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TCFD Report 2023

1. About this Report

Exor N.V. ("Exor") recognises the importance to proactively address risks and opportunities related to climate change that affect both Exor and its investee companies through clear and transparent reporting to its stakeholders. Therefore, in line with previous reporting, Exor provides a dedicated disclosure on climate change-related issues which is aligned with the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). Further information and resources related to Exor's approach to sustainability, including the Sustainability Report 2023, are available in the "Sustainability" section of the Exor website (https://www.exor.com/).

In FY2023, Exor N.V. was a diversified holding company. In this TCFD report (the "Report"), when referring to "Exor" or the "Holding level", it is intended to include Exor N.V. and its sub-holdings through which it manages its cash and develops its investing activity (Holdings System). Exor, together with its operating subsidiaries and associates, constitutes the "Exor Group" or the "Group". Please note that from 1 January 2024, Exor changed its reporting as it has determined that it is an Investment Entity under IFRS 10 as of that date. Additional information can be found in the FY2023 Annual Report.

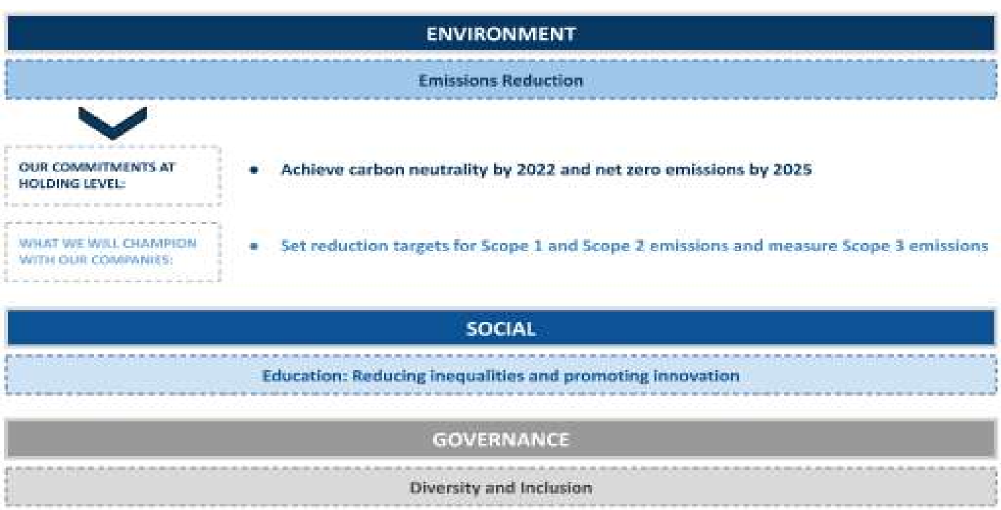
Exor has a culture that combines entrepreneurial spirit and financial discipline. Over time, Exor has incorporated sustainability as a key part of both its business model and investment-decision process, with the aim to embed long-term value creation and to seek new business opportunities. Exor's purpose is to "build great companies" while providing opportunities for its people to grow, to make a positive contribution to society and to deliver superior returns to its investors.

Exor believes that great companies are not just those that are distinctive in what they do but also those that seek out renewal and change and perform to the highest standards. In doing all of this, great companies need to act in a responsible way. Exor views this element as one that cuts across the other three elements of being a great company and Exor therefore expects all its investee companies to engage with their stakeholders on sustainability topics and to set and achieve clear sustainability targets. Exor believes that great companies who act in a responsible way are those who identify clear priorities, align with best practices, and set data-driven targets, with the ambition of achieving sustainability leadership.

Exor's core sustainability framework sets out a strategic plan structured in three parts (Foundations, Passions and Communication), defining its sustainability targets based on the three sustainability “passions”: emissions reduction, education and diversity & inclusion, aligned with a subset of the United Nations Sustainable Development Goals (SDGs).

Sustainability Framework

Exor’s Sustainability Passions



At Holding level, Exor is committed to emissions reduction, in particular to maintain carbon neutrality and to positively contribute to the transition to a low-emission economy by achieving net-zero emissions by 2025. Exor reached carbon neutrality at Holding level and is committed to maintain the same result for the coming years. Furthermore, Exor is encouraging all its investee companies to make progress in the area of emissions reduction by setting reduction targets for Scope 1 and 2 emissions and measuring Scope 3 emissions.

In this context, Exor supports the effort of the TCFD and, from 2021, it started implementing the relevant recommendations, allowing for a better evaluation of the actual and potential impact of climate-related risks and opportunities on Exor's business, strategy and financial planning.

By identifying and assessing the most relevant risks and opportunities for Exor and its investee companies, Exor's management can understand how to better mitigate risks while also seizing future opportunities. As a result, Exor will be able to verify the resilience and robustness of its strategies with an aim to create long-term value. Exor is committed to establish a clear and transparent communication on climate change mitigation, adaptation and energy transition.

