

2021

# Sustainability Report



Sustainability Team  
PUNCH Torino



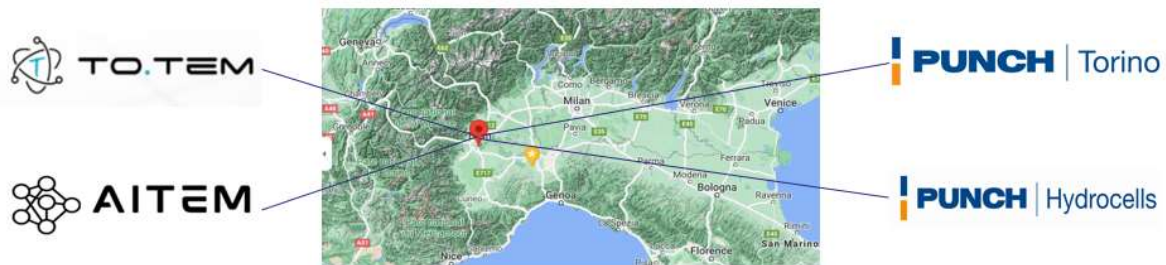
## TABLE OF CONTENTS

<b>Introduction</b>	<b>3</b>
<i>Leadership message</i>	4
<i>The materiality matrix</i>	6
<b>Environmental</b>	<b>7</b>
<i>Challenge E1: Decarbonization</i>	8
<i>Challenge E2: Energy Efficiency</i>	12
<i>Challenge E3: Environment protection - water efficiency and waste management</i>	14
<i>Challenge E4: Circular Economy methodology &amp; logics</i>	16
<b>Social</b>	<b>19</b>
<i>Challenge S1: Human Capital</i>	19
<i>Challenge S2: Diversity, inclusion, and equity</i>	21
<i>Challenge S3: Local company citizenship</i>	22
<i>Challenge S4: Health and Safety</i>	24
<b>Governance</b>	<b>26</b>
<i>Challenge G1: Transparency</i>	26
<b>Appendix</b>	<b>28</b>
<i>GRI Matrix</i>	28

# PUNCH Torino Sustainability Report

## Introduction

PUNCH Torino is located in Italy, Piemonte, Torino. It was founded in 2005 with 80 employees as General Motors Powertrain-Europe after the JV Fiat-GM Powertrain was dismissed. The Headquarters was moved to the 'Cittadella Politecnica' (Campus Universitario) in 2008. On February 2020 it was bought by PUNCH Group and changed its name to PUNCH Torino S.p.A.



PUNCH Torino's mission is to lead the engineering of innovative propulsion and control systems to realize turnkey solutions, thanks to its skills in development, production, integration of proven technologies, systems and processes.

In October 2020, PUNCH Torino expanded its role in the market, founding two start-ups to embrace the world of e-mobility and of innovation: TO.TEM that designs innovative vehicles for micro-mobility and AITEM that develops artificial intelligence applications.

In June 2021 PUNCH Hydrocells was founded, a new Company dealing with hydrogen projects.

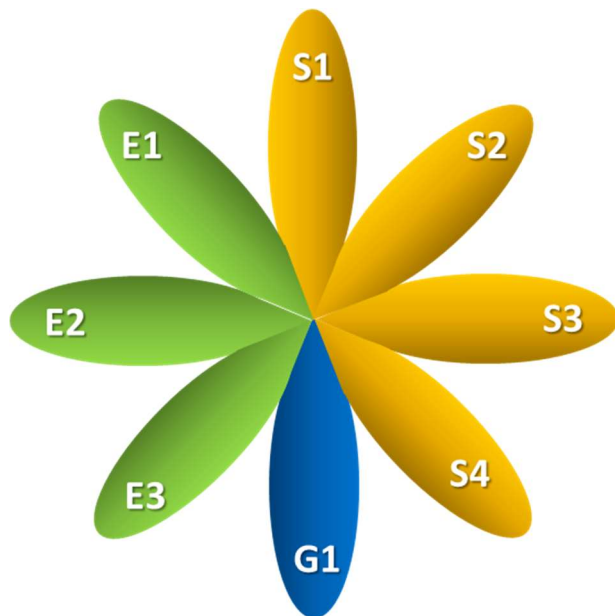


**Leadership message**

*Last decades' events are teaching all of us that our future is strictly connected to our capability to have a sustainable growth. Turning risks into opportunities that everyone can enjoy is the basis of our strategy. This means leveraging our heritage, to use the passion of our people to redeploy new skills and new competences, to reuse what is apparently obsolete and turn it into a new life with innovation and creativity. This is a mission where every person must be involved, and it is part of our inclusive approach where diversity is a value, not an obstacle. We believe in a future where mobility is sustainable, and it is for all. Transitioning to a world of carbon-free energy is part of our duty with the clear aim to reshape and not disrupt the current economy, the employment, and the environment.*

PUNCH Torino wants to integrate sustainability in its strategy and processes to anticipate the social and environmental challenges to ensure long-term growth both for the Company, but most importantly for society.

This Report, available on PUNCH Torino's website ([www.punchtorino.com](http://www.punchtorino.com)), explains the sustainability strategy that PUNCH Torino wants to implement within 2021 and 2022. It has been prepared in accordance with the Comprehensive option of the latest GRI Standard.



