FRIEMGROUP®
Integrated Power Conversion Systems

Sustainability Policy

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Introduction

The FRIEM Group (hereinafter also the “Group”) operates in the sector of conversion, management and measurement of electrical energy and comprises FRIEM S.p.A., Poseico S.r.l., DynAmp LLC and their respective controlled and affiliated companies with commercial activities.

FRIEM S.p.A is a manufacturing company based in Segrate (Italy), a leader in the energy conversion sector for over 75 years. FRIEM was founded as a producer of static electrical energy conversion systems for industrial process applications, but, in recent years, has extended its strategic interest to the energy transition.

Poseico S.p.A. is a manufacturing company based in Genoa (Italy). Founded in 2001, Poseico leverages over fifty years of experience in the design, production and testing of power semiconductors, having acquired all the assets of the Ansaldo semiconductor division. Poseico's main activity is power electronics, with a broad offering that includes high-power semiconductors, isolated modules and cooling systems, power assemblies and electronic converters.

DynAmp LLC is a manufacturing company based in Grove City (Ohio, USA), specialized in the design and production of high-precision measurement systems for electric current in industrial applications, with over 60 years of experience in the sector. DynAmp products provide accurate and reliable data for monitoring, protection and optimization of electrochemical and industrial processes.

Consistent with its vision, the FRIEM Group intends to fully integrate the concept of sustainability into its business model, thus interpreting sustainability as a strategic approach to business management. The FRIEM Group is committed to the creation of economic, environmental and social value for its stakeholders with the aim of contributing to sustainable development.

This Policy outlines the strategies and commitments regarding the sustainability of the FRIEM Group and aims to define the guidelines for managing the main ESG (Environmental, Social and Governance) impacts of the Company.

References

This Policy is based on the following external regulatory references.

United Nations 2030 Agenda and Sustainable Development Goals (SDGs)

In September 2015, the governments of the 193 member countries of the United Nations adopted the 2030 Agenda for Sustainable Development, structured into 17 Sustainable Development Goals (SDGs) and 169 specific targets. The SDGs represent a global framework for promoting balanced economic, social and environmental development. The FRIEM Group recognizes the central role of businesses in contributing to the achievement of these objectives and is committed to supporting them through its industrial activities, technological innovation and responsible management of its impacts, with particular attention to the issues of energy, decent work, innovation and climate action.

UNI EN ISO 26000 "Guidance on social responsibility"

The UNI EN ISO 26000 standard provides guidelines on the principles of social responsibility and the ways of integrating socially responsible behavior within organizations. It covers seven fundamental areas, including governance, human rights, labor practices, environmental protection, fair operating practices, consumer issues, and community involvement. The FRIEM Group adopts ISO 26000 as a reference guide to orient its corporate policies and practices, promoting responsible and transparent management of activities along the entire value chain.

Paris Agreement on Climate Change (COP21)

The Paris Agreement, approved in 2015 as part of the Conference of the Parties (COP21), aims to keep the increase in global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit it to 1.5°C. The FRIEM Group recognizes the urgency of the fight against climate change and is committed to contributing to this objective through improving the energy efficiency of its processes, reducing greenhouse gas emissions and developing technological solutions to support the decarbonization of energy systems.

European Green Deal and "Fit for 55" package

The European Green Deal defines the EU strategy to achieve climate neutrality by 2050, promoting the transformation of production and energy systems towards a sustainable and low-emission economy. The European Climate Law establishes the binding goal of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. The "Fit for 55" package integrates regulatory tools on renewable energy, energy efficiency, carbon market and compensation mechanisms. The FRIEM Group directs its industrial activities and technological innovation to contribute to these objectives, integrating sustainability and decarbonization into its processes.

OECD Guidelines for Multinational Enterprises

The OECD Guidelines for Multinational Enterprises constitute an international standard of responsible conduct for companies operating in global contexts. They provide recommendations on human rights, labor practices, environmental protection, combating

corruption, consumer interests and transparency. The FRIEM Group adopts these guidelines as a reference for the responsible management of its activities and for the promotion of ethical and sustainable behavior along the supply chain, according to a due diligence approach.

Fundamental Conventions of the International Labour Organization (ILO)

The fundamental ILO Conventions define the essential principles and rights in the field of work, including freedom of association, the elimination of forced labor and child labor, and the prohibition of discrimination in the workplace. The FRIEM Group is committed to respecting and promoting these principles in all its companies and to requiring their respect also from its suppliers and commercial partners.

