water treatment system in Mioveni, Romania.
 - Discharged water quality measurement campaigns to analyze possible contaminations and define countermeasures, conducted internally or with expert contractors or laboratories in Villers-Bretonneux, France, Gebze, Turkey or Sao Paulo, Brazil.
- 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.

Air pollution

- Our painting lines are equipped with incinerators that effectively eliminate Volatile Organic Compounds (VOCs) from industrial emissions, thereby reducing air pollution.

Several sites have also engaged environment awareness sessions to inform employees about the negative impacts of industrial activities on ecosystems and best practices to reduce them to sustainable levels.



Environment awareness session in our Chennai, India, plant

2.4/ Our priorities for 2024

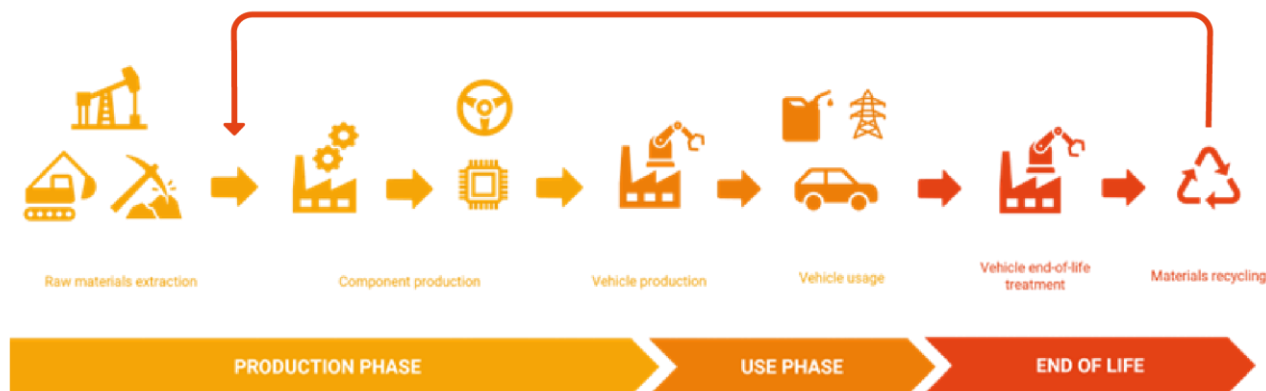
In 2024, The strategy picks up on 2023 program with the following objectives:

- Continue implementation of best practices for water & waste management:
 - Water: avoid contamination and encourage water recovery.
 - Waste: scrap reduction, internal regrinding of sprue and scrap, waste sorting and valorization.
- Update our water risk mapping analysis using the tool Aqueduct to identify most exposed production sites and define appropriate mitigation plans.

3/ Improve our products environmental footprint

3.1/ Purpose and policies

In the double context of tremendous threats on our environment and rarefying natural resources, Novares commits to **reduce the environmental footprint of its products**, thus contributing to a more sustainable automotive industry. This approach has always been at the core of the group's innovation strategy, bringing plastic solutions to its customers, as a light-weight alternative to metals and fuel-consumption reduction leverage. Today, we continue to innovate to push the limits further, with a clear focus on climate change mitigation and **decarbonization** of the automotive value chain, both in the usage and manufacturing phases.



Automotive value chain and Novares contributions to its decarbonization

Our current **innovation program** for environmental footprint reduction of our products is broken down into 4 categories:

1. Evaluate, analyze and understand the environmental impact of our products, through the usage of life-cycle assessment.
2. Develop new high-performance and safe products for low-emission e-powertrain systems: Hybrid Vehicles (HEV), Battery Electric Vehicles (BEV) and Fuel-Cell Electric Vehicles (FCEV).
3. Reduce weight of our products.
4. Introduce recycled and bio-sourced materials in our products.

