FER5A

Sustainability Plan Director



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O1 Sustainable Spirit



Sustainable Spirit

At FERSA, sustainability is not just a goal—it's the driving force behind our innovation. We are committed to creating a greener and more efficient future, where our growth is intricately connected to the health of the world around us.

Our vision for the future is one of shared growth, responsibility, and foresight. We recognize that economic success is crucial to securing the stability and long-term success of our company. However, it's equally important that this success leads to a positive impact on the environment and communities where we operate. By embracing sustainability in everything we do, we work towards a future where our business goals align seamlessly with the well-being of the ecosystem.

As we grow, we continuously improve our products and services, enhance profitability, and strengthen our capabilities. At the same time, we remain committed to responsible practices, ensuring efficient resource use and delivering lasting value to both society and the environment. Each step forward is taken with care, creating a balance where FERSA prospers, and the ecosystem around us thrives as well.



01. Sustainable Spirit

1. Ecosystem



At FERSA, our vision of sustainable growth is founded on a set of interconnected principles that enable us to achieve both operational and business excellence. This comprehensive approach ensures balanced and responsible development by linking key areas crucial to our success.

Our values guide every decision we make, while our leadership drives the entire team toward common goals. Employee well-being is a priority, as we recognize that a healthy work environment is essential for the growth and development of our people. At the same time, we remain committed to creating a positive impact on the communities where we operate.

Our environmental performance is a testament to our dedication to sustainability, ensuring that we minimize our ecological footprint. In addition, we maintain a responsible supply chain that guarantees efficiency and quality at every stage of our operations. As we pursue sustained economic growth, we adhere strictly to the regulatory framework that governs us.

These pillars—values, leadership, employee well-being, environmental responsibility, and regulatory compliance—work in harmony to ensure that FERSA grows not only as a business but also in a way that respects the environment and the communities around us.



01. Sustainable Spirit

2. Sustainable Impact

FERSA

Leadership with people at the center for sustainable impact

We believe that effective leadership is built on putting people at the heart of our actions. We foster an environment where employee well-being, innovation, and environmental responsibility are key pillars. A pure integration across all areas and approaches is essential to maximize impact and results.



In this way, we drive concrete actions that lead to sustainable outcomes, benefiting both the company and the ecosystem we operate in.

01. Sustainable Spirit

3. Sustainibility in action

Commitment to the value chain

We are committed to acting responsibly at every stage of our value chain. This means partnering with suppliers who share our sustainability principles and adopting practices that reduce environmental impact and enhance operational efficiency. This approach not only strengthens our sustainability efforts but also improves product quality, fosters innovation, and reinforces trust with our strategic partners.