Exor's second TCFD Report, in line with the previous report in 2022, is the result of a well-defined process that has been undertaken in order to formally set out its positioning on each of the four TCFD recommendations. Besides defining an organisational structure for governing climate-related risks and opportunities, Exor has performed a scenario analysis to identify the impact of these risks and opportunities on its business and defined a set of metrics and targets to measure its performance.

Exor prepared this Report taking into account best practices among peers, TCFD recommendations, as well as specific additional guidance for European holdings and building on publicly available data and information disclosed by its largest public investee companies[1]. Exor considered Ferrari, Stellantis, CNH Industrial and Iveco Group, which together represented approximately 99% of the Exor Group's carbon footprint. This strategic approach allowed Exor to use the high-quality data published by the investee companies, and then assess the potential impacts of those risks and opportunities on Exor's GAV. More details are provided in section 3.2 of this Report.

[1] For further information please refer to "*Implementing the Recommendations of the TCFD*" at the following link https://www.fsb-tcfd.org/publications/.

Through this Report, Exor is committed to demonstrate how, at the Holding entity level, it is transitioning the business while supporting the interests of all relevant stakeholders, driving long-term results and enabling continuous improvement both at Holding level and among its investee companies. This Report is structured in accordance with TCFD guidelines and covers the entire 2023 reporting year. Where relevant, information and data from the previous reporting years are provided for comparability and transparency.

2. Governance

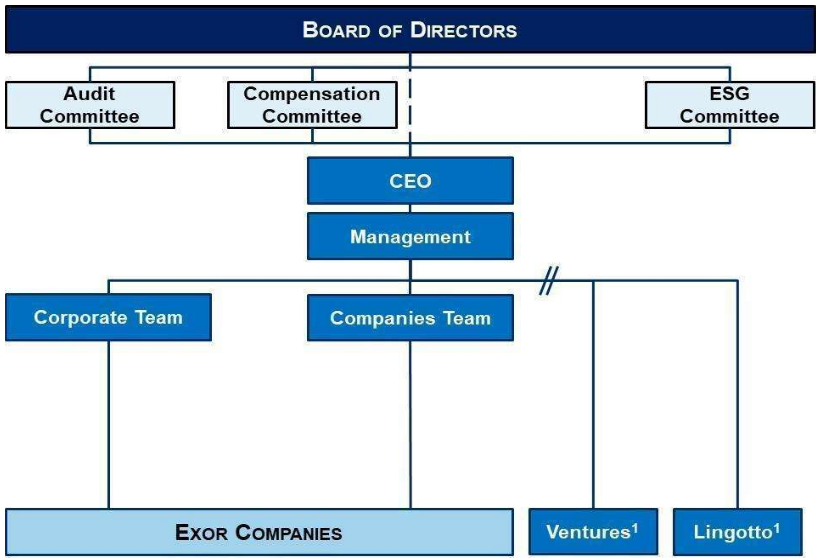
This section provides a description of the governance structure put in place by Exor, at Holding level, to identify and manage climate-related risks and opportunities and helps understanding Exor's commitment and engagement to manage climate change issues herein.

Exor believes strongly in the importance of high-quality corporate governance. The board of directors of Exor (hereafter the "Board"), consisting of executive directors (the "Executive Directors") and non-executive directors (the "Non-Executive Directors"), is responsible for the corporate governance of Exor at Holding level.

The Board is entrusted with the management of the Company and as a whole it is responsible for the strategy of Exor and its purpose to build great companies and deliver superior returns to its shareholders. In the performance of its tasks, the Board is guided by sustainable long-term value creation and takes into consideration the stakeholder interests that are relevant in this context. For further details please refer to the "Corporate Governance" chapter within the "Board Report" section in the FY 2023 Annual Report.

Exor's Organisational Chart - as well as a detailed description of how climate-related risks and opportunities are overseen by its Board and assessed and handled by its management - is set forth on the next page.

Exor N.V. Organisational Chart



1) Entity is not part of the Holdings System as defined in Exor's corporate documents

The Board reviews and approves the sustainability approach and all the related relevant work-streams at Holding level; the Board also reviews and approves sustainability-related disclosures. Please find below further details on roles and responsibilities concerning the Board and management:

- The ESG Committee assists and supports the Board in carrying out their sustainability governance and oversight responsibilities in Exor itself.
- The Audit Committee reviews and assesses, on an annual basis, the risks and internal controls related to Exor.
- The Compensation Committee reviews Board remuneration, which may also include sustainability considerations.

Management is responsible for implementing the sustainability approach in Exor and championing its investee companies in making progress on their targets. The Chief Operating Officer ("COO") is the designated lead for sustainability matters in Exor with competences on climate related issues.