3.2/ Corporate monitoring

Corporate-level key performance indicators

ACT FOR ENVIRONMENT						
Priority	Our commitments	KPI	2021	2023	2023 Target	2025 Ambition
Reduce environmental footprint of our product	Integrate environmental aspects in our product conception & development	«Green mobility» innovations vs total innovation projects ratio	46% (2022)	55%	50%	50%
		Number of «Green mobility» Patents	11	5	>6	>6

In spite of number of patents lower than planned, the percentage of Green Mobility exceeds the set target, thus demonstrating the importance of this subject in the Group’s strategy.

3.2/ Our main actions in 2023

1) Evaluate, analyze, and understand the environmental impact of our products

- Training campaign on Part Carbon Footprint (PCF) calculation: nearly 100 employees from Engineering and Costing teams worldwide were trained on climate change, decarbonization leverage and carbon footprint cradle-to-gate calculations.
- Reference process documents and a raw materials emission factor database were created, and a PCF calculation tool was integrated in our internal product cost evaluation for seamless integration in the RFQ process: PCFs of all Novares products can now be provided to customers for vehicle-level consolidation.
- Acquisition of several licenses GaBi software from SPHERA for in-depth cradle-to-grave analyses and environmental impacts assessment beyond emissions of greenhouse gases.

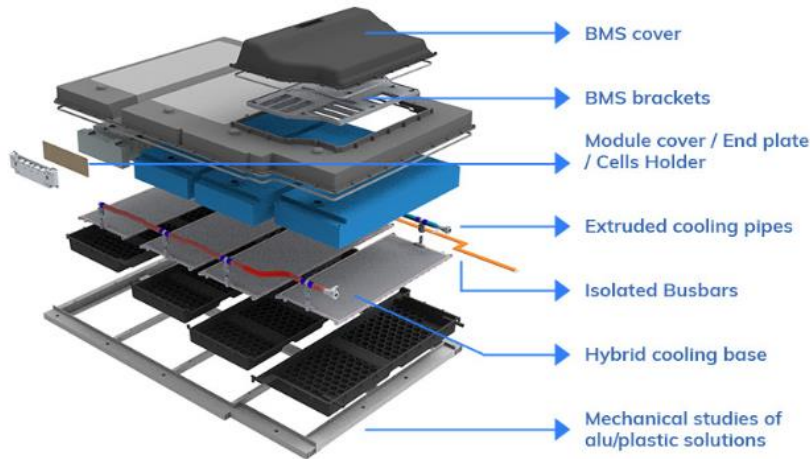
2) Develop new high-performance products for low-emission e-powertrain systems

Novares, as a global supplier, leverages its expertise in plastic materials and associated processes to enhance the four main systems of an electric vehicle architecture. Below is an overview of recently developed **Novares solutions**:



I. Battery and Module components

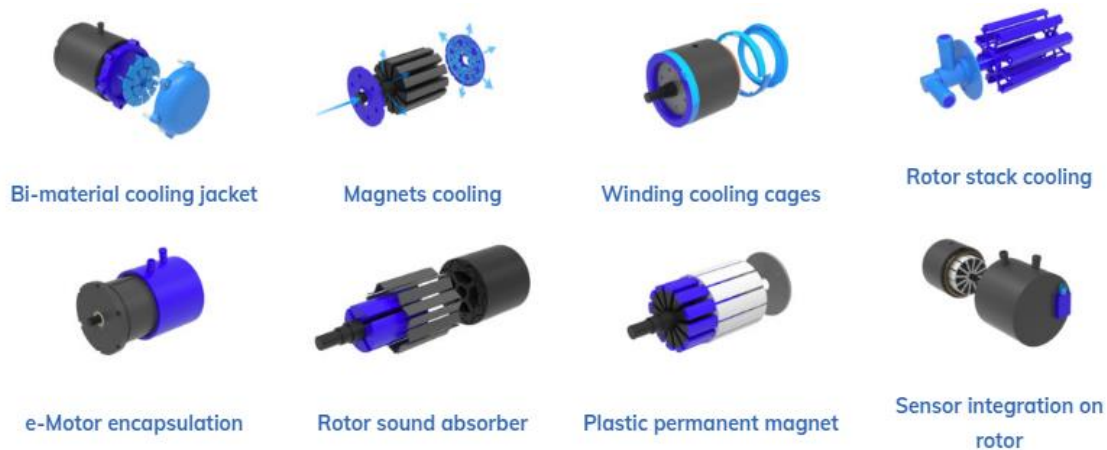
Novares offers integrated plastic solutions optimized for weight reduction in battery pack components and modules. These plastic applications contribute to efficient battery cooling.