Green Users

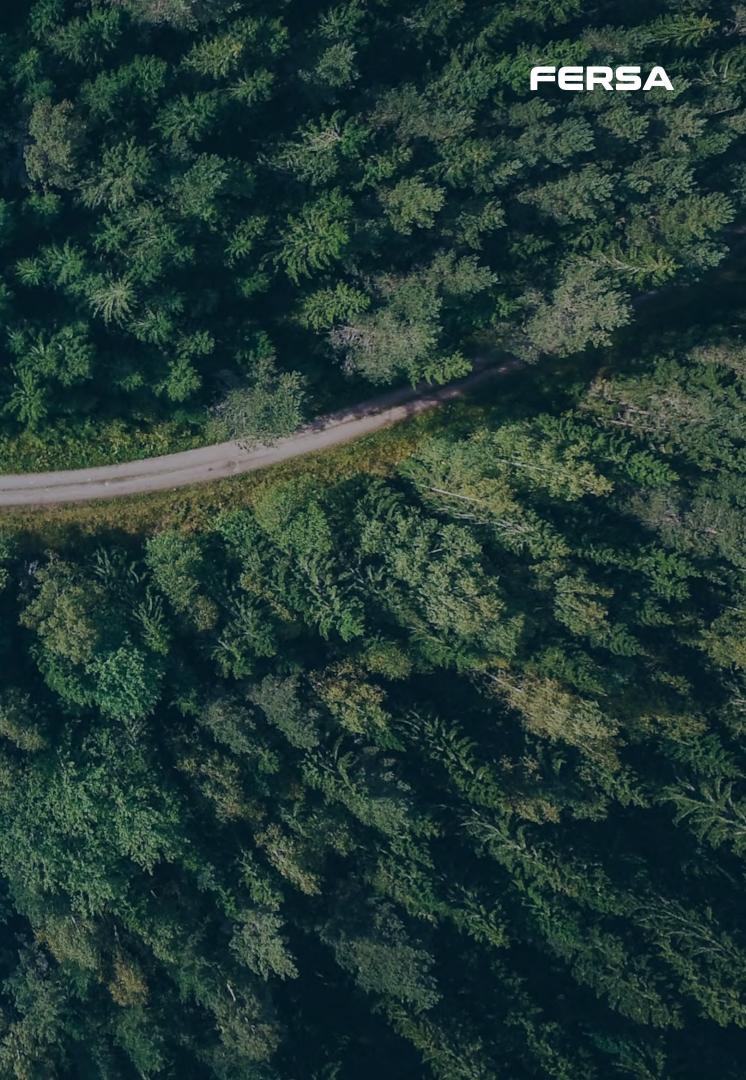
We advocate for an approach centered on values, leadership, and employee well-being, ensuring that sustainability is integrated at all levels, from our employees to the end users. This promotes a culture of environmental responsibility. Effective leadership amplifies this impact, creating a multiplier effect throughout the organization.



We invest in research and development to innovate in product design and manufacturing processes with the goal of boosting innovation and reducing environmental impact. These efforts contribute to the creation of more sustainable products that not only meet the current market demands but also enhance our company's sustainability profile.

Zero-defects factory

We focus on improving our processes to achieve Zero Defects and Zero Waste by implementing digitalization, traceability, rigorous quality controls, and technological manufacturing improvements. This approach ensures that we not only produce more durable products but also optimize resource use, minimizing waste. By reducing defects and eliminating waste, we create a more efficient and sustainable process, reinforcing our commitment to the environment and the circular economy.



1. Carbon Footprint

What it is

The carbon footprint is a key metric used to measure the total greenhouse gas emissions caused directly or indirectly by an entity. This metric helps us understand the environmental impact of our activities and identifies areas where we can reduce emissions. There are two primary types of carbon footprints that businesses focus on: the corporate footprint and the product footprint.



Corporate footprint

This refers to the total amount of greenhouse gas (GHG) emissions produced by a company's operations, including energy use, waste generation, transportation, and other factors that contribute to its overall environmental impact.

It includes the GHG emissions inventory related to a company or organization's operations.



Product footprint

It measures the emissions generated throughout the lifecycle of a specific product—from the sourcing of raw materials, through production, distribution, and use, to its end of life.

This includes the GHG emissions from the stages of raw material extraction, production process, required energy generation, product transformation for other companies, the customer's usage.

02. Sustainability Plan Director 1. Carbon Footprint

How do we measure it

At Fersa, we began our sustainability journey by first measuring our corporate carbon footprint to understand and manage the emissions linked to our business operations. This foundational work has allowed us to implement effective strategies for reducing our overall environmental impact. Now, as part of our ongoing commitment to sustainability, we are preparing to expand our focus to include the product carbon footprint, with plans to begin measuring it in 2025. By doing so, we will gain a more comprehensive view of the emissions associated with the full lifecycle of our products, further enhancing our ability to minimize environmental impact.