**ENVIRONMENT**

- E1: Decarbonization**
- E2: Environment protection**
- E3: Circular Economy methodology & logics**

**SOCIAL**

- S1: Diversity Inclusion and & Equity**
- S2: Human Capital Excellence**
- S3: Local company citizenship**
- S4: Health and Safety**

**GOVERNANCE**

- G1: Transparency**

Environmentally sustainable product design, resources saving, improvement and efficient usage of energy, while lowering pollutant emissions and amounts of waste

Diversity, inclusivity, and equal opportunities: promotion of the diversity, to eliminate gender bias, and support equal opportunity. These principles apply equally to recruitment, opportunities for advancement, and remuneration policies

People health, safety and development: involving both prevention of physical and mental harm, and promotion of workers' health. Training and upgrading employee skills, and performance and career development reviews. Attracting high skilled and young talents by running socially responsible work environment

Additional references:

- United Nations approved Sustainable Development Goals (SDG)
- H&S Internal procedures
- Environment Policy
- 231/01 Organizational Model
- PUNCH code of conduct
- Code of Ethics

PUNCH Torino wants to establish an ongoing dialogue with a wide range of stakeholders involved with this report. They include non-governmental organizations, universities, regional government., banks, credits institutes, customers, suppliers, media.

A successful implementation of these policies requires PUNCH Torino as a whole to be fully actively involved.

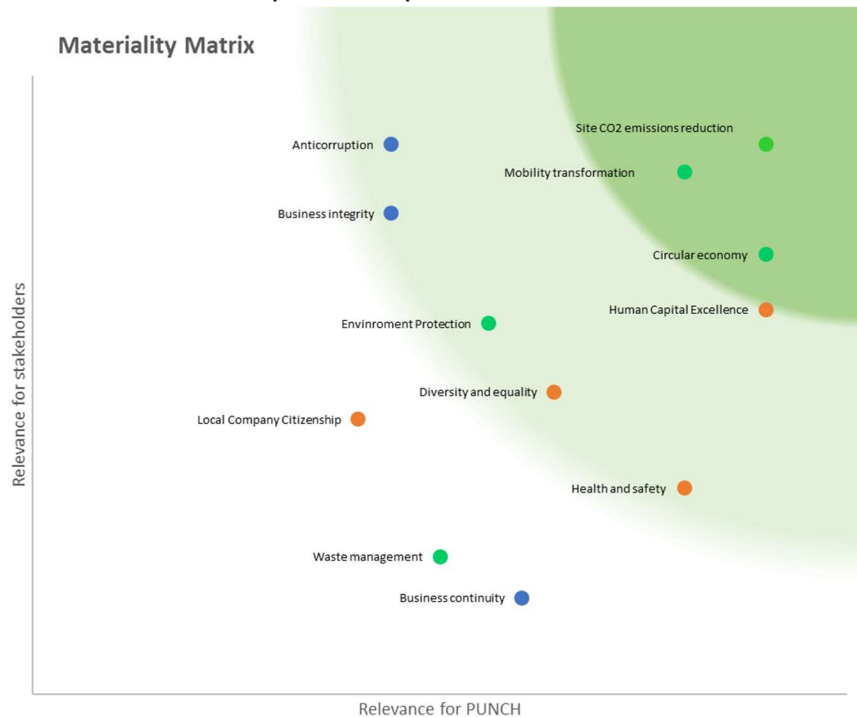
### The materiality matrix

Our materiality analysis aims at identifying and assessing the relative importance of key sustainability topics for their impact on our ability to create value and their relevance to stakeholders and to PUNCH Torino’s Leadership. The outcomes of the materiality assessment inform about our strategy and the content to be implemented.

We have been through the three steps represented here below: a first step related to the Identification and mapping the most important activities and stakeholders, then we have prioritized their importance for PUNCH Torino and, as last step, we focused on defining the outcomes.



The result is the materiality matrix below, that represents the most relevant areas of the analysis’ outcome, as the most important topics that should be dealt in the following years.



We have used the results to identify and prioritize areas for our sustainability strategy.

## Environmental

PUNCH Torino cares for the environment and puts its efforts especially in 4 main key topics:

- Decarbonization
- Energy Efficiency
- Environment protection - water efficiency and waste management
- Circular economy

PUNCH Torino highlights its commitment in environmental topics also in its Organizational Model 231/01 aimed at preventing company crimes that include a special part H, on environmental crimes. This special part sets a series of objectives based on Environmental Policy undersigned by PUNCH Torino and shared among the whole company personnel.

In addition, every year, the site checks the legal environmental compliance to understand weaknesses and strengths of its activities.

How we protect the environment	Areas of Focus	PUNCH Approach
<p>Since its foundation, PUNCH Torino cares about environmental changes that are destroying our beautiful planet.</p> <p>The impact of humans on earth and the rising demand of energy are having visible negative consequences on climate, land and water.</p> <p>With the urgent issue of a more sustainable society, decarbonization has become a moral engagement for every responsible business. Reducing emissions is the core target and it is connected to many other areas of environmental management, such as</p>	<p>PUNCH Torino strives to make a positive impact in the 4 main environmental challenges it is facing.</p> <p>Decarbonization - reducing our carbon footprint by driving down emissions in our testing operations, perfecting the implementation of alternate fuels and selecting suppliers committed to the sustainable cause.</p> <p>Energy efficiency - reducing the amount of energy required for our operations.</p> <p>Water efficiency - making rational use of water</p>	<p>To achieve a truly meaningful change, we consider the impacts of our activities on the environment. The key elements are:</p> <p>compliance with legislation, waste management, air and noise monitoring, investment in the best available technology to manage our processes and reduce carbon footprint. We monitor performance, developing preventive actions to meet the growing expectations of customers and employees towards sustainability.</p> <p>Our Environmental and Purchasing &amp; Supplier Quality Departments make</p>

