

**Report of the Board of Statutory Auditors to the Shareholders' Meeting of SABAF S.p.A.  
in accordance with Art. 2429, paragraph 2 of the Italian Civil Code and Art. 153 of Legislative  
Decree no. 58/1998**

To the Shareholders' Meeting of the Company SABAF S.p.A.

## **Introduction**

The Board of Statutory Auditors of SABAF S.p.A. (hereinafter also "SABAF" or "Company"), pursuant to Art. 153 of Legislative Decree no. 58 of 1998 (hereinafter also TUF) and Art. 2429, paragraph 2 of the Italian Civil Code, is called upon to report to the Shareholders' Meeting called to approve the 2024 Financial Statements on the supervisory activity carried out in the performance of its duties on any omissions and reprehensible facts found and on the results of the financial year, as well as to formulate proposals regarding the financial statements, the approval thereof and matters falling within its competence.

First of all, note that the Board of Directors called the Shareholders' Meeting for the approval of the financial statements for the year 2024 on 29 April 2025 and, therefore, within the term envisaged by Article 2364 of the Italian Civil Code. Note that the relevant documents were made available to the public in accordance with the terms of Art. 154-ter of the TUF.

During the year ended 31 December 2024 and up to date, the Board of Statutory Auditors carried out its supervisory activities in compliance with Law provisions, Rules of Behaviour of the Board of Statutory Auditors of listed companies issued by the Italian Board of Certified Public Accountants and Bookkeepers, the CONSOB provisions on corporate controls, the Corporate Governance Code, as well as by the provisions contained in Art. 19 of Italian Legislative Decree 39/2010.

The financial statements of SABAF were prepared in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as in accordance with the provisions issued by CONSOB in implementation of Art. 9, paragraph 3, of Legislative Decree 38/2005. The Financial Statements are also in XHTML - ESEF format in compliance with Legislative Decree No. 25 of 15 February 2016 implementing EU Directive 2013/50.

The Company's Financial Statements were prepared in accordance with the law and accompanied by the documents required by the Italian Civil Code and the TUF. The Company also prepared, in accordance with the law, the Group's consolidated financial statements at 31 December 2024, accompanied by the Report of the Board of Directors (including the Consolidated Sustainability Statement pursuant to Legislative Decree no. 125/2024 for the year 2024) and the accompanying documents required by current regulations.

The Board of Statutory Auditors acquired the information necessary for the performance of the supervisory duties assigned to it by i) attending the meetings of the Board of Directors and the Board Committees, ii) the hearings of the Company's and the Group's management, iii) the exchange of information with the Independent Auditors and the Supervisory Body, iv) the information acquired from the competent company structures, as well as through the additional control activities carried out.

## **Appointment and Independence of the Board of Statutory Auditors**

The Board of Statutory Auditors in office at the date of this Report was appointed by the Shareholders' Meeting of 8 May 2024 in the persons of Alessandra Tronconi (Chairman), Maria Alessandra Zunino de Pignier (Statutory Auditor), Mauro Giorgio Vivenzi (Statutory Auditor). Giovanna Marangoni and Federico Pozzi were also appointed as Alternate Auditors. The control body remains in office for three financial years and will expire on the date of the Shareholders' Meeting called to approve the Financial Statements for the year 2026.

The appointment of the current Board of Statutory Auditors was made on the basis of two lists submitted by the Shareholders Cinzia Saleri S.A.p.A and Quaestio Capital SGR S.p.A. respectively, in compliance with the applicable law, regulatory and statutory provisions.

The composition of the Board of Statutory Auditors complies with the gender distribution criterion set forth in Art. 148 of the TUF and Rec. 8 of the Corporate Governance Code.

At the time of its appointment, the Board of Statutory Auditors checked the existence of the independence requirement as part of the broader process of self-assessment of the control body pursuant to Standard Q.1.1 of the Rules of Behaviour of listed companies; the check was carried out on the basis of the criteria envisaged by the aforesaid Standards and by the provisions of the Corporate Governance Code applicable to independent directors.

This assessment was carried out again on 12 March 2025 and consequently communicated to the Board of Directors, which disclosed it in the Report prepared pursuant to Art. 123-*bis* of the TUF.