Within Exor, several employees work transversally on sustainability issues at Holding level and on the approach across its investee companies.

2.1 Oversight by the Board

The Board is responsible for Exor's overall strategy which also includes sustainability and climate-related issues.

In order to oversee all relevant sustainability matters, the Board has established the ESG Committee, aimed at providing assistance and support to the Board and granting guidance on the key global sustainability and climate-related issues at Holding level. The ESG Committee is composed of three Non-Executive Directors, appointed by the Board. All members of the ESG Committee, including the chair, have developed a strong experience concerning the portfolio and the sustainability management, including overseeing pathways to Net Zero. The ESG Committee interacts with the management representatives and functions within Exor, in particular with Exor's COO. Furthermore, the ESG Committee advises Exor's management on how it should use its role within the governance of Exor's investee companies to champion progress on sustainability issues and track the progress achieved.

Within the framework of its role of assistance and support to the Board, the ESG Committee promotes relevant sustainability and climate-related issues as standing items on the agenda of the Board. The ESG Committee meets on a bi-annual basis and has the flexibility to schedule specific meetings when the circumstances require. After each meeting, the ESG Committee updates the Board on the topics discussed.

The remuneration of Executive Directors and management is subject to Exor achievements, that may include those related to sustainability, and is periodically reviewed by the Compensation Committee which assesses the adequacy of the performance measures used to support sustainable long-term value creation.

From November 2021, the Board has committed to ensuring responsible sustainability governance in Exor through the adoption of three pillars (Foundations, Passions, Communications) as described in the introduction of this Report.

Given this context, Exor has established a sustainable path towards climate neutrality, with specific targets and objectives, namely, to continue maintaining the carbon neutral status which Exor reached in 2022 for the coming years and net-zero emissions by 2025 at Holding level. With the support of the ESG Committee, the Board oversees progress against these targets, and addresses the main climate-related issues impacting Exor's objectives at Holding level. In particular, this includes:

- monitoring Exor greenhouse gas ("GHG") emissions using dedicated Corporate Carbon Footprint reports, prepared internally or by third-party experts, accounting for both Exor and the emissions of its investee companies (where available);
- taking timely actions on identified sustainability and climate-related risks and opportunities, supported by internal risk management procedures and interfacing with the Audit Committee which also has access to information and involvement in the management of climate related risks and opportunities, as described in Section 4 "Risk Management".

2.2 Management's role

Exor believes in the positive and active role it can play towards the investee companies and monitors their environmental performance both through its role on their respective Boards and through its dialogue with their management teams. Exor gives earnest consideration to the positive impact it can have on its investee companies concerning sustainability - including on climate-related matters - notwithstanding, it respects their autonomy.

Exor's management, with the COO as the reference point in sustainability and climate-related matters, is responsible for implementing the sustainability strategy within Exor and defines the actions to be implemented in order to meet the underlying objectives and targets. Management is supported by a transversal and multi-disciplinary group of managers and employees, who are responsible for the day-to-day duties related to Exor sustainability projects, including the commitment to confirm carbon neutrality year by year and to achieve net-zero emissions by 2025, at Holding level. Exor also collaborates closely on sustainability and climate-related topics with its investee companies, interacting with their management teams on a regular basis.

Exor holds meetings with its investee companies to track evolution on their respective sustainability journeys, including climate targets, providing both qualitative and quantitative insights for discussion. To share expertise and knowledge across the investee companies, Exor has also established a topic-specific network entirely dedicated to sustainability matters. The network meets regularly and benefits from contributions by subject-matter experts and external guests with outstanding experience in the area.

The ESG Committee and the Board are regularly informed about these meetings and updated accordingly, including in relation to the progress and achievements of each of the investee companies.

2.3 Sustainability and climate governance within the investee companies

Exor supports the investee companies in developing and adopting solid governance with a set of sustainability foundational practices, policies and strategies that are relevant to their respective industries.

All Exor's public investee companies are characterised by a robust sustainability governance system, have put in place relevant sustainability policies that adhere to internationally recognised guidelines, have implemented a whistleblowing mechanism and are provided with effective risk evaluation and mitigation systems to identify and assess risks, including those related to climate change. Exor strives to champion for climate change within its investee companies who operate in a rapidly changing world; these efforts are endorsed and substantiated by those companies that have officially committed to the implementation of sustainable manufacturing practices and to a solid and clear path towards carbon neutrality, such as CNH Industrial and Ferrari. Others have started their journey towards climate change mitigation by producing low carbon products: Stellantis, for instance, has recently defined its future direction in the electric vehicles (EV) market and Iveco Group is focused on transforming its business towards a more sustainable future.