<p>energy, water, waste and people engagement. Our direct impacts on the environment mainly arise through testing activities, that introduce different kind of waste in the environment as well as shipment and receiving materials.</p>	<p>resources in both operation and daily use, to reduce water consumption and wastewater discharge.</p> <p>Waste management - optimizing internal processes to reduce the amount of waste produced and correctly manage the recycling process.</p>	<p>sure that our environmental management commitment is clear to every stakeholder, including employees and partners. They are supported by a set of fundamental operational procedures on key environmental topics, such a gap analysis, action plans, engagement, knowledge building and best-practice sharing.</p>
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### *Challenge E1: Decarbonization*

PUNCH Torino has set as a first challenge to face in the next upcoming years the activities related to the reduction of the carbon-hydrogen ratio in energy sources (Decarbonization). PUNCH Torino believes in the transition to a carbon-free future through multiple technologies based on electricity and hydrogen, that will require the need for specialized labor and supplier base. In addition, PUNCH Torino also keeps an eye on lowering its own carbon footprint. All these strategies are aimed at containing the climate change by creating a "Green Business".

#### **POLICY**

Carbon neutrality by 2050 and 90% greenhouse gas emission in the transportation sector (EU Green Deal): PUNCH Torino will act following two different strategies.

#### **Site CO2 emissions**

The reduction of site CO2 emissions passes by developing studies for engines to comply with future EU emission limit scenario and targeting energy independence, leveraging available renewable energy sources.

#### **Mobility propulsion transformation**

PUNCH Torino strengthens to drive the mobility propulsion transformation managing the transition through:

- affordable technology and renewable energy storage



- well to wheel (assessment of the environmental impact of a given product or service throughout its lifespan).
- EU strategy and Economy of Scales
- Infrastructure and deployment
- Implementation of different technologies to best fit different sectors, regions and applications needs

## OBJECTIVE

### Site CO2 emissions

Reduce the sources of emissions, developing and validating new programs complying with European emission limits, assessing these emissions every three years and prepare an action plan for CO2 reduction.

### Mobility propulsion transformation (three pillars strategy)

PUNCH Torino aims to meet the modern needs of collective, individual and commercial mobility thanks to solutions with zero environmental impact. The Company is preparing for the ecological transition by developing new technologies and alternative mobility solutions. The strategic guidelines are going through three main pillars

- 1) **Design and development of a complete Powerpack** including engine, transmission and electronic controls compliant with the future emissions regulations i.e., net “zero” CO2 emissions in all sectors. This includes different segments such as industrial and marine applications.
- 2) **Hydrogen as a complementary solution to battery electric vehicles**. Focus is on SUVs, Commercial Vehicles, Buses and Heavy-duty Vehicles that would require larger batteries (and where Payload reduction and Refuelling /Charging Time are critical success factors). PUNCH Torino is working on fuel cells, internal combustion engines and hydrogen production, storage and distribution.
- 3) **Hybridization and electrification in support to electric vehicle and conventional engine**. In this field, PUNCH Torino will focus its efforts on:
  - a. hybrid transmissions, reducers and housing for eAxles;
  - b. software engineering for transmissions and eAxles;
  - c. Internal Combustion Engines, Electrical Engines, Smart Mobility.

## ACTIONS AND RESULTS

### Site CO2 emissions

PUNCH Torino's CO2 emissions mainly depend on the 19 Test Benches and one chassis dyno where diesel engines and vehicles are tested for long time span. CO2 emission reduction strategy passes by:

- Conversion of 2 Test Benches from internal combustion engine to Hydrogen engines in year 2021
- Plan for converting an additional Test Bench into a Hydrogen one
- All internal combustion engines were developed and validated based on the most likely scenario of future pollutant emission requirements by the European Commission within Q3 2022. These future parameters will pass from 80 mg/km NOx to 30 mg/km and from 500-1000 mg/km CO to 100-300 mg//km.

For this reason, although it is not mandatory, PUNCH Torino measures the levels of pollutants in the atmosphere every 3 years, to contribute ensuring "clean air" in the Torino metropolitan area. Emissions are measured in the worst running conditions (e.g., maximum number of running engines, most polluting running cycles, biggest engines, etc....). In case the limit for manufacturing is exceeded, an action plan will promptly be put in place to reduce CO2 and GHG emissions.

### **Mobility propulsion transformation**



We upgraded three engine test benches for applications using hydrogen as a fuel.

One of these test benches is dedicated to develop and test fuel cell powerplants, one is dedicated to develop and test internal combustion engine using hydrogen and the third one is a multifuel equipment for developing and testing internal combustion engines running on hydrogen, natural gas and synthetic fuels.



We realized a demonstration vehicle using an innovative dual fuel propulsion system (diesel +H2) to show that decarbonization can set off from the principle of technological neutrality. The dual fuel system is ready to install solutions to reduce CO2 emissions up to 30%, based on H2 quantity in the fuel mix.

Single cylinder Hydrogen: used to study and optimise the combustion physics of a hydrogen-powered engine and to correlate virtual simulation tools. The virtual simulation tools will be used to accelerate the development of the full range of hydrogen-powered engines.

Hydrogen engine V8 6.6: The first applications will be in the genset and marine sectors. The development of this engine will also speed up the introduction of this zero-CO2 technology on other engines.