## **Supervision and control of the Board of Statutory Auditors**

### ***Supervisory activity on compliance with the law and articles of association***

In carrying out its duties, the Board of Statutory Auditors carried out the supervisory activities required by Art. 2403 of the Italian Civil Code, Art. 149 of the TUF, Art. 19 of Legislative Decree No. 39/2010, Art. 10 of Legislative Decree 125/2024, CONSOB recommendations on corporate controls and the activities of the Board of Statutory Auditors and referring to the indications contained in the Corporate Governance Code, as well as the Rules of Behaviour of the Board of Statutory Auditors of listed companies.

Moreover, as part of its functions, and in relation to the financial year in question, the Board of Statutory Auditors:

- attended all the meetings of the Shareholders and Board of Directors, monitoring compliance with the statutory, legislative and regulatory provisions regulating the operation of the Company's bodies as well as compliance with the principles of proper management;
- supervised, for what of direct concern, the adequacy of the Company's organisational structure and compliance with the principles of proper management, through direct observation, gathering information from heads of the corporate functions and meetings with the Independent auditors to exchange data and information;
- assessed and supervised the adequacy of the internal control system and the administrative and accounting system, as well as its reliability in providing a fair presentation of operational transactions, through the information of the heads of the respective functions, the examination of company documents and the analysis of the results of the work carried out by the Independent Auditors;
- held 17 meetings lasting approximately 1 hour and 45 minutes, and also attended all the meetings of the Board of Directors, as well as of the board committees (Control and Risk Committee, Sustainability Committee, Remuneration and Nomination Committee). For the 2025 financial year, the Board of Statutory Auditors has already met on three occasions, namely on 19 February 2025, 12 March 2025 and today;
- supervised the adequacy of the reciprocal flow of information between SABAF and its subsidiaries pursuant to Art. 114, paragraph 2, of the TUF in the light of the instructions issued by the Company's management to Group companies;
- supervised compliance with the rules of "Market abuse", "Protection of savings" and "Internal Dealing", with a special reference to the processing of inside information and the procedure for the dissemination of statements and information to the public.

In particular, the Board of Statutory Auditors reports here that the Shareholders' Meeting of 8 May 2024 appointed, according to the list voting system set forth in Article 12 of the Company's Articles of Association, the current Board of Directors composed of Claudio Bulgarelli, Pietro Iotti, Gianluca Beschi, Alessandro Potestà, Cinzia Saleri, and the independent directors Daniela Toscani, Francesca Michela Maurelli, Federica Menichetti and Laura Ciambellotti. The Shareholders' meeting also set the term of office of the Board of Directors at three financial years, i.e. until the date of approval of the financial statements for the year ended 31 December 2026.

Following the appointment of the Board of Directors, the latter met in plenary session on the same day to appoint Claudio Bulgarelli as Chairman of the Board of Directors, and Pietro Iotti as Chief Executive Officer, granting him broad powers and delegations, and Gianluca Beschi as the Financial Reporting Officer of the Company pursuant to Article 154-*bis* of the TUF and Secretary to the Board of Directors. On the same

date, the Board also assessed the independence of the directors in accordance with the TUF and the Corporate Governance Code. At that meeting, the Board of Directors also appointed:

(a) the following board committees in accordance with the Corporate Governance Code, which will remain in office until the approval of the financial statements for the year ended 31 December 2026:

- the Control and Risk Committee, which also acts as the Committee for Related Party Transactions and is composed of independent directors Federica Menichetti (Chairman), Laura Ciambellotti and Daniela Toscani;
- the Sustainability Committee, composed of Pietro Iotti (Chairman), Gianluca Beschi and Francesca Michela Maurelli;
- the Remuneration and Appointments Committee, composed of the non-executive directors Daniela Toscani (Chairman), Alessandro Potestà, Cinzia Saleri, Laura Ciambellotti and Francesca Michela Maurelli.

(b) in accordance with Legislative Decree 231/2001, the Supervisory Body composed of Federica Menichetti (Chairman) and Giuseppe Garzillo for the three-year period May 2024 to May 2026.