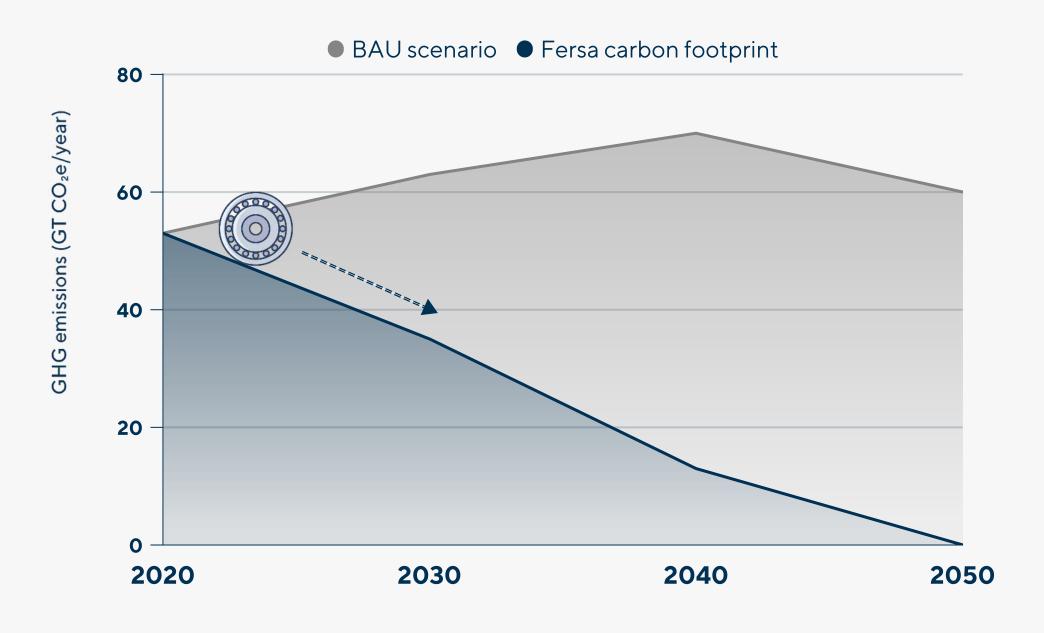
1. Carbon Footprint

What could happen if we don't act on it?

The following chart shows the contrast between continuing on a "business as usual" path, where greenhouse gas emissions keep rising, and a more sustainable trajectory aimed at reaching net zero emissions by 2050. The net zero path involves reducing emissions significantly and using carbon removal strategies to offset any remaining emissions. Achieving this balance will help limit global warming to within 1.5°C, avoiding the worst impacts of climate change. It highlights the need to drastically cut our carbon footprint while also removing excess carbon from the atmosphere to secure a sustainable future.

At Fersa, we aims to net-zero GHG emissions by 2040-2050, limiting temperature rise to 1.5°C.

A global target to fight climate change (change of 1.5°C)





2. What are we doing about it?

Introducing **FERSA GREEN**

Fersa Green is the sustainability approach that drives the entire strategic plan of our company. It functions as an interconnected ecosystem where each action and strategy is designed to reduce environmental impact and foster a more sustainable community. This ecosystem is built on two key pillars: Decarbonization and Green Community, which together lead to a deep transformation in our operational processes and our relationships with society and the natural environment. By focusing on decarbonization and fostering a green community, at Fersa we aim to be a key player in the transition towards a more sustainable economy. This involves collaboration not only with employees and partners but also with society and the environment. The approach ensures that sustainability is a core value guiding the company's growth and operations responsibly and with respect for the planet.



2. What are we doing about it?

This pillar is the most active and focuses on reducing carbon emissions across the entire value chain. We will achieve this through three key strategies:

Descarbonization

- **Resource Optimization:** by combining eco-design and process efficiency, FERSA aims to reduce the use of natural resources, ensuring that every stage of a product's life cycle maximizes value and minimizes waste and emissions. This optimization covers everything from product conception to recycling.
- 2. Circular Economy: we promote material reuse, product recycling at the end of life, and minimizing the use of virgin raw materials, driving a shift toward more regenerative and sustainable production models.
- 3. Involved Supply Chain: decarbonization extends beyond our company to the entire supply chain. We are working to ensure that all involved stakeholders adopt sustainable practices and reduce their carbon footprint.



O2. Sustainability Plan Director 2. What are we doing about it?