Exploded view of battery system

II. Electric Motor components

Novares' plastic modules are compatible with all types of vehicles. They enhance safety and comfort, optimize power and space, reduce weight and costs, facilitate information gathering (e.g. rotor temperature).

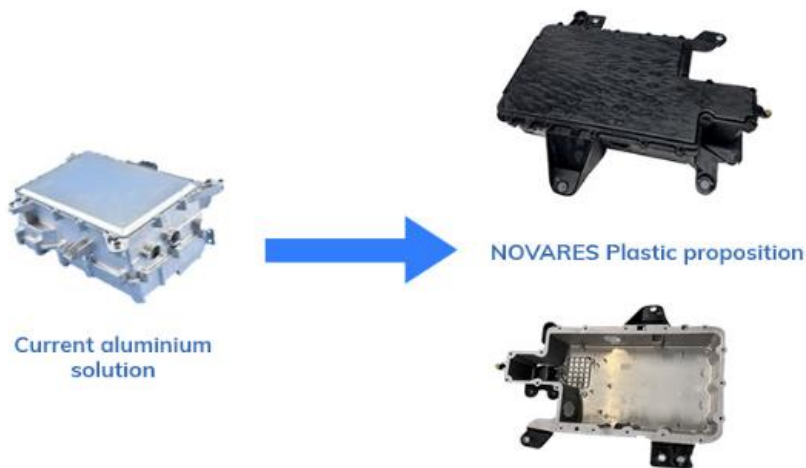


Plastic components of an electric motor

III. Power Box Components

Novares provides integrated plastic modules for safer and weight-optimized systems, as a disruptive way out of metal options. These modules

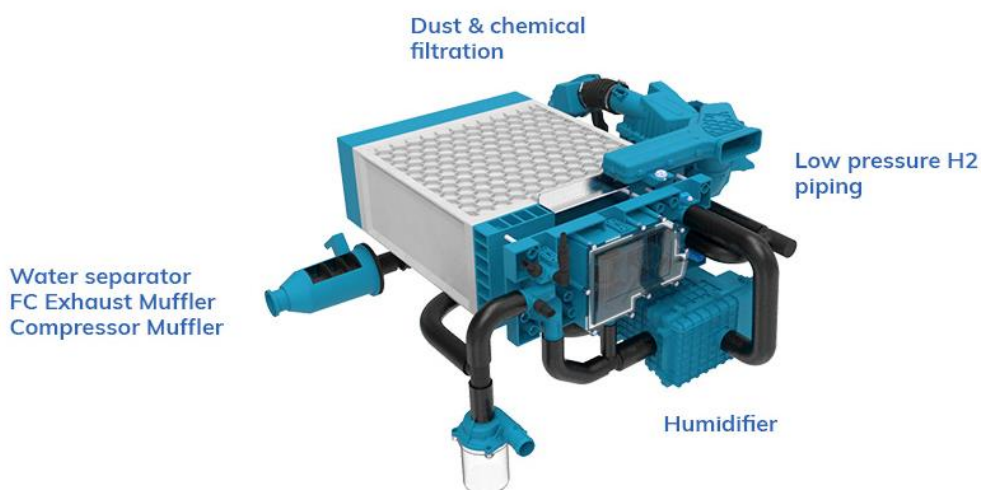
- Offer electromagnetic shielding, efficient cooling, mechanical resistance (against shocks), improved NVH performance (noise, vibrations, hardness), and cost optimization.
- Are lighter than cast aluminum solutions.