Moreover, the Board of Statutory Auditors:

- obtained from the Directors adequate information on the business carried on and major economic and financial operations carried out by the Company and its subsidiaries pursuant to Art. 150, paragraph 1 of the TUF. In this regard, the Board of Statutory Auditors paid special attention to the fact that the transactions approved and implemented complied with the law and the Articles of Association and were not imprudent or risky, in contrast with the resolutions adopted by the Shareholders' Meeting, in potential conflict of interest or such as to compromise the integrity of the Company's assets;
- held meetings with representatives of the Independent Auditors pursuant to Art. 150, paragraph 3 of the TUF during which there were no significant data and/or information to be reported;
- had exchanges of information with corresponding control bodies (if any) of major subsidiary companies by SABAF pursuant to Art. 151, paragraph 1 and 2 of the TUF;
- supervised the procedures for effective implementation of the corporate governance rules envisaged in the Corporate Governance Code complied with, as adequately represented in the Report on Corporate Governance and Ownership Structures, in compliance with Art. 124-ter of the TUF and Art. 89-bis of the Issuers' Regulations;
- checked, in relation to the periodic assessment to be carried out pursuant to Recommendation 6 and 9 of the Corporate Governance Code, as part of the supervision of the procedures for effective implementation of the corporate governance rules, the correct application of the assessment criteria and procedures adopted by the Board of Directors, with regard to the assessment of the independence of the Directors.

The Board of Statutory Auditors hereby reports that, consistent with the provisions of the Company's Corporate Governance Code and the Corporate Governance Manual, which envisage that the self-assessment of the Board of Directors is to be carried out at least every three years by distributing, compiling, collecting and processing questionnaires, the Company's Board of Directors carried out its latest self-assessment on 25 February 2025 in relation to the 2024 financial year.

The Board of Statutory Auditors also acknowledges that it has issued its consent, pursuant to Art. 5, paragraph 4, of Regulation (EU) 2014/537, to the provision by the Independent Auditors EY S.p.A. of services other than the external audit.

With regard to the Financial Statements for the year ended 31 December 2024, the following is noted:

- the item "start-up and expansion costs", which we remind you can only be entered as an asset in the Balance Sheet with the prior consent of the Board of Statutory Auditors, pursuant to Article 2426, paragraph 1, point 5, of the Italian Civil Code, is not recognised;
- with regard to development costs with a multi-year use, there was an increase in 2024 of €2,780 thousand. The recognition was made with the prior consent of the Board of Statutory Auditors as envisaged by Article 2426, paragraph 1, point 5 of the Italian Civil Code. At the end of the 2024 reporting period, these costs totalled €7,847 thousand, an amount already net of the provision for amortisation totalling €6,236 thousand;
- the item "goodwill", which, we remind you, can only be entered as an asset in the Balance Sheet with

the approval of the Board of Statutory Auditors, pursuant to Article 2426, paragraph 1, point 6, of the Italian Civil Code, has not been recognised.

***Supervisory activity on the adequacy of the administrative and accounting system and the auditing and sustainability activity***

Pursuant to Art. 19 of Legislative Decree 39/2010 (Consolidated External Audit Act), the Board of Statutory Auditors, in its role as an internal control and external audit committee of public interest entities, is required to supervise:

- the financial reporting process;
- the effectiveness of the internal control and risk management systems;
- the External audit of the annual accounts and consolidated accounts and the certification of compliance with the Consolidated Sustainability Reporting;
- the independence of the Independent Auditors and the Consolidated Sustainability Reporting, specifically as far as the provision of non-audit services is concerned.

The Board of Statutory Auditors carried out its activities in collaboration with the Control and Risk Committee and the Sustainability Committee in order to coordinate their responsibilities and avoid overlapping of activities.

*Financial and sustainability reporting process*

The Board of Statutory Auditors supervised the existence of rules and procedures relating to the process of formation and dissemination of financial information. In this regard, it should be noted that the Report on Corporate Governance and Ownership Structures illustrates how the Group defined its Internal Control and Risk Management System in relation to the financial reporting process at the consolidated level. The Financial Reporting Officer is Gianluca Beschi. The Financial Reporting Officer is supported by the Internal Audit Department to check the operation of the administrative and accounting procedures through control testing.

Gianluca Beschi was also appointed as the Manager in charge of certifying the Consolidated Sustainability Statement, as required by the new Article 154-ter, paragraph 1-quater, of the TUF.

The Board of Statutory Auditors acknowledges that it has received adequate information on the monitoring of business processes with an administrative and accounting impact within the Internal Control System. This activity was carried out both during the year in relation to the regular management reports, and during the closing of the accounts for the preparation of the Financial Statements, in compliance with the monitoring and certification requirements to which SABAF is subject pursuant to Law no. 262/2005. In particular, the Board of Statutory Auditors acknowledged the Risk Assessment for 2024, as well as the periodic update on testing activities pursuant to Law no. 262/2005.