3. Strategy

This section describes the resilience of Exor's strategy, taking into consideration different climate scenarios and considering the main cross-company climate-related risks and opportunities that could impact the investee companies in the short, medium and long term.

Exor is fully aware of the impact that climate change could have on its business and has therefore committed to maintain carbon neutrality in 2023, and net-zero emissions by 2025. To reach these goals, Exor has identified climate-related risks and opportunities in line with TCFD recommendations, based on its composition and has quantitatively assessed those that are most relevant.

3.1 Exor’s Profile and Strategy

Exor is one of Europe’s largest diversified investment holding companies, with a Net Asset Value (NAV) of around €36 billion at 31 December 2023. It is headquartered in Amsterdam, the Netherlands, listed on Euronext Amsterdam and included in the AEX Index.

For over a century, Exor has built great companies. It originated from the holding companies that brought together Senator Giovanni Agnelli (the founder of FIAT)’s shareholdings in Fiat and other diversified investments. Exor was formed in 2009 when these historic holding companies (IFI and IFIL) merged.

Exor's portfolio has evolved over the years from a limited number of controlling investments to a larger, globally diversified set of investments in leading companies. The portfolio is principally made up of companies in which Exor is the largest shareholder and where Exor plays an active role in their governance, supporting them in becoming great companies.

Exor is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli. This continuity of ownership gives Exor its long-term perspective and has allowed it to preserve its founding culture, which combines entrepreneurial spirit with financial discipline.

Exor’s purpose is to build great companies in both the public and private sectors. Through doing this, it creates opportunities for talented people, makes a positive contribution to society and delivers superior returns to its investors. It defines great companies as those that not only perform to the highest standards but also are distinctive in what they do, seek renewal and change and act in a responsible way.

Exor helps to build these great companies by creating strong governance that allows diversity of thinking, by fostering cultures with clarity of purpose and by appointing leaders that embody its values. Through building great companies, Exor aims to deliver superior returns to its investors by outperforming the MSCI World Index. Its portfolio has diversified over time from primarily controlling shareholdings to also include minority shareholdings, and to other asset classes such as venture investments (managed by Exor Ventures) and alternative investment strategies (managed by Lingotto).

Exor looks for investment opportunities in companies that have the potential to be great and where Exor’s participation in their governance can accelerate their performance. When opportunities are identified, they are screened using the following investment criteria.

UNDERSTANDING	PEOPLE	VALUE
We invest only when we understand	**We back talent and look for cultural alignment**	**We decide based on value not only price**
✓ We learn from practitioners who bring deep knowledge	✓ We believe people are what make the difference	✓ We assess intrinsic and potential value to invest when the price is right
✓ We form our own opinions and strive to be aware of what we don't know	✓ We know that behaviours are as important as skills or knowledge	

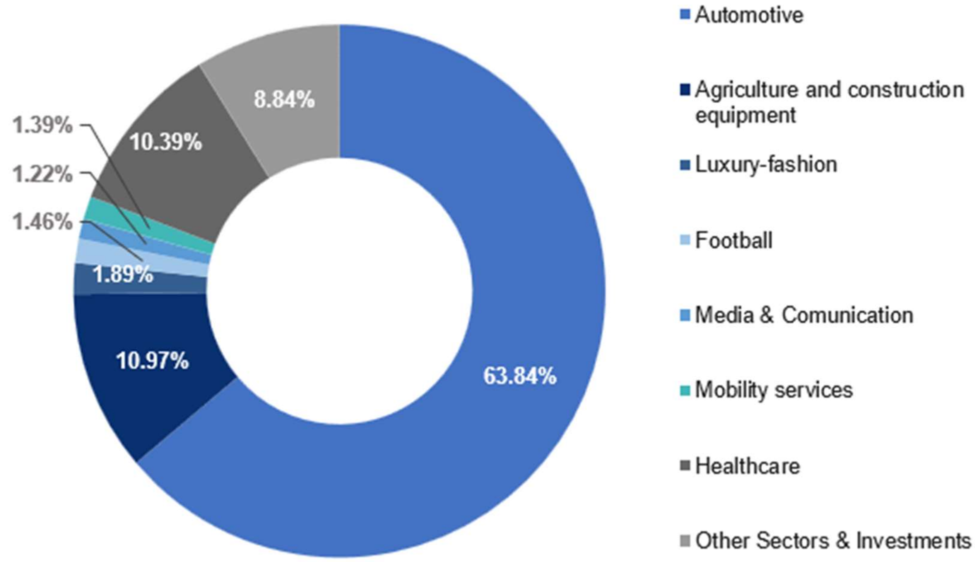
Exor's Gross Asset Value (GAV) as of 31 December 2023[2] amounts to €39,819 million and is formed by "Companies" (Ferrari, Stellantis, CNH Industrial, Philips, Iveco Group, Juventus, Institut Mérieux, Christian Louboutin, Via Transportation, The Economist Group, GEDI Gruppo Editoriale, Welltec, Shang Xia, Lifenet, Casavo, NUO, TagEnergy), "Investments" (Lingotto and Ventures) and "Others" (liquidity, other assets and treasury shares).