Plastic components of a power box, as alternative to aluminum

IV. Fuel Cell Components

Novares also offers integrated plastic modules for weight-optimized systems for fuel cells.

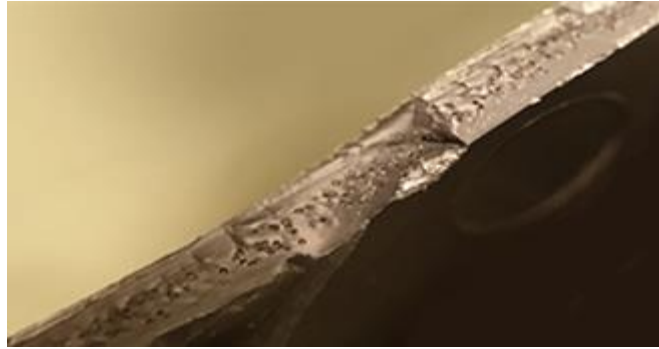


Fuel cell components

3) Reduce the weight of our products

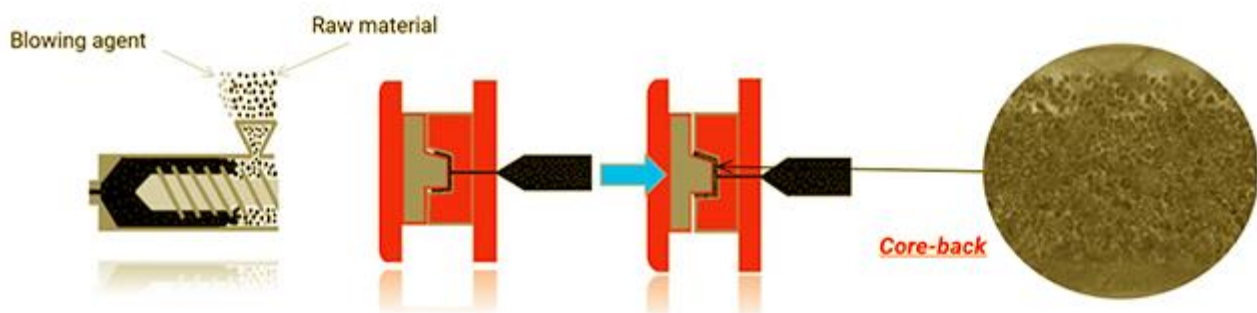
Novares develops and offers lightweight solutions derived from the injection process to reduce raw material usage and decrease vehicle energy consumption during use.

- The recently developed “foaming” process technology allows for a weight saving of 5% to 9%. It relies on the use of a chemical blowing agent directly introduced into the hopper of the injection machine. The chemical agent creates foam within the injected plastic, reducing the material's density while maintaining its essential mechanical properties. This process is particularly suited for parts that require a certain rigidity and strength while being lightweight.



Zoom of plastic part injected with blowing agent

- Novares also offers the **"Nova'W8" process**, which offers an even more significant weight reduction, ranging from 20% to 30%. This innovative process also uses a chemical blowing agent directly in the hopper, but it stands out due to its approach to injecting the molten material. Initially, the plastic is injected with a thickness of less than 2 mm. The mold is then slightly opened several times to achieve the desired final thickness. This technique allows for the creation of extremely lightweight parts without compromising their structural integrity, thus offering optimal performance while minimizing the use of raw materials.