The adequacy of the administrative and accounting system was also assessed through the acquisition of information from the heads of the respective departments and the analysis of the results of the work carried out by the Independent Auditors.

No particular critical issues or elements hindering the issue of the certification by the Financial Reporting Officer and by the Chief Executive Officer concerning the adequacy of the administrative and accounting procedures for the preparation of the Financial statements of SABAF and the Consolidated Financial Statements for the year 2024 emerged.

The Board of Statutory Auditors supervised compliance with the regulations related to the preparation and publication of the Half-Yearly Report and the Interim Management Reports, as well as the settings given to them and the correct application of the accounting standards, also using the information obtained from the Independent Auditors.

Furthermore, it is acknowledged that:

- the Independent Auditors appointed to carry out the external audit currently in office, EY S.p.A., were appointed for the 2018-2026 period at the Shareholders' Meeting held on 8 May 2018: the procedure for the appointment was carried out in compliance with the provisions of Art. 16 of Regulation ( EU)

2014/537. The Board of Statutory Auditors in office at that time submitted to the Board of Directors a reasoned recommendation containing the name of two Independent Auditors suitable to replace the one that is due to expire, expressing preference for one of them. This recommendation was developed at the end of a detailed selection procedure that was carried out in compliance with the provisions contained in Regulation (EU) 2014/537;

- EY S.p.A. was also appointed to certify the compliance of the Sustainability Statement with art. 8 of Legislative Decree 125/2024 by integrating the assignment received on 13 April 2018 relating to the Consolidated Non-Financial Statement;
- EY S.p.A. illustrated to the Board of Statutory Auditors the checks carried out and did not report any findings in the periodic meetings with the Board of Statutory Auditors;
- the Board of Statutory Auditors supervised the auditing of the annual and consolidated financial statements, as well as the auditing of the Consolidated Sustainability Statement, obtaining information and periodically discussing with the Independent Auditors and the board committees.

In particular, all the main phases of the audit activity were illustrated to the Board of Statutory Auditors, including the identification of the risk areas, with a description of the related audit procedures adopted; moreover, the main accounting principles applied by SABAF have been followed.

The Board of Statutory Auditors also acknowledges that on 28 March 2025 the Independent Auditors EY S.p.A. issued their opinions on the consolidated financial statements and the financial statements at 31 December 2024 in the Independent Auditors' Reports pursuant to art. 14 of Legislative Decree no. 39 of 27 January 2010, and art. 10 of Regulation (EU) no. 537/2014. The Reports on the consolidated financial statements and on the separate financial statements do not give rise to any observations or requests for information.

It is acknowledged that the Independent Auditors expressed, both in the Independent Auditors' Report pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) no. 537/2014 on the financial statements at 31 December 2024 and in the Independent Auditors' Report pursuant to art. 14 of Legislative Decree 39/2010 and art. 10 of Regulation (EU) no. 537/2014 on the Consolidated Financial Statements at 31 December 2024, a positive opinion on the consistency with the Financial Statements and compliance with the law:

- of the Report on Operations;
- of the information referred to in Art.123-*bis*, paragraph 4, Legislative Decree 58/98 contained in the Report on corporate governance and ownership structures.

During the audit of the financial statements at 31 December 2024, special attention was paid to the key aspects relating to the valuation of equity investments; during the audit of the consolidated financial statements at 31 December 2024, special attention was paid to the key aspects relating to the recoverability of the carrying amount of goodwill.

On the same date of 28 March 2025, the Independent Auditors issued the Additional Report for the Board of Statutory Auditors in its role as Internal Control Committee pursuant to art. 11 of Regulation (EU) 537/2014, which will be forwarded by the Board of Statutory Auditors to the Board of Directors, as required by the regulations in force.

The aforementioned Reports issued by the Independent Auditors EY S.p.A. do not reveal any significant shortcomings in the Company's internal control system for financial information and accounting system.