The second pillar of the FERSA Ecosystem focuses on building a Green Community, where sustainability extends beyond the company to create a positive impact:

Green Community

- 1. Sustainable Mobility: promoting cleaner, greener transportation solutions for both our employees and our products. This includes advancing electric vehicle solutions, offering incentives for public transport use, and encouraging active transportation methods like cycling, all aimed at reducing emissions related to mobility.
- 2. Environmental Education Programs: by fostering a culture of sustainability among our employees, customers, and society, we promote environmental awareness and commitment to sustainable practices through educational programs, contributing to a cultural shift toward environmental preservation.
- 3. Ecosystem Restoration Projects: these initiatives focus on restoring and protecting biodiversity. From reforestation projects to the recovery of degraded areas, these efforts help mitigate the negative environmental impacts of industrial activity.

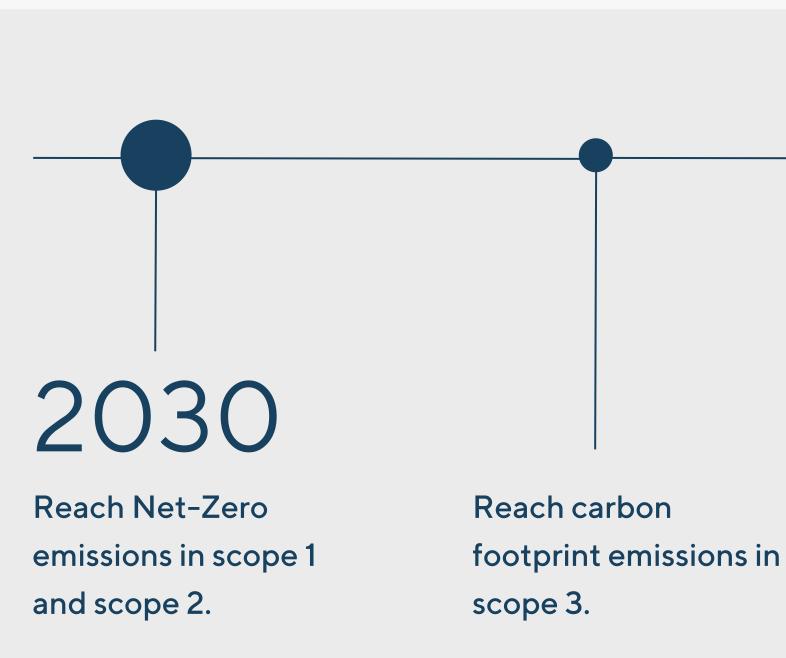




2. What are we doing about it?

Roadmap

As a company, we are committed to driving change and taking bold actions to limit global warming to 1.5°C, safeguarding a sustainable and prosperous future for our planet and communities.





2040

Be Net-Zero

2. What are we doing about it?

A journey to netzero emmisions by 2040

In 2023, Fersa's emissions amounted to 99k tCO2. Our goal is to reduce this to 67k tCO2 by 2030, despite expected growth. We are committed to reducing absolute scope 1 and scope 2 emissions by 2030, and cutting scope 3 emissions by 30%. By 2040, we will reach net zero across all scopes.

INTERNAL EMISSIONS REDUCTION & PRODUCT

- Inventory GHG emissions.
 Carbon footprint validation.
- Energy efficiency measures & renewable onsite power.
- Waste reduction plan.
- Water consumption plan.
- Redesign products with GHG footprint mindset.
- Industrial symbiosis.

FIRST CSRD REPORT AUDITED

67 mil t Co2

99 mil t Co2

2023

2026



EXTERNAL EMISSIONS REDUCTION & GREEN COMUNITY

- Sustainability agreements with clients
 & suppliers.
- Choose suppliers with lower GHG supply chains.
- Develop programming & incentives to facilitate suppliers reductions.
- Environmental education programs & ecosystem restoration projects.
- Advanced decarbonization technologies plan implementation.
- Fersa Corporation a leader in best practices and sustainable technologies.