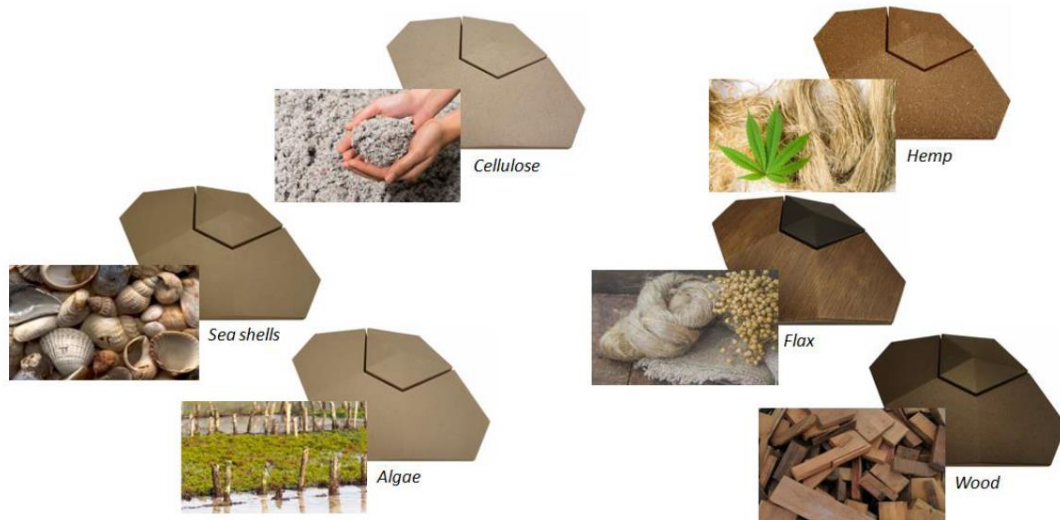
Process view of the Nova'W8 technology

4) Introduce recycled and bio-sourced materials in our products

Novares already uses more than 10% of Post-Industrial or Post-Consumer (PIR and PCR, respectively) **recycled raw material** in products currently in production and investigates options to increase this value, including for visible styling and/or high-performance components of its portfolio, on close relationship with expert plastic resin suppliers.

In addition, Novares initiated in 2023 a program to develop **bio-sourced plastics** to go further in terms of decarbonization potential and circular economy development.

- Replacing synthetic fillers with bio-sourced fillers is one of the first steps. There are several types of fillers – mineral (chalk, talc) or plant-based (hemp, flax) – currently being validated in close collaboration with specialized partners to ensure compliance with demanding requirements of the automotive sector.

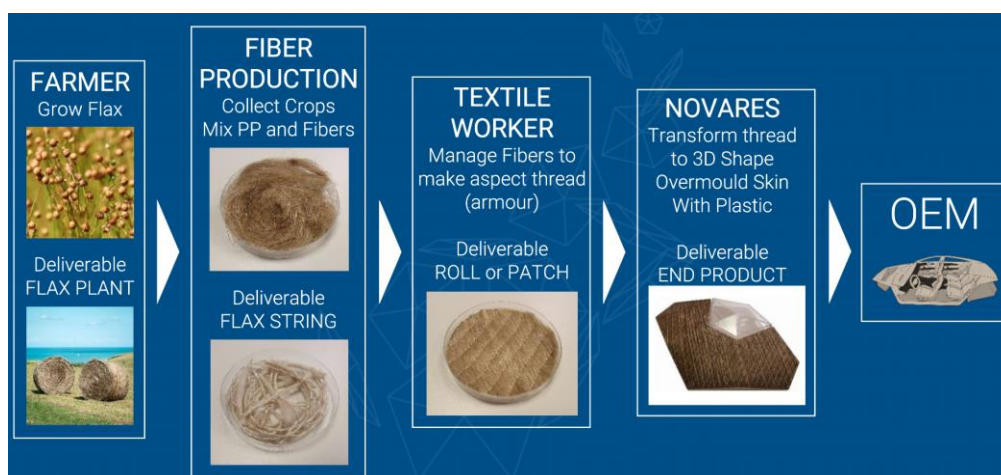


Samples of products containing various bio-based materials

- A regional innovation project, Natur'In, was initiated in 2023 with partners Natureplast and Terre de Lin, to develop structural parts based on flax, a plant that is cultivated for textile fiber made from its stalks.