The joint venture Marelli Electric Powertrain Strasbourg (France) SAS founded in May 2021 is the result of the collaboration within PUNCH and Marelli. Marelli will supply electric motors and inverters including software for the e-Axles and PUNCH Torino contributes with engineering expertise aimed at developing gearbox components.

We have started the H2 PSD on site project whose aim is to produce green H2 with real HW in Torino (production forecasted to start on Jan 2024).

In October 2021 we started the production of a zero-emission Made in Italy e-kickscooter for urban environments.



**Key Perf Indicator Material recycling rate: 83% in 2020**

CO / NOx and SOx values towards atmosphere (values are the worst emissions measured in the year of reference)

Pollutant	Year 2018	Year 2021	Limit Value*
	[mg/Nm3]	[mg/Nm3]	[mg/Nm3]
CO	7.85	17.7	100
NOx	39.45	64.05	600
SOx	0.2	0.35	500
PAH	< 0,0001	< 0,000165	0.001
Total dust	0.62	0.5	10

*\*Note: research centers do not have limit values and are exempted by Law. The limit value written in tab refers to manufacturing or similar plants to give evidence that the research center is not polluting the metropolitan environment.*

### *Challenge E2Energy Efficiency*

Focusing on CO2 emissions also means being efficient in matter of energy. PUNCH Torino believes in becoming more efficient in the next years, implementing actual targets and starting to find new solutions to save energy and becoming more and more “Green”. This goes in parallel to the main worldwide focus on environmental protection for future generations, natural resources, and the whole planet.



### **POLICY**

PUNCH Torino has set objectives in matter of energy consumption and energy sources, analyzing its own environmental performance (consumption of electricity and heating) and pushing the re-use of electricity produced by Test Benches.

### **OBJECTIVES**

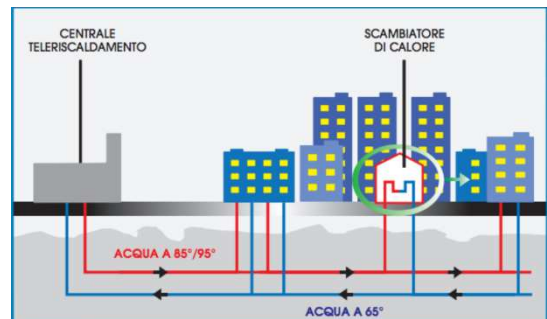
Since its establishment, PUNCH Torino decided to improve cost savings linked to energy supported by an operational team, now called WOW (We Optimize Work), involving key-employees in the company to create a network cooperation and find new solutions or opportunities for the future environmental consciousness.

The main objectives for the future are reducing the percentage of energy coming from renewable sources and the installation of photovoltaic panels to start the long journey towards a self-sufficient powering.

### **ACTIONS AND RESULTS**

Energy saving activities to raise awareness have been implemented in PUNCH Torino during the previous years. These cost reduction activities consisted of:

replacement of fluorescent luminaires with high-performance LED lamps in above 20000 sqm of the company; the shut-down of the “presence sensors” when offices are empty, ensuring that unnecessary lights are switched-off; turning off labs and pre-production main energy consumption operations (compressed air and chillers) during weekends and bank holidays; installation of brakes to recover kinetic energy from the tested engines to produce electricity that is fully fed into the grid (about 9% of electricity consumed); improvement of district heating regulation using valves.



Heating and electricity systems partialized in order to be switched off in the building portions not used (e.g. during COVID pandemic)

PUNCH Torino has currently 16% of the grid energy supplied by renewable energy sources.

## KEY PERFORMANCE INDICATORS

### Energy produced with renewable energy sources

Item	Year 2021	Year 2022	Year 2023
	[%]*	[%]	[%]
Actual "green" energy	16%	16%	16%
Actual solar energy in site produced	0%	6%	18%
Target	-	22%	34%

\*% is calculated rating the green or solar energy consumption with the total energy consumption

### Electricity consumption

Item	Year 2020	Year 2021
	[MWh/h]	[MWh/h]
Electricity/hours worked	0.19	0.2

### Heating consumption

Item	Year 2020	Year 2021
	[MWh/h]	[MWh/h]
Heating/hours worked	0.08	0.1

### *Challenge E3: Environment protection – water efficiency and waste management*

PUNCH Torino believes in reducing its direct impact on the planet. Water is an essential resource for the life of every existing species, including humankind and its availability and quality are two major priorities for the planet. Waste is a major challenge in our industrialized society and must be limited to the strict minimum as well as treated in the best conditions for recycling or disposal. In order to reduce the environmental impact as much as possible, PUNCH Torino encourages a conscious use of water, without useless waste and strives to reach the best percentage of recycling.

#### **POLICY**

Despite PUNCH Torino is not certified for ISO/IEC 14001 yet, the organization has issued a series of procedures and instructions aimed at limiting environmental impact and at managing environmental topic at their best.

#### **OBJECTIVE**

PUNCH Torino's main target is to maintain the actual environmental management, striving to comply to more stringent regulations in order to reach, in the future years, the ISO/IEC 14001 certification.

PUNCH Torino encourages employees to form team groups focused on environmental topics, starting to promote activities aimed at territorial preservation, as well as to sensitize colleagues in having a green approach towards environment.

#### **ACTIONS AND RESULTS**

PUNCH Torino has implemented a set of procedures and processes to control water and materials waste. Restraining both of them is one of our biggest environmental commitment.

#### **Water**

PUNCH Torino promotes a respectful use of water in the company, through banners and communication campaigns that raise awareness not to waste water.