The investee companies operate in different industries. The major industries are "Automotive" (inclusive of Performance and Luxury Cars sector) and "Agriculture and Construction equipment", which contribute to 75% of Exor's portfolio GAV[3]. The GAV portfolio breakdown by industry is shown on the next page.

[2] Data from Exor N.V. Annual Report 2023.

[3] Excluding items categorised as Other as reported in the Exor N.V. Annual Report 2023.

The GAV portfolio breakdown by industries



Exor's 2023 TCFD analysis has been carried out on the same perimeter of the previous year, namely on: Ferrari, Stellantis, CNH Industrial and Iveco Group. These investee companies account for approximately 99% of the CO2 emissions deriving from the investee companies and considering the nature of their business, they are likely to have a high level of exposure to both transition and physical climate change risks and opportunities in the short, medium and long term.

The perimeter adopted allows Exor to build on publicly available high-quality data and information disclosed by some of its largest investee companies, and then consolidate such information at Holding level.

3.2 Climate-related scenario analysis

Scenario analysis

In line with the TCFD recommendations, Exor's resilience strategy has been assessed at an investee company level by considering different climate scenarios defined by internationally accredited providers

(IEA, IPCC - SSP/RCP), which use advanced statistical modelling in order to give representation of climate state and climate-related policy evolution.

Climate change effects could have extended impacts over time, often exacerbated in the long term, and scenario analysis is useful to better understand potential negative or positive impacts on Exor's business, strategy and financial planning in the short term (by 2027), medium term (by 2031) and long term (by 2036).

In Exor's second TCFD Report, in line with the approach adopted for the former disclosure, the impacts of climate-related risks and opportunities are evaluated starting from reference scenarios, which represent the strategic overview of each of the investee companies in scope as publicly disclosed. Reference scenarios are then reviewed in relation to physical and transitional climate factors, which are more or less stressed in alternative scenarios, according to the expected climate-related development.

Exor identified four different climate pathway scenarios, also taking into consideration assets and infrastructure, which could encompass climate-related policy evolution, climate change effects on socio-economic development and direct physical effects on the global environmental state due to the expected increase of global mean temperature. The identified scenarios are the following:

- **"Business as usual" scenario** (IEA - STEPS, IPCC - SSP2/RCP6) which represents the current "as is" situation in terms of the regulatory framework in place to fight climate change issues and, consequently, of external market variables following the current trend. It also considers both current socio-economic development and population projections, connected to long-term trend of climate change effects on the environment, as expected today;
- **"Slowed down" scenario** (IPCC - SSP3/RCP6), with long-term trends reflecting today's expectations on climate effects on the environment, represents a slower socio-economic development, with fragmentation between advanced and developing countries. This would result in overall higher global population projections;
- **"Intermediate" scenario** (IEA - APS), which assumes that all climate commitments announced by governments around the world to fight climate change are met successfully. This scenario is considered as a step towards the most ambitious results, but not yet sufficient to reach net-zero emissions.
- **"Accelerated" scenario** (IEA - NZE, IPCC - SSP1/RCP2.6), describes a regulatory framework set to reach the most ambitious targets of emission reduction by 2050 (Net Zero). In this scenario,

the market demand is strongly focused on sustainable products and green energy transition. It also assumes socio-economic development based on sustainability, connected to less critical climate change effects on the environmental state, which results in lower global population projections.

Risks and Opportunities

Due to the complexity of the investee companies, both in terms of industry heterogeneity, high profile and market relevance, Exor adopted a bottom-up approach to identify climate change risks and opportunities, considering their respective climate-related commitment and disclosure maturity. Exor started by analysing risks and opportunities identified by the in-scope investee companies, and subsequently identified the most relevant cross-companies climate risks and opportunities for Exor as a holding company based on material financial impact in terms of GAV and future investment return.

The investee companies in scope operate in the automotive, agriculture and construction, luxury performance sports cars, commercial vehicles and powertrains industries. Although those industries have their own specificities and characteristics, there are certain transitional and physical climate-related risks and opportunities in common. For this reason, Exor has assessed the climate risks and opportunities that might have a significant impact on its GAV.

The following tables represent climate-related risks and opportunities that have been assessed through scenario analysis.