European regulatory framework on sustainability reporting (CSRD and ESRS)

The Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS) define a harmonized framework for reporting sustainability information at European level. The FRIEM Group considers this framework as an evolving reference for strengthening transparency, the quality of ESG information and the integration of sustainability into governance and management processes.

Scope and methods of application

This Policy is approved by the Board of Directors of FRIEM S.p.A. as the parent company and applies to all companies of the FRIEM Group. The Group undertakes to disseminate its contents among its employees and to make it available to relevant stakeholders.

Review

The Policy is subject to review if relevant changes occur in the regulatory, strategic or operational context of the Group with significant impacts on ESG issues.

Sustainability commitments

Innovation and sustainable solutions of the Group

The FRIEM Group is committed to promoting sustainability through the development and supply of products and technological solutions that support the energy transition and the decarbonization of industrial processes.

FRIEM S.p.A. designs and manufactures converters intended for the production of green hydrogen and other industrial applications, constantly investing in research, development and innovation to improve energy efficiency and reduce greenhouse gas emissions. Poseico S.p.A. develops advanced power electronics solutions for the industrial and transport sectors, favoring the improvement of the quality of electricity grids and the management of system obsolescence through the availability of spare parts, in particular semiconductors, contributing to product durability and the circular economy. DynAmp LLC provides high-precision measurement systems for direct current, allowing customers to monitor energy consumption, identify inefficiencies and reduce waste, supporting a more responsible and sustainable resource management.

The FRIEM Group is thus committed to favoring the adoption of efficient technological solutions along the entire value chain, creating sustainable value for customers, partners and communities, and contributing concretely to the ecological transition and global decarbonization objectives.

Environment and management of environmental impacts

The FRIEM Group is committed to managing all environmental aspects related to its activities in a responsible and structured manner, reducing the impact of operations and products throughout their life cycle. Environmental issues are managed through certified management systems, which guarantee a systematic approach and compliance with applicable regulations.

The Group is committed to paying the utmost attention to energy consumption and greenhouse gas emissions, recognizing their central role in the transition towards a sustainable development model. With this in mind, the Group systematically monitors its energy consumption and related emissions, promotes continuous improvement of the efficiency of production processes and, where possible, favors the increase in the use of energy from renewable sources. These actions aim to reduce the climatic impacts of the Group's activities, contributing to the achievement of international objectives to combat climate change.

The Group is committed to managing the water resource responsibly, aware of its environmental and social importance. It promotes consumption monitoring, waste prevention and the adoption of operating practices that ensure efficient water use. Particular attention is dedicated to the management of water flows and discharges, ensuring compliance with applicable environmental regulations and the prevention of potential negative impacts on ecosystems and the territories in which it operates.

The Group is committed to implementing an approach based on the principles of the circular economy, orienting material management to reduce environmental impacts throughout the

product life cycle. Attention is focused on the responsible choice and use of raw materials and packaging, favoring solutions that allow reducing resource consumption, optimizing the use of materials and facilitating their reuse or recovery. Waste management is addressed with the objective of preventing its production and minimizing its quantities, favoring recycling and recovery over disposal. Chemical substances are used and treated in compliance with applicable regulations and safety requirements, with the commitment to prevent risks to people and the environment and to promote responsible practices along the value chain.

The Group is also committed to developing products through scientific methodologies and ecodesign principles, in order to minimize environmental impacts both during use and at end-of-life. This approach includes the selection of low-impact materials, design oriented towards energy efficiency, durability and maintainability, as well as ease of disposal or recycling. In this way, the Group's technological solutions contribute to ensuring a sustainable and responsible product life cycle.

Social responsibility, people and community

The Group considers the health, safety and well-being of people a strategic priority and an essential element for creating long-term value. It is committed to ensuring safe and healthy work environments, preventing accidents and occupational diseases, and protecting the physical and psychological integrity of its people, by adopting certified management systems and complying with local regulations, as well as promoting continuous training on health and safety. The Group promotes welfare initiatives and tools, policies for reconciling professional and private life and organizational practices aimed at respecting the balance of people, favoring a sustainable and inclusive work environment in the long term.

The Group promotes fair and dignified working conditions, favoring social dialogue, active involvement of employees and a company climate based on responsibility and collaboration. It considers the continuous training of its people as a lever for the development of technical, professional and managerial skills, with particular attention to the growth of managers, so that they exercise a conscious guidance role, oriented towards talent development, the enhancement of diversity and the well-being of teams. The Group supports structured professional growth and development paths, supported by adequate and transparent evaluation systems, aimed at recognizing acquired skills, expressed performance and individual contribution to the achievement of company objectives.