38 mil t Co2

2030

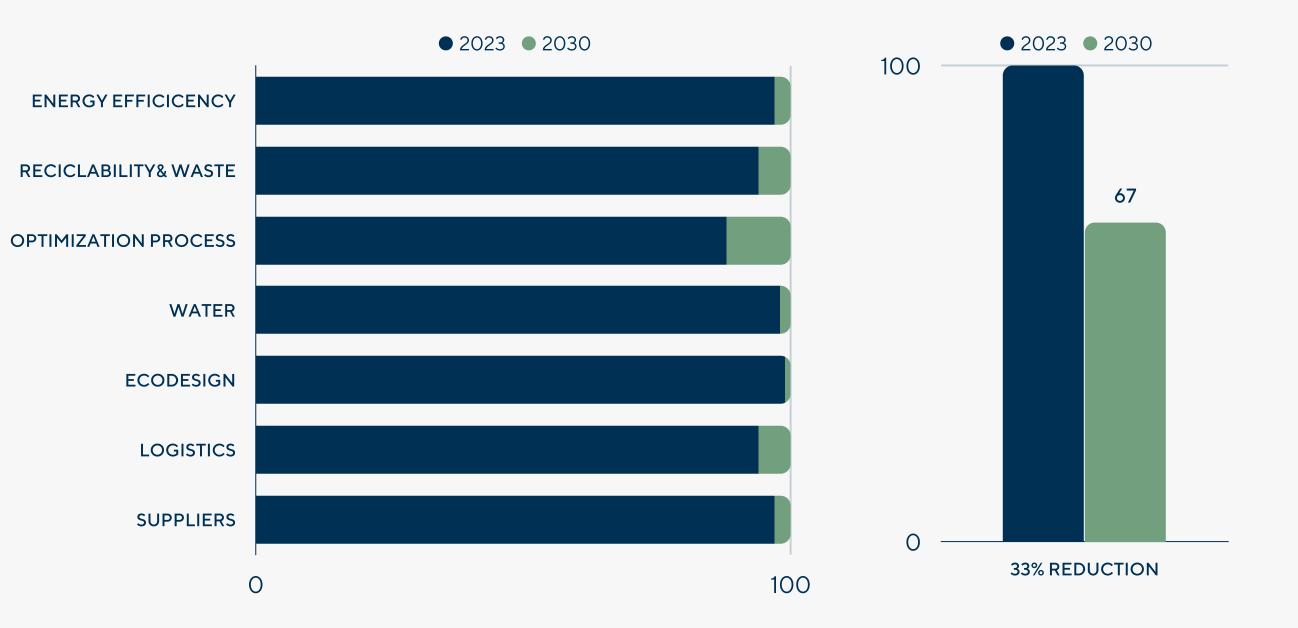
0 Co2



2. What are we doing about it?

What's next 2023-2030

By 2030, we expect CO2 emissions to double, assuming a €400M business. However, with the projected actions in place, we aim to achieve a 100% reduction in Scope 1 and Scope 2 emissions, and a 30% reduction in Scope 3 emissions. This means our emissions will total 67k tCO2, which is a 33% reduction from today, despite doubling our business volume.





33% REDUCTION

02. Sustainability Plan Director 2. What are we doing about it?

What's next 2023-2030 Products next generation

Innovation for a sustainable future Fersa's fuel-efficient products:

- Next-generation design: advanced materials, seals, and lubrication ensure extended product life and minimal environmental impact.
- Global impact: a key solution for reducing the carbon footprint of heavy-duty transportation worldwide.

Every drop counts Sustainable performance beyond fuel savings

Fersa's Fuel-Efficient Hub Assemblies reduce the carbon footprint, supporting fleet operators' sustainability goals and contributing to the fight against climate change.

180 Frees

Equivalent to planting 180 trees per year for a truck covering 150,000 km annually.





Equivalent to reducing 5.40 tons of CO₂ at 150,000 km.



More info: <u>sustainability@fersa.com</u>

It's not what we do It's how we do it