Exor

Climate-related Risks Description

#	TCFD Classification	Risk Event	Impact description
1	**TRANSITION** **Policy & Legal:** New or more stringent regulations on carbon pricing mechanism on Scope 1&2 in specific countries where investees mainly operate.	Introduction of new regulation concerning carbon pricing mechanism and potential increase of carbon tax on Scope 1&2.	Impact on Exor's GAV due to the increase of investees operating costs related to cash outflows for the payment of carbon tax due to emerging regulation and increase of carbon prices.
2	**TRANSITION** **Market:** Rapid spread of low emission products is increasing sharply and it is expected to keep growing in the future.	Inability of the portfolio companies to adapt in time to the transition of electric vehicles (BEV and FCEV).	Impact on Exor's GAV due to potential loss in revenues at investees level due to electric vehicles strategy roll out that is not aligned with future market demand in the different climate pathway scenarios.
3	**TRANSITION** **Policy & Legal:** More stringent regulations on CO2 emissions thresholds for vehicles sold based on portfolio mix in countries where it is applicable.	Higher penalties for CO2 emissions exceedance applied to investees vehicles sold in specific country based on portfolio composition	Impact on Exor's GAV due to the increase of investees operating costs related to the payment of penalties for CO2 emissions exceedance per vehicle.
4	**PHYSICAL** **Acute:** Event-driven risks including increased severity of extreme weather events, such as hurricanes, floods, earthquakes **Chronic:** Longer-term shifts in climate patterns might cause droughts, heat waves and water stress	Business interruption or loss in productivity at investee level	Impact on Exor's GAV due to loss in revenues, reduced product availability and an increase in repair costs of damaged buildings at investee level

Climate-related Opportunities Description

#	TCFD Classification	Opportunity Event	Impact description
1	**TRANSITION** **Product and services, Technology:** Development of new products and services through R&D and innovation	Investee companies product portfolio extension, through the development of precision farming solutions and hydrogen technology	Impact on Exor's GAV due to an increase of investee revenues related to the development of new products and services
2	**TRANSITION** **Energy efficiency:** Energy efficiency projects through decarbonization strategy	Energy efficiency projects, aimed primarily at reduce CO2 emissions and reach decarbonization targets at investee level	Impact on Exor GAV due to operating costs savings at investee level

All the investee companies in scope are potentially exposed to the transition risk related to new or more strict regulations on carbon pricing mechanisms, even though they currently have in place strong decarbonisation strategies to reduce their global carbon footprint. The specific carbon pricing mechanisms that Exor has assessed refers to the introduction of new carbon tax regulation in specific countries and to the price increase of a carbon tax on Scope 1 and 2 emissions of Exor's largest investee companies. This climate risk could be relevant for Exor considering that the portfolio of investee companies includes industrial manufacturers, with a high level of dependency on production facilities located around the world. The introduction of new regulations or the price increase of carbon tax on in-scope investee companies' Scope 1 and 2 emissions could result in an increase in their operating costs, potentially negatively impacting Exor's investment return.

Another relevant risk for the majority of the investee companies is related to more stringent regulation with reference to downstream Scope 3 GHG emissions resulting from the use of in-scope investee companies' products such as cars, vans and trucks. More stringent regulations on CO_2 emissions thresholds for cars, vans and trucks manufacturers might lead to the payment of penalties if the average fleet emissions exceed the regulatory emissions targets. Regulatory schemes are different in relation to the markets and geographies where the in-scope investee companies operate. This risk could be relevant for the investee companies as vehicle CO_2 emissions standards are expected to be more stringent in the future, and in-scope investee companies sell vehicles in countries where regulations on fuel consumption and CO_2 emissions are severe. Violation of vehicle emissions regulations standards might also have a negative impact on reputation and could have implications on Exor's GAV and investment return.

The industries where the in-scope investee companies operate are subject to the transition towards low emissions technologies and products, such as BEV (Battery Electric Vehicles) and FCEV (Fuel Cell Electric Vehicles), although with different expected growth rates in relation to the various industries and geographical markets where the in-scope investee companies operate. The rapid spread of low emission products is increasing sharply and it is expected to keep growing in the future. The inability to adapt in time to the transition towards low emission products may result in a loss of revenues for the investee companies and could have negative implications on Exor's investment return. Exor believes that, to some extent, the future performance of its in-scope investee companies will depend on their ability to successfully manage the industry-wide transition from ICE (Internal Combustion Engines) to BEV or FCEV technology. If the investee companies are not able to meet future market demand, their competitiveness, as well as Exor's GAV, could be negatively impacted.

Chronic physical risks have also become more relevant in recent years. The investee companies included in Exor's analysis, due to their relevant industry-specific characteristics, have a high level of dependency on manufacturing plants, and could be negatively impacted by chronic climate risks such as heat waves, droughts and water stress, that could result in business interruption or loss of productivity. Water shortage represents a direct chronic physical risk for the in-scope investee companies since the majority of their manufacturing sites use high quantities of water for their production processes. Several aqueduct analyses were performed by the investee companies using specific climate tools to map the production sites located in potential water stressed areas.