In this context, the Group is committed to building and maintaining a respectful, fair and inclusive work environment, based on equal opportunities, respect for personal dignity and the protection of human rights. The Group opposes any form of discrimination, harassment or behavior that harms the person, promoting a company culture based on respect, responsibility and integrity. In accordance with the main international references on human rights and decent work, the Group rejects all forms of child labor, forced or compulsory labor and human trafficking.

The Group pays particular attention to the protection of customers, basing commercial relations on principles of correctness, transparency and good faith. The protection of customer health and safety is ensured through products designed and manufactured in compliance with applicable technical and regulatory requirements, as well as agreed quality standards, throughout the entire product life cycle. The Group also undertakes to guarantee clear, accurate and transparent communications, avoiding misleading information and providing adequate instructions for correct and safe use of products and services. This commitment is reinforced by qualified after-sales support, aimed at accompanying customers over time and maintaining high levels of reliability, safety and satisfaction.

The Group recognizes the importance of dialogue and positive contribution to the communities in which it operates and is committed to carrying out its activities in compliance with the social, economic and territorial contexts of reference. In this perspective, the Group promotes responsible and transparent relationships with local communities, institutions, the research world and other stakeholders, favoring initiatives that contribute to the sustainable development of the territory, the dissemination of skills and the creation of shared value. The commitment to communities is also materialized through responsible corporate behavior, compliance with applicable regulations and attention to the direct and indirect social impacts of its activities.

Ethical, transparent and responsible governance

The FRIEM Group is committed to implementing this Policy through the structuring and implementation of action plans that lead to the concrete inclusion of sustainability in its daily actions. Transparency, involvement and accountability towards stakeholders are supported by the sustainability reporting that the Group undertakes to conduct on a regular basis.

The Group operates according to the highest ethical and governance standards, basing its activity on principles of integrity, transparency and responsibility. In this area, the Group is committed to preventing and combating any form of corruption, fraud, extortion, conflict of interest, money laundering, abuse of power or unethical behavior, promoting a company culture based on legality and respect for rules. These principles guide decision-making processes, relationships with customers, suppliers, partners and institutions, as well as the conduct of its people at all levels of the organization.

The management of company information, personal data and intellectual property is considered an essential element of the Group's governance. To this end, the Group adopts adequate organizational and technical measures to guarantee the confidentiality, integrity, availability and security of information, preventing unauthorized access, data loss or improper use. The Group also promotes a structured approach to managing IT and operational risks, including data protection systems, business continuity and recovery in the event of adverse events, in order to ensure the reliability of IT systems and the protection of stakeholders.

The Group promotes a responsible supply chain, integrating environmental, social and governance criteria into the processes of selection, qualification and evaluation of suppliers. In this context, the Group adopts a due diligence approach aimed at preventing and mitigating ethical, social and environmental risks along the supply chain, with particular attention to respect for human rights, worker health and safety, environmental protection, fair labor practices and compliance with applicable regulations. Dialogue with suppliers and monitoring their ESG performance represent key tools for promoting responsible behavior and contributing to the overall sustainability of the Group's activities

FRIEM Group is an industrial group specializing in electrical power conversion technologies for energy-intensive industrial processes. The Group combines expertise in power conversion systems, power semiconductors and advanced current measurement technologies, serving key industries including green hydrogen, chlor-alkali, aluminium, copper, and steel.

With over €60 million in production value generated across international markets, 2.5 GW of manufacturing capacity and more than 200 employees, FRIEM Group supports industrial customers worldwide through an operational presence spanning Europe, North America, South America, the Middle East and Southeast Asia.

FRIEM Group brings together:

FRIEM S.p.A., headquartered in Segrate (Milan, Italy), with subsidiaries in the United States, Brazil, Chile and Germany and commercial offices in Indonesia and the United Arab Emirates, designs and manufactures modular high-current power conversion systems for electro-industrial and energy applications.

Poseico S.p.A., headquartered in Genoa (Italy), develops and manufactures high-power semiconductors, assemblies and custom converter components for electric conversion.

DynAmp LLC, headquartered in Grove City, Ohio (USA), specializes in mission critical high accuracy, high reliability, and direct current measurement systems for the global electro industrial industry.