PUNCH Torino safeguards its own employees also conducting yearly measurements of the quantity of pollutants in tap water. Because of the absence of pollutants and of any chemical substances within legal limits, all PUNCH Torino's tap water is drinkable.

All internal systems work in a "closed-cycle" way, so that there is not industrial water discharge into sewage system, that remains "clean" and without oily or greasy residuals.

Polluted water is labelled as hazardous water and disposed at the appropriate treatment facility. However, because of the peculiarity of the building and the necessity to move chemicals, diesels, gasoline in internal and external technical areas, PUNCH Torino's sewage system is connected to an underground oil separator. In case of an accidental leakage or environmental incidents, the water passing in the sewage system is filtered and the solid and polluting part is collected in a separated tank so that the exiting water is clean and not hazardous.

### **Waste**

PUNCH Torino is committed in having a strong waste management system, supported by internal processes and procedures, periodical audits and training on the job for internal and external personnel.

Waste management is one of the pillars of PUNCH Torino's environmental sustainability. All industrial waste is sent to pre-treatment before incineration or final disposal. No industrial waste is sent to any dump-like facility. Authorized external company are in charge of handling waste, which is then separated and taken to their respective ecological areas.

Office waste is separated with color-coded waste bins and disposed by the municipality, in accordance to the local legislation.

To reduce the amount of paper usage, the company removed some of the printers and encourages everybody to avoid printing if it's not strictly necessary.

In addition, some independent and non-profit groups such as PUNCH Green were born to leverage environmental topic to employees' attention. Although PUNCH Torino does not actively participate in financing these initiatives, it encourages these groups in going ahead and raising the focus on environment topics. Some activities performed during these years are:

- Plastic-free groups to remove plastic from local public areas.
- Fundraising program to "adopt a tree".
- Suggestions about environment to adopt in the company and within employees.

## KEY PERFORMANCE INDICATORS

### Waste production\*

Item	Year 2020	Year 2021
	[kg/h]	[kg/h]
Total waste / TB hours worked	1.1	2.07
Hazardous waste / TB hours worked	0.58	0.93
Non-hazardous waste / TB hours worked	0.51	1.18

### Water consumption\*

Item	Year 2020	Year 2021
	[l/h]	[l/h]
Water / TB hours worked	0.94	0.83

\* data affected by pandemic situation and change of business.

## Challenge E4: Circular Economy methodology & logics

PUNCH Torino has set the application of Circular Economy strategies as one of the major challenges to reduce CO2 emissions, enhance environmental protection, promote social impact and build financial trust. The main effort for developing and implementing circular strategies is focused in leveraging Additive Manufacturing (AM) technologies and model, aiming at reducing resource consumption while boosting business opportunities.

## POLICY

To support the aforementioned direction, PUNCH Torino will act on three different paths:

- **Mass production contest** (*Additive Manufacturing and Digital factory, logistics based on circular and sustainable models*)
- **Additive Manufacturing process** (*Hardware and raw materials viewed from a sustainable perspective and circular model*).
- **Circular Business models** (*Design for Circular, End-of-life sustainable model, etc.*)



## OBJECTIVE

Objectives are set up transversally among:

- CO2 reduction in 2022 (% of reduction): 0.2%
- Education for sustainability in 2022 (% of total employees): 3%

## ACTIONS AND RESULTS

Circular business strategies for hydrogen products

PUNCH Torino has focused its efforts on activities like:

- repair /refurbish
- remanufacture / upcycling
- material recycling

on components/parts utilized in the hydrogen R&D Development activities

### **Design-for-circular methodologies according to an additive manufacturing point of view**

PUNCH Torino has worked on activities related to eco-design features and optimize the drivers for sustainability through AM.

We have additionally enabled an upfront diversified product lifecycle through this approach.

### **Sustainability requirements for additive processes (printers)**

PUNCH Torino has spent a lot of efforts in the definition of specific requirements for 3D printers, to meet sustainable needs and at the same time to reduce printing time keeping the components' quality unaltered.

Among them:

- Recoater moving one way per layer
- Possibility to use variable printing parameters
- Print with no supports
- Powder scrap reduction during printing
- Recoating errors identification
- Defect identification and printing suspension
- Real time printing function monitoring

### **Sustainability requirements for raw materials (powders)**

We additionally focused our attention on raw materials and on the way to treat them. Important outputs of our investigations are:

- Cheaper and more sustainable atomization methods
- Secondary scrap metal

- Printed scrapped parts
- Used powder (regenerated)
- Scrap reduction during atomization
- Re-usable and Re-cyclable packaging

### Circular model for additive manufacturing environment

Several processes have been established and activated to set up circular models for Additive Manufacturing environment:

- Circular sourcing of recycled raw materials
- Sustainable manufacturing processes with low scrap and low energy consumption
- Automated and sustainable ancillary processes
- Digitisation and tracking of production and logistics to maximise sustainable drivers

### KEY PERFORMANCE INDICATORS

Item	Year 2021	Year 2022
	[%]	[%]
CO2 reduction	0.2	0.3-0.6
Re-used material	-	10
Education for sustainability (% employees)	3	15

## Social

PUNCH Torino strongly believes in the people that are part of the organization, whether they are employees, suppliers, consultants, or the community that surrounds the company.

### *Challenge S1: Human Capital*

PUNCH Torino considers the **human capital as value**.

The connection among economic growth, profitability and the continuous improvement of employees' skills is demonstrated and thus represents a big challenge that requires **well defined training programs**. **Employee engagement** is also critical to a company's success, given its clear links to job satisfaction and employee morale.