Acute physical risks such as fires, earthquakes, floods, hurricanes and tornadoes, are also becoming increasingly relevant and frequent in recent years. The consequences on the in-scope investee companies might include business interruption, a reduced product availability and an increase in repair costs of damaged buildings. This may lead to a negative impact on revenues and to an increase in operating costs.

It is crucial to proactively fight climate change issues at their source, in addition to identifying and mitigating possible exposure to climate-related risks. In fact, moving first in a competitive market would create opportunities for companies, as well as reputational benefits. The in-scope investee companies have already identified growth potential drivers of their businesses through the development of new products and services thanks to R&D and innovation. Exor could be positively impacted with higher future growth rates of the in-scope investee companies' performances resulting from increased demand for such products and services. In addition, the investee companies have energy efficiency projects planned and they are integrating strong decarbonisation strategies aimed at reducing operating costs, potentially delivering positive impacts for Exor in terms of economic value and reputation.

3.3 Strategy resilience

Through its investee companies, Exor is involved in a wide range of sectors. This can play an extremely relevant role in the transition from the current development pathway to a low-carbon, climate-resilient one. Exor is therefore exposed to specific risks and opportunities related to those sectors and markets in which its investee companies operate. By selecting and carefully analysing climate pathway scenarios, Exor has been able to examine how the impact of the identified material risks and opportunities would change in a low carbon economy consistent with a 2°C or lower scenario. Scenario analysis allowed Exor to assess the robustness & resilience of its strategy and provided concrete guidance for capital allocation decisions.

Based on the risks and opportunities scenario analysis, the table below provides an overview of key climate-related risks and opportunities and the relative financial impact for Exor in the short, medium and long term as defined at par. 3.2 "Climate-related scenario analysis"**.** It should be noted that the financial threshold has been defined as a percentage of the GAV ("economic threshold" in the table below).

Climate-related Risks Impact - Scenario analysis

#	Climate factor	Risk Event	Scenario	Time Horizon		
				Short term	Medium Term	Long Term
1	Change on policy and regulation related to carbon pricing mechanism.	Impact on Exor's GAV due to the increase of investees operating costs related to the payment of carbon tax.	A	Marginal	Marginal	Marginal
			B	Marginal	Marginal	Marginal
			C	Marginal	Marginal	Marginal
2	Battery electric vehicles future market demand	Impact on Exor's GAV due to potential loss in revenues at investees level due to electric vehicles strategy roll out not aligned with future market demand.	A	Marginal	Limited	Limited
			B	Marginal	Marginal	Marginal
			C	Marginal	Limited	Medium
3	Change on policy and regulation related to vehicles emissions thresholds	Impact on Exor's GAV due to the increase of investees operating costs related to the payment of penalties for vehicles CO2 emissions exceedance.	A	Marginal	Marginal	Marginal
			B	Marginal	Limited	Limited
			C	Marginal	Limited	Limited
4	Increase severity of extreme weather events, and long term shift in climate patterns	Impact on Exor's GAV due to loss in revenues, reduced product availability and an increase in repair costs of damaged buildings at investee level.	A	Marginal	Marginal	Marginal
			C	Marginal	Marginal	Marginal
			D	Marginal	Marginal	Limited

A: Business As Usual scenario
B: Intermediate scenario
C: Accelerated scenario
D: Slowed-down

Financial Thresholds Description

	No impact	Marginal	Limited	Medium	Significant	Extreme
Level	0	1	2	3	4	5
Economic Thresholds	0%	0-0.25%	0.25-1%	1-2%	2-4%	>4%

Climate-related Opportunities Impact - Scenario analysis

#	Climate factor	Opportunity Event	Scenario	Time Horizon		
				Short term	Medium Term	Long Term
1	- Socio-economic development - Market demand of food - Changes in customer preferences - Increase of global temperature	Investee companies product portfolio extension, through the development of precision farming solutions, and hydrogen technology	A	●	●	●
			C	●	●	●
			D	●	●	●
2	Shifting to renewable energy sources	Energy efficiency projects at investee level, aimed primarily at reduce CO2 emissions and reach decarbonization targets.	A	●	●	●
			C	●	●	●
			D	●	●	●

A: Business As Usual scenario
B: Intermediate scenario
C: Accelerated scenario
D: Slowed-down

Financial Thresholds Description

	No impact	Marginal	Limited	Medium	Significant	Extreme
Level	0	1	2	3	4	5
Economic Thresholds	0%	0-0.25%	0.25-1%	1-2%	2-4%	>4%

All the in-scope investee companies have strong decarbonisation strategies to reduce their Scope 1 & 2 emissions related to manufacturing processes and production facilities, thus the evolution of carbon tax and its price increase, in the considered scenarios, would have little impact on Exor's GAV in the period of analysis. According to the IEA World Energy Outlook, climate-related scenarios forecasted prices are in line with the 2022 assessment, except the business as usual scenario, which reports a restrained increase.