It aims to harness the unique properties of flax fibers and bioplastics to create lightweight, robust, and eco-friendly components, furthering Novares' commitment to sustainability and innovation in the plastics sector. First evaluations showed a potential to reduce Part Carbon Footprint by at least 55% with a flax-based structure combined with PP-GF30 resin compared to PC-ABS reference, thus demonstrating great potential for automotive applications.



Integration of flax fiber into Novares products

In 2023, we also held a workshop on low-carbon economy, in association with Arts & Métiers Business Angels and 6 startups that propose decarbonization solutions to industrial companies.

3.3/ Our priorities for 2024

- Deploy PCF calculation and propose low-carbon alternatives for all RFQs, even when customers do not require it, and implement tool improvements following first year of use.
- Launch the NOVACARE Product program with 3 main targets for our plastic parts portfolio:
 - Propose solutions for very low, net-zero or even negative cradle-to-gate carbon footprint.
 - Increase the share of recycled material issued from the automotive circular economy.
 - Build our virgin material reduction roadmap.
- Engage the Nature in project with partners Nature last and Terre de Lin, including performance assessment and full life-cycle analysis.
- Promote the Active Plastic innovation with partner TGO and calculate environmental and carbon benefit of single material for switchless interface, and easy dismantling at product end of life.
- Organize a Novares Venture Day (NVD) in China with a focus on plastic material decarbonization.

Health, Safety, Environment & Energy Policy

Our HSE-En policy communicated to all internal or external stakeholders:

	MANAGEMENT COMMITMENT – HEALTH, SAFETY, ENVIRONMENT & ENERGY (HSE-En) POLICY
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March 1st, 2024

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 issues.
- 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 contribute to climate change mitigation by evaluating & reducing our greenhouse gas emissions, both direct and indirect
- To measure, control and reduce our energy consumption.
- To develop both local production and purchase of renewable energy.
- To measure, control and reduce water consumption and limit the use of hazardous materials.
- To measure and optimize waste streams and raw material consumption in our plants, by maximizing reuse and recycling.
- To limit our impact on the environment and preserve biodiversity by monitoring pollution to air and water and complying with regulatory discharge limits.
- To reduce the environmental impact of our products using a lifecycle approach, from raw materials extraction to end of life, as well as ecodesign principles.
- To provide resources, training, equipment and other support to enable fulfillment of this policy.

NOVARES Group commits to continuously improve its HSE-En performance through tracking against our goals and targets and ensure a proactive risk management in our business activities. This policy is fully part of the NOVARES Group strategy and the Group Executive Team ensures its implementation.

Pierre Boulet
CEO



Christophe Hertel
MPOS SVP



Loïc Maréchal
HSE Director



Alexis Scotto d'Apollonia
CSR & Energy Director



Glossary & Acronyms

CBAM: Carbon Border Adjustment Mechanism (https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)

CDP: Carbon Disclosure Project (<https://www.cdp.net/en/>)

CMRT: Conflict Minerals Reporting Template

CSR: Corporate Social Responsibility

EMRT: Extended Minerals Reporting Template

ESG: Environment, Social & Governance

GDPR: General Data Protection Regulation (https://commission.europa.eu/law/law-topic/data-protection/data-protection-eu_en)

GHG: Greenhouse Gas

LMS: Learning Management System

NVC / NVD: Novares Venture Capital / Day

OEM: Original Equipment Manufacturer

PCF: Part Carbon Footprint

PFAS: Per- and poly-FluoroAlkyl Substances

REACH: Registration, Evaluation, Authorization, and restriction of Chemicals (https://environment.ec.europa.eu/topics/chemicals/reach-regulation_en)

RFQ: Request For Quotation

TISAX: Trusted Information Security Assessment Exchange (<https://enx.com/en-US/TISAX/>)

VOC: Volatile Organic Compound



**We do much more
than just plastics**