For this reason, the company has decided to invest on employee training and engagement.

## POLICY

To support employee development considering business needs, PUNCH Torino proceeds on different paths:

- **Competence mapping**, to understand skills already present within the company and the actual knowledge level vs the expected one
- **Training needs identification**, to focus the training offer on business-oriented topics.

The company also encourages **job rotation** and **stretch assignments**, to give employees a wider and transversal experience and help them increase their skills.

PUNCH Torino **performs periodically a work environment survey** to solicit and assess employee opinions, feelings, perceptions, and expectations regarding a variety of factors pertinent to maintaining the organization's work environment, such as opportunities for growth, management, working relationships etc. This survey is aimed at preemptively detecting possible dissatisfaction and identifying areas of improvement.

## OBJECTIVES

PUNCH Torino invests in employee training and upskilling and continuous improvement of their engagement.

## ACTIONS AND RESULTS

At the end of 2020 PUNCH Torino started collecting training requirements to define 2021 training catalogue.

In defining the 2021 training offer, Covid-19 effects have been added to the profound transformation already underway in the company.

In relation to Covid-19, the method of training delivery has gradually changed from a classroom and synchronous mode to an asynchronous one.

With reference to the deep transformation internal of the company, the training offer has been more and more focused on the development of technical skills on forms of propulsion alternative to diesel.

The upskilling of employees according to new company needs has involved the overall organization, both Engineering (Programs, Hardware Engineering, Controls, Labs & Facilities Operations) and the support functions to the latter, the so-called Business Operations (e.g. Administration, Finance and Control, Legal & Compliance, Human Resources, Information Technology).

Main thematic areas covered by the training offer are Hydrogen Technology, Software Development, Additive Manufacturing, Manufacturing Engineering, Testing Automation, Engine Development & Validation, Quality, Industrial Logistics, Corporate Finance, Sales & Marketing, Business Strategy, Project Management, Circular Economy, Agile & SCRUM.

Overall, +150 courses have been deployed, involving +500 employees and for a total of about 21,000 training hours.

In 2021 a **work environment survey has been also conducted** to measure employee engagement, better understand the impacts of the recent company reorganization and collect possible areas of improvement. The survey's results can be used by management to shape future activities with a view to enhancing employee engagement and therefore enhancing productivity and overall business success.

With reference to the work environment survey, in the post-analysis phase five main clusters ("Communication", "Company Strategy", "Competences", "People Caring, Equity & Meritocracy", "Processes & Tools") have been identified. Groups of volunteers enrolled in the various cluster teams and started working together on action plan activities.

## *Challenge S2: Diversity, inclusion, and equity*

PUNCH Torino and its affiliated have +700 employees, about 17% of female, with an average age of 42 years and distributed over 12 nationalities. The company's governance body displays 16% of female presence.

This means a young and multicultural environment able to forge energy and ideas. Using this diversity as value by also guaranteeing the equity of opportunity is a fundamental company mission.

### **POLICY**

PUNCH Torino sponsors 2 different **employee resource groups** with different mission but similar scope to improve Diversity and Inclusion through an active involvement of employees.

WIDE - Women for Inclusion, Diversity and Equity: a volunteer group of employees whose mission is to create an equal and inclusive workplace to help innovation, promote networking and encourage diversity consciousness through several initiatives and debates.

PUNCH NOW: a volunteer group focused on connect and engage employees in extra activities and events like football, valley and tennis tournaments, trekking, photography contests.

### **OBJECTIVES**

PUNCH Torino promotes the aforementioned groups by dedicating a budget to plan activity that can be addressed to employees.

### **ACTIONS AND RESULTS**

During 2021, a lot of activities have been promoted by the groups.

WIDE: Periodical newsletter sent to all employees with two main articles, highlighting events in Turin and some 'think about' links, STEM by Women Association between women from different companies, public institutions and universities with STEM background (main support for communication campaign "Io scelgo STEM"), reading group "Liberamente", Charity fund raiser for "Ottobre rosa AIRC", periodic Yammer column on Mighty Women.

D&I article spread within the organization to create awareness, D&I workshop preparation (performed in 2022), stereotype-game to highlight unconscious stereotypes.

PUNCH NOW: the team has focused attention on possible activity that can be performed also during Covid-19 pandemic period by organizing webinars by experts in the field of cycling and running preparation, wine testing, chess club. The annual tennis, football and paddle tournaments also took place.

### *Challenge S3: Local company citizenship*

Since its establishment, PUNCH Torino pursued to be a strong player within the local community. The challenge for the next years is to further develop such contribution supporting the community of Torino in all its components: institutions, academy and business. We want to improve further our collaboration with University of Torino and Politecnico, both in research and didactic fields. In addition, we want to cooperate with local institutions for the development and well-being of the community actively participating in the definition and implementation of the territory development plans.

### **POLICY**

To support this, PUNCH Torino will act following two different approaches:

Academy: PUNCH wants to strengthen the collaboration with local universities, Istituti Tecnici Superiori (“ITS”) and high schools. With universities, the aim is to support scientific developments through collaborative research and to support the evolution of education offer in line with the new competences required by the energy and ecological transitions. Secondly, PUNCH will offer partnerships to ITS and high schools to help students orientate on how to approach employment, making available our experts for dedicated seminars on professions within our industry sector.

