

1 **TESIO COOLING SYSTEMS S.p.A. – Moncalieri Site**

1.1 **Human Rights and Labour Practices**

1.1.1 Existing Measures

Tesio Cooling Systems has adopted a structured human rights policy, based on international standards (UN, ILO, Global Compact). The measures currently in place include: occupational health and safety, fair working conditions, training and skills development, inclusion and non-discrimination, prohibition of child and forced labor, ethical recruitment, respect for land and natural resource rights, workplace ergonomics, safe handling of chemical and biological substances, fire protection, and responsible use of security forces.

1.1.2 Identified Human Rights Risks

As part of its analysis of business processes, operations, and the value chain, Tesio Cooling Systems has identified the following potential human rights risks:

- Occupational health and safety: risk of accidents related to the use of machinery, manual handling of loads, exposure to noise, chemicals, and physical agents.
- Psychosocial well-being: potential situations of work-related stress, unbalanced workloads, or critical internal communication.
- Equal treatment and non-discrimination: risk of discriminatory behavior, directly or indirectly, based on gender, age, origin, opinions, or personal circumstances.
- Working hours and rest periods: risk of exceeding regulatory limits during production peaks or extraordinary activities.
- Supply chain: indirect risk of human rights violations at suppliers and subcontractors (e.g., non-compliant working conditions or irregular practices).
- Contractors and external personnel: risk of behavior inconsistent with corporate ethical principles.

Risks are periodically assessed through HSE and HR analyses, internal audits, reporting, and management reviews.

1.1.3 Review of Effectiveness

The human rights policy is implemented by a cross-functional team (HR, HSE, Quality) and is communicated through the company database (FileMaker), internal noticeboards, and the website.

The effectiveness of the measures adopted is monitored through indicators such as the number of injuries (≤ 2), a 30% reduction in days of prognosis by 2027, analysis of reports received, and the outcomes of training activities.

1.1.4 Annual Reporting and Human Rights Due Diligence

In accordance with the principles of social responsibility and applicable regulations regarding human rights due diligence, Tesio Cooling Systems plans to report annually on the fulfillment of its due diligence obligations through structured reporting tools.

The annual reporting includes:

- a description of the policies adopted and the human rights management system;
- a summary of the identified risks and the areas most exposed;
- prevention and mitigation measures implemented;
- key performance indicators (KPIs) and results achieved;
- any reports received and corrective actions taken;
- objectives and improvement plans for the following year.

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The reporting is subject to the Annual Management Review and is made available to relevant stakeholders within the company's ESG documentation.

1.1.5 Future Measures

Tesio plans to introduce regular internal human rights audits, strengthen diversity and inclusion training, collaborate with suppliers to extend ethical standards across the value chain, and actively monitor workers' psychological well-being.

1.2 Gestione dei Rischi Ambientali

1.2.1 Rischi Ambientali Identificati

The ARA analysis identified environmental risks such as: waste oil and solvent management, air and noise emissions, water discharges, refrigerant leaks, chemical risks, solid waste, extreme weather events, and fires.

1.2.2 Existing Measures

Tesio has implemented containment systems, closed-loop machinery, PPE and training, operating procedures, consumption and emission controls, impact assessments, waste management compliant with CER regulations and emergency plans.

1.2.3 Review of Effectiveness

Significant results have been achieved such as the replacement of perchloroethylene with modified alcohol, the elimination of exhausted solvents since 2017, containment of refrigerant losses (<1 ppm) and improvement of extraction systems.

1.2.4 Future Measures

Tesio intends to digitize environmental monitoring, introduce low-impact technologies, strengthen emissions and waste monitoring, collaborate with external bodies for audits and ISO certifications, and promote training on climate change.

1.3 Conclusion

The integration of human rights risks and annual due diligence reporting strengthens Tesio Cooling Systems S.p.A.'s commitment to responsible, transparent management that complies with ESG principles and the expectations of stakeholders, customers, and the communities in which it operates.