Finally, on 28 March 2025, the independent auditors EY S.p.A. issued the Independent Auditors' Report on the limited review of the Consolidated Sustainability Statement pursuant to art. 14-*bis* of Legislative Decree 39/2010, in which they certify that, based on the work carried out:

- the Consolidated Sustainability Statement of the Sabaf Group for the 2024 financial year has been prepared, in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information contained in the Consolidated Sustainability Statement, in particular, in the paragraph "Disclosure pursuant to art. 8 of Regulation (EU) no. 852/2020 (Taxonomy Regulation)", has been prepared, in all material respects, in compliance with art. 8 thereof.

The Board of Statutory Auditors supervised the independence of the Independent Auditors EY S.p.A., verifying the type and extent of services other than auditing with reference to SABAF and its subsidiaries and obtaining explicit confirmation from the Independent Auditors that the independence requirement was

met. The statement on independence has been included, pursuant to Art. 11, paragraph 2, letter a), of Regulation (EU) 2014/537, in the above-mentioned Additional Report .

The fees paid by the SABAF Group to the Independent Auditors EY S.p.A. and to companies belonging to the Independent Auditors' network for the 2024 financial year are as follows:

ACTIVITY	AMOUNT (EURO/000)
Audit of the Parent company	47
Audit of the Italian subsidiaries	54
Audit of the foreign subsidiaries (network)	40
Examination of the Consolidated Sustainability Reporting	37.5
Other services	24.5 (1)
Other services	2 (2)

(1) Auditing procedures agreement relating to interim management reports and audit of the Statement of expenses incurred for R&D activities.

(2) Audit of the Statement of expenses incurred for R&D activities.

In the light of the above, the Board of Statutory Auditors considers that the Independent Auditors EY S.p.A. meet the requirement of independence.

### ***Supervisory activity on the adequacy of the internal control system and the organisational structure***

The Board of Statutory Auditors assessed and supervised the adequacy of internal control and the effectiveness of the internal control and risk management systems. The Board of Statutory Auditors acknowledges that it has verified the most significant activities carried out by the overall internal control and risk management system by attending the meetings of the Control and Risk Committee (also with functions of Committee for related-party transactions) attended by:

- members of the Control and Risk Committee;
- members of the Board of Statutory Auditors;
- the Chief Executive Officer and director in charge of the internal control and risk management system;
- the Internal Audit department and its Head;
- the Financial Reporting Officer.

The Board of Statutory Auditors also acknowledges that it attended the periodic meetings among the Company's control bodies attended by:

- members of the Control and Risk Committee;
- members of the Board of Statutory Auditors;
- the Independent Auditors;
- the Chief Executive Officer and Director in charge of the internal control system;
- the Financial Reporting Officer;
- the Internal Audit department and its Head;
- the Supervisory Body.

In particular, as part of these activities, the Board of Statutory Auditors acknowledges that it has received and examined:

the periodic reports on the activities carried out, prepared by the Control and Risks Committee and the Internal Audit department;

- the reports drawn up at the end of the verification and monitoring activities by the Internal Audit department, with the relative results, the recommended actions and the controls on the implementation of the aforesaid actions also in order to represent the management events;
- periodic updates on the development of the risk management process, the outcome of the activities carried out by Internal Audit and the objectives achieved.

The Board of Statutory Auditors then reviewed every six months the periodic reports on the activities

carried out by the Supervisory Body and examined the activity plan and the budget allocated for 2024. Similarly, the Board of Statutory Auditors acknowledged the compliance with the provisions of Legislative Decree no. 231/2001 and the activity plan for 2024.

Following the activities carried out during the 2024 financial year, as detailed above, the Board of Statutory Auditors shared the positive assessment expressed by the Control and Risk Committee with regard to the adequacy of the Internal Control and Risk Management System.

### **Supervisory activity on compliance the principles of proper management**

The main transactions carried out by the Company during 2024, with respect to which the Board of Statutory Auditors monitored compliance with the principles of proper management pursuant to Italian law, are summarised below.

- the share capital of the subsidiary Sabaf India Private Ltd. – 100% owned by SABAF – was increased by a total of €1,000,000 in capital and share premium;
- the Company approved the liquidation and dissolution of the US company Sabaf US Corp., 100% controlled by SABAF, considering that the operational presence of the SABAF Group in the United States is guaranteed by the company Sabaf America Inc. which owns 51% of Mansfield Engineered Components LLC;
- the share capital increase of the subsidiary Sabaf Mexico Appliance Components – 100% owned by SABAF – from MXN 370,000,000 to MXN 400,000,000 was approved.