Our engagement with local institutions, focused on several topics on both more general aspects, such as the overall strategic plan of the City of Torino in which we provided insight on the needs and objectives of a multinational company, as well as more focused ones like gender balance and work-life balance for our business sector. We also actively participate in the local industry association, Unione Industriali di Torino, AMMA and Confindustria Piemonte: several colleagues are active in the working groups of the Associations and a few of our managers - including our CEO - hold a position in these associations. Our policy requires that further we should keep strengthening such collaborations to support the development and well-being of the community where we are present.

## **OBJECTIVE**

The objectives concerning Academy are:

Increase the research collaboration with University and Politecnico by an additional 50% compared to the previous 3-year period, in terms of research contract value.

Complete the donation to Politecnico's Department on Energy of a full equipment for engine test cell to investigate renewable fuels, including green hydrogen for mobility.

Complete the enrollment of 18 researchers between Politecnico and University and co-design projects for their research activity.

Establish a roll-on scheme to fund a minimum of 3 PhD scholarships between University and Politecnico.

Define a collaboration scheme with universities, ITS and high school to provide our experts as invited teachers in seminars and workshops organized within the statutory didactic courses.

Concerning the support to Local Institutions, the objectives are:

Strengthen the participation in stakeholders' initiatives established by local government (e.g.: City of Torino Strategic Plan, Regione Piemonte Stakeholders review of the S3) and within the working groups in Unione Industriali in several fields, such as GDPR implementation, Sustainability Governance, Inclusion and Diversity, Decarbonization, Corporate Social Responsibility.

## **ACTIONS AND RESULTS**

### **Relations with local Universities and schools**

In the past two years, PUNCH reinforced the collaboration with Politecnico and Università di Torino, signing conventions to fund a total of 15 researchers in two years (Politecnico) and 5 PhD fellowships including 3 for industrial PhD. At the same time, several joint research activities were implemented and are running over the next years. Lastly, we donated a complete equipment for testing propulsion systems to the Department of Energy of Politecnico.

### **Relations with Institutions and Associations**

PUNCH actively participates in the life of local industry associations and aims at taking more responsibility considering the serving in the governance bodies a duty for larger companies that can bring in the association the wealth of their resources and international networks.

In addition, we have put our expertise at disposal of local institutions to support the development and implementation of their initiatives to grow the wealth and well-being of the communities.

### *Challenge S4: Health and Safety*

Health and Safety is one of the top priorities for PUNCH Torino. Safety values are what makes our company highly distinguished, not only respecting law requirements, but also implementing ad-hoc initiatives to leverage safety among company community. PUNCH Torino is committed to health and safety starting from the Organizational Model 231/01, special part C, aimed at preventing company crimes in the workplace, setting a series of objectives defined in the Health and Safety Policy undersigned by PUNCH Torino and shared among the whole company personnel.

#### **POLICY**

PUNCH Torino sets targets in matter of safety, included in all company processes, analyzing its own safety performance in every operation.

Despite PUNCH Torino is not certified for ISO/IEC 45001 yet, the organization has issued a safety system, constituted by a series of procedures and instructions aimed at targeting incidents to zero and at improving employees' mindset towards safety.

#### **OBJECTIVES**

For several years PUNCH Torino has dedicated a lot of efforts to become a safe and healthy company, putting employees' well-being as an important key-factor. Healthy people mean happy people who can cooperate and create an important network aimed at business improvement. The main objective for the future is marketing safety as a mindset and a focal point to think of every day in every task.

#### **ACTIONS AND RESULTS**

Not only PUNCH Torino respects legislation in matter of health and safety, D. Lgs. 81/08, but also organizes many activities in matter of workplace safety aimed at engaging employees thus increasing their commitment. These special activities are:



- Safety Week:** every year, PUNCH Torino, fully supported by the Health and Safety Manager, organizes interesting and enjoyable events in matter of safety, involving all employees in games, videos, trainings on the job and educational sessions to leverage safety awareness among all people daily life. Activities organized are not only work-oriented, but they concern all life aspects, such as driving, having a correct nutrition, being able to react in case of emergency – fire, first aid, etc... - or, more simply - knowing how to properly behave in a working environment. Since its first edition in 2015, Safety Week is a “must-have” appointment that every employee waits with joy and excitement, because it is an important opportunity to speak up for continuous improvement in matter of safety, targeting zero incidents.



- Green Cross:** PUNCH Torino is very proud of its low incident rate, whose success mainly depends on the company’s transparency. Although all incidents are tracked in the related logbook, as required by Law, incident tracking is visible to all hosts and visitors entering in site. At the reception a Green Cross sign is installed, just under a TV screen where constantly updated safety quotes are shown, to inform everybody about the number of days without incidents and about the type of incidents occurred (e.g. first aid, minor incidents, major incidents, fatalities). The visual Green Cross is not only a tracking tool but is also a way to make everybody aware of safety and to be proud of being “green”. In 2021 only 1 minor incident has been recorded.



- Layered audits:** PUNCH Torino complies with legislation organizing safety routine audits conducted by the Health and Safety Manager but implements them with additional and specific audits for every hierarchical level in the company. These audits are customized for every machine, tool, equipment and are performed with different frequencies and questions, based on the type of responsibility and task assigned to each person performing them. Layered audits are structured according to the model “auditing the auditor” so that every person in the company is deeply committed to find loopholes and minor issues for a prompt tracking and solution, before they could become a non-conformity or a bigger issue with serious consequences to people, company, and objects. The last layer of the audit is performed by Directors in the Safety Conversation Tours (“SCT”) aimed at

checking the effectiveness of the other audits and pushing for eventual findings not yet closed.

## Governance

PUNCH Torino strongly believes in the power of people in its organization, whether they are employees, suppliers, consultants.

For this reason, PUNCH Torino considers its employees as the “core” of its own mission and has been always engaged in building relationships with the most important local bodies and communities as well as political entities present in Torino.

### *Challenge G1: Transparency*

PUNCH Torino believes in a more sustainable future, that passes doing business in a transparent way, both internally and towards external third parties. Being transparent does not only revolve around environmental impacts but all clusters in a company, starting from its own internal processes and scaling up in how to obtain every certification. This means reporting not only on corporate impacts, such as greenhouse gas emissions, waste and water usage, but also on each step of the entire lifecycle of the company.

This Report is the evidence of transparency set by PUNCH Torino, that would like to introduce itself in the market and to local communities by demonstrating its vision and attitude on sustainability.

### **POLICY**

Transparency is a fundamental component of good corporate governance and serves to build vital relationships based on trust with key partners of any business. Transparency is such a wide concept that cannot be summarized in a sole policy, but it can be sensed all around if a company takes it into serious account. PUNCH Torino does exactly this, because its leadership considers transparency a real mindset that could be beneficial for employees and, consequently for the entire business. Since its establishment, PUNCH Torino has implemented and is continuously updating an Organizational Model covering the whole range of crimes linked to a company and its employees, setting up procedures and processes to prevent employees from committing crimes unconsciously. These procedures and processes are “alive”, following the principle of “continuous improvement” and are based on transparency among company functions.

## OBJECTIVES

As transparency is one of the most important topics in the company, PUNCH Torino has defined this value in its Code of Ethics and Code of Conduct, shared with and submitted by all employees.

The main objective of PUNCH Torino is being transparent in every internal and external process in the company, in view of eventual future ISO/IEC certifications. To do so, the target is having an Internal Auditing system to anticipate eventual non-compliant issues within the company values and targets.

## ACTIONS AND RESULTS

The transparency of PUNCH Torino in matter of crime prevention is well explained in **Organizational Model 231/01**, in every special part and in particular in special parts A - crimes against Public Administration and corruption among private entities – and M – tax crimes. All procedures and processes related to these special parts are based on company values and principles and contain requirements that every employee must adhere to. Ethics is one of these requirements and becomes fundamental in Purchasing and Supplier Quality: internal procedures are defined and written based on ethical principles and transparency in the choice of suppliers, that must agree with PUNCH Torino Terms & Conditions, referencing Code of Ethics and Code of Conduct. On the other hand, being transparent is very important towards external stakeholders to create awareness on PUNCH Torino reality and its own values.

A mean to introduce a company towards third parties and local communities is through **ISO/IEC certifications and similar**, that PUNCH Torino obtained – such as ISO/IEC 9001 – and is planning to get in the close future – such as ISO/IEC 27001. Being certified is not only evidence of a systemic company, but also a proof of transparency in every type of task, highlighting corporate commitment into a more structured process, including internal auditing and periodical checks on its requirements, both technical and ethic ones. Last, but not least, the company decided to organize a group of employees (“Op\_Ex team”), picked up among different hierarchical levels in the company, to propose different possibilities to optimize work, improve the quality of life for employees and engage all workers in the company to speak up and suggest new ideas on how to improve the work environment and transparent cooperation and communications among employees.

## Appendix

### *GRI Matrix*

Disclosure	Page	Note/Omission
GRI 101: Foundation 2016		
<b>General Disclosures</b>		
Disclosure 102-1 Name of the Organization	3	
Disclosure 102-2 Activities, brands, products and services	3	
Disclosure 102-3 Location of headquarters	3	
Disclosure 102-4 Location of the activities	3	
Disclosure 102-5 Ownership and legal form	3	
Disclosure 102-8 Information on employees and other workers	3	
Disclosure 102-14 Statement from senior-decision maker	4	
Disclosure 102-15 Key impacts, risks and opportunities		
Disclosure 102-16 Values, principles, standards, and norms of behaviour		
Disclosure 102-17 Mechanisms for advice and concerns about ethics		
Disclosure 102-23 Chair of highest governance body		
Disclosure 102-44 Key topics of concerns raised		
Disclosure 102-45 Entities included in the consolidated financial statement	3	
Disclosure 102-47 List of material topics	4	
Disclosure 102-48 Restatements of information		This is the first year of reference
Disclosure 102-49 Changes in reporting		This is the first year of reference
Disclosure 102-50 Reporting period	4	

Disclosure 102-51 Date of most recent report		This is the first year of reference
Disclosure 102-54 Claims of reporting in accordance with the GRI standards	4	
Disclosure 102-55 GRI contents index	1	
Disclosure 103-2 The management approach and its components	7, 18, from 20 to 29	
Disclosure 103-3 Evaluation of management approach		Omitted because not applicable
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	8	
Disclosure 302-1 Energy consumption within the organization	12	
Disclosure 302-4 Reduction of energy consumption	13	
Disclosure 303-1 Interaction with water as shared resource	14	
Disclosure 306-2 Management of significant waste related impact	15,16	
Disclosure 401-3 Parental leave		
Disclosure 403-1 Occupational health and safety management system	24	
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation		
Disclosure 403-5 Hazard identification, risk assessment, and incident investigation		
Disclosure 404-1 Average hours of training per year per employee	22	The used KPI is the “total amount of training hours”.
Disclosure 405-1 Diversity of governance bodies and employees	22	