Following the supervision and control activities carried out during the year, the Board of Statutory Auditors can certify that:

- during the course of the activity carried out, no omissions, irregularities or reprehensible or significant facts that would require reporting to the control bodies or mention in this Report emerged;
- no reports were received by the Board of Statutory Auditors pursuant to Art. 2408 of the Italian Civil Code, nor has it received any complaints from third parties;
- no communications were received from the Company's Control Bodies containing findings that, in the opinion of the Board of Statutory Auditors, should be noted in this Report;
- no transactions have been identified with third parties, intra-group and/or related parties such as to highlight atypical and/or unusual profiles, in terms of content, nature, size and timing;
- all the transactions and management choices adopted are inspired by the principle of proper management and reasonableness, and comply with the 2024-2026 Business Plan unanimously approved by the Board of Directors on 19 March 2024.

### **Supervisory activity on implementation of the corporate governance rules**

The Board of Statutory Auditors, during the financial year ended 31 December 2024, assessed the application of the corporate governance rules set out in the Corporate Governance Code and the relative level of compliance, also by analysing the Report on corporate governance and ownership structures and comparing its contents with what emerged during the general supervisory activity carried out. The Board also acknowledges that, on 16 December 2021, the Company's Board of Directors adopted the Corporate Governance Manual setting out the principles, rules and operating procedures to enable the Company to implement the recommendations of the Corporate Governance Code.

Moreover, compliance with the obligation on the part of SABAF to inform the market in its Report on corporate governance and ownership structures of its level of compliance with the Code itself was assessed, also in accordance with the provisions of Art. 123-*bis* of the TUF. The Board of Statutory Auditors is of the opinion that the Report on corporate governance was prepared in accordance with the provisions of Art. 123-*bis* of the TUF and the Corporate Governance Code and following the format made available by the Corporate Governance Committee of Borsa Italiana S.p.A.

### **Supervisory activities in relation to the financial statements, the consolidated financial statements and the Consolidated Sustainability Statement**

With regard to the separate financial statements for the year ended 31 December 2024, the consolidated financial statements for the year ended on the same date note the following:

- the Board of Statutory Auditors ascertained, through direct audits and information obtained from the Independent Auditors, compliance with law provisions regulating their formation, the layout of the financial statements, the consolidated financial statements and the Report on Operations, and the financial statement formats adopted, certifying the correct use of the accounting standards described in the Explanatory Notes and the Report on operations. In particular, the Board of Statutory Auditors analysed the results of the impairment test carried out by the Company with the support of independent experts, in accordance with IAS 36, both on the value of the individual equity investments held in Faringosi Hinges S.r.l., A.R.C. S.r.l., C.M.I. S.r.l., P.G.A. S.r.l. and Mansfield Engineered Components LLC and on the value of goodwill allocated to the individual "Hinges", "Professional Burners", "Electronic Components" CGUs. In this regard, it should be noted that the Independent Auditors paid special attention, during the audit of the financial statements at 31 December 2024, to the key aspects relating to the valuation of equity investments and, during the audit of the consolidated financial statements at 31 December 2024, to the key aspects relating to the recoverability of the carrying amount of goodwill, describing in their Reports the audit procedures adopted in this regard. The Board of Statutory Auditors has therefore taken note of the procedures adopted;
- in pursuance of CONSOB Communication 6064293 of 28 July 2006, the effects of the related party transactions are expressly indicated in the financial statements. Moreover, in pursuance of this Communication, in the Explanatory Notes, it is specified that during the year no transactions deriving from atypical and/or unusual operations were carried out and there were no significant non-recurring events or operations;
- the Financial statements are in keeping with the facts and information of which the Board of Statutory Auditors has become aware within its supervisory duties and its control and inspection powers;
- as far as the Board of Statutory Auditors is aware, the Directors, when preparing the financial statements, did not depart from the law provisions pursuant to Art. 2423, paragraph 5 of the Italian Civil Code;
- the Chief Executive Officer and the Financial Reporting Officer issued the certificate, pursuant to Art. 81-ter of CONSOB Regulation no. 11971/1999 as amended and Art. 154-bis of the TUF;
- the Report on Operations complies with legal requirements and is consistent with the data and results of the Financial Statements; it provides the necessary information on the activities and significant transactions of which the Board of Statutory Auditors was informed during the year, on the main risks of the Company and its subsidiaries, on intra-group and related-party transactions, as well as on the process of adapting the corporate organisation to the principles of corporate governance, in accordance with the Corporate Governance Code for listed companies;
- pursuant to the provisions of Art. 123-ter of the TUF, the Remuneration Report is presented to the Shareholders' Meeting and the Board of Statutory Auditors examined and approved the approach followed in preparing it.

In relation to the Consolidated Sustainability Statement, the Board of Statutory Auditors, in compliance with the provisions of Legislative Decree no. 125 of 6 September 2024, and Standard Q.3. 8-bis of the "Rules of Behaviour of the Board of Statutory Auditors of listed companies", supervised the compliance of the Sustainability Statement with the relevant regulatory provisions, as well as the adequacy of the organisational, administrative and reporting system for the purpose of preparing the Consolidated Sustainability Statement itself. In particular, the Board of Statutory Auditors supervised the effectiveness of the internal control and risk management systems and compliance with applicable national and Community regulations on sustainability, ensuring, among other things, that the Company had identified the IROs (Impacts, Risks and Opportunities) and carried out the double materiality analysis as required by the applicable regulations.

It should be noted that the Consolidated Sustainability Statement pursuant to Legislative Decree 125/2024 is contained in a specific section of the Report on Operations and is accompanied by the relative certification of conformity required by art. 154-bis, paragraph 5-ter, of the TUF.

Supervisory activities were also carried out by attending all the meetings of the Board of Directors, the Sustainability Committee, the Remuneration and Nomination Committee and the Control and Risk Committee.



### **Supervisory activity on relationships with Subsidiaries**

The Board of Statutory Auditors supervised the adequacy of the instructions given by the Company to the subsidiaries, in accordance with Art. 114, paragraph 2 of the TUF.

Periodic meetings with the management and the company in charge of Internal Audit did not reveal any critical elements to be reported in this report.

Finally, we acknowledged that to date no communications have been received from the Control Bodies of the Subsidiaries containing findings to be noted in this report.

### **Supervisory activity on related-party transactions**

In relation to the provisions of Art. 2391-*bis* of the Italian Civil Code, the Board of Statutory Auditors acknowledges that the Board of Directors adopted a procedure for the regulation of Related-Party Transactions, whose main objective is to define the guidelines and criteria for identifying related-party transactions and setting out roles, responsibilities and operating methods so as to guarantee, for such transactions, adequate information transparency and the related procedural and substantial correctness.

That procedure was prepared in compliance with what was established by the CONSOB Regulation on Related Parties (no. 17221 dated 12 March 2010 as amended) and was last updated by the Board of Directors on 3 August 2021 in order to implement the amendments made to the aforementioned Regulation by CONSOB Resolution No. 21624/2020.

The Board of Statutory Auditors supervised the effective application of the rules by the Company and has no observations to make in this regard in this Report.

### **Risks related to international political tensions**

The Board of Statutory Auditors reports that, although the global economic cycle continued to be affected by the uncertainty related to the conflict in Ukraine and the Middle East and the resulting international political tensions during 2024, the Group did not suffer significant repercussions as it has no significant direct exposure to the markets of Russia, Belarus and Ukraine, and does not operate in the territories involved in the conflict between Israel and Hamas.

Tariff or customs barriers could be introduced in 2025 that could affect international economic growth, although it should be noted that the Group's global production organisation, with factories in all the main markets, mitigates the risks related to the introduction of trade tariffs or export restrictions.

### **Proposal to the Shareholders' Meeting**

On 25 March 2025, the Board of Directors stated that the financial statements closed with a profit of €1,327,683. The Board of Directors proposes to distribute an ordinary dividend of €0.58 per share to the Shareholders, with the exclusion of the treasury shares on the ex-date, by distributing €1,272,205 of the profit for 2024 available after setting aside to the legal reserve €55,469 from the profit and, for the residual part, by distributing a portion of the Extraordinary Reserve.

The Board of Statutory Auditors expresses its favourable opinion for the approval of the separate financial statements at 31 December 2024 and has no objections to make to the proposed distribution presented by the Board of Directors as formulated in the Explanatory Notes and in the Directors' Report on Operations.

Ospitaletto, 28 March 2025

The Board of Statutory Auditors

Signed Alessandra Tronconi (Chairman)

Signed Maria Alessandra Zunino de Pignier (Standing Auditor)

Signed Mauro Vivenzi (Standing Auditor)