Considering the main industries that the investee companies operate in, major effort is associated with the transition towards lower emissions vehicles - BEV and FCEV (passenger cars, commercial vehicles, agricultural machinery, and luxury performance sports cars). In particular, the assessed risk is related to the inability of the in-scope investee companies to adapt in time to the transition towards electric vehicles, and it may result in a loss in revenues and competitiveness with a potential negative financial impact on Exor GAV. Electric vehicles' sales growth rate changes differently in climate scenarios and in markets where the investee companies operate, with major growth expected in the accelerated scenario rather than in the intermediate or business as usual ones, even if electric vehicles' sales growth rate in the business as usual scenario has shown a strong increase with respect to 2022 assessment. As a result of the analysis, the portfolio assessment showed a high level of resilience in all the climate change scenarios and reference time frames. In-scope investee companies' transition plans towards BEV and FCEV vehicles demonstrate to be aligned with industry specificities and to future BEV market development in the geographies where they operate. Furthermore, the transition towards low emission vehicles is necessary to comply with vehicle emissions regulations, which are expected to be more stringent in the future. The failure to comply with vehicles emissions regulations may result in considerable penalties and reputation damages at the level of the in-scope investee companies and, as a consequence, negatively impact Exor's GAV. The compliance with vehicle emissions regulations can be achieved through the development of new technologies (e.g. electric drive systems), that usually requires large capital investments. The in-scope investee companies have already presented ambitious low emission vehicles roll out plans and electrification strategies as part of their strategic targets. The investee companies are rapidly switching towards the production of low emissions vehicles, which supports the high level of resilience of the portfolio to the tightening of emissions thresholds for cars, vans and trucks manufacturers, in all climate change scenarios and time frames in the analysis.

Nonetheless, with respect to climate-related risks and opportunities, GHG emissions and decarbonisation strategies are not the only relevant issues that could affect the main industries of Exor's investee companies. Acute and chronic physical risks such as heat waves, droughts and water stress, could cause business interruption or a loss in productivity in the investee companies. From Exor's point of view, given the geographic diversification and the extended manufacturing network of the investee companies, it is unlikely that the identified climate factors occur everywhere at the same time. This means a lower financial risk impact for Exor's GAV, with respect to a single in-scope investee company risk which could be more relevant.

Potential opportunities could also be driven by the expansion of the product portfolio currently in place. The shift in consumer preferences towards sustainable solutions, driven by increased climate-awareness, requires manufacturers to adapt to evolving market demands. The investee companies have already developed new sustainable products and services and they will continue to enlarge their product portfolio through the development of sustainable products and services to capture the growth potential in the reference markets of precision farming solutions, electric agricultural equipment and hydrogen powered solutions for commercial vehicles. Technology innovation could help realise market opportunities by using more efficient digital equipment; for instance, in the agricultural business, climate change will affect global food demand projections and, at the same time, will increase the need to make the best use of cultivable land. The investee companies working in this segment are already implementing precision farming solutions, which will become indispensable solutions for future agriculture management, above all in the slowed-down climate scenario, where global food consumption is greater due to high demographic projections.

Another climate-related opportunity that Exor identified across its largest public investee companies is related to the development of energy efficiency projects through decarbonisation strategy. All of the investee companies in the scope of the analysis have energy efficiency projects in the pipeline, aimed primarily at reducing CO_2 emissions and reaching decarbonization targets. Energy efficiency investments will generate operating cost savings which, from Exor's portfolio perspective, could result in opportunities both in terms of economic value (indirect impact on GAV due to savings on investees operating costs) and reputation. In fact, an investee company committing to reach carbon neutrality could result in higher access to capital, for example through the financing of new and existing projects with environmental benefits, using alternative financing solutions such as green bonds.

Exor will continue to monitor the relevant physical and transition risks with the aim of reducing their potential impacts through risk-response strategy and, at the same time, will also be seeking new climate-related opportunities in the sectors in which its investee companies operate. Moreover, Exor will monitor other potential and relevant climate-related risks and opportunities arising from the expansion of its portfolio with other investee companies.

4. Risk Management

This section includes the description of processes for identifying, assessing and managing climate-related risks and opportunities, which are fully integrated within Exor's Enterprise Risk Management System. In addition, an overview of the metrics used by Exor to assess climate-related risks and opportunities in line with its strategy and risk management process is reported.

The process of identifying climate-related risks and opportunities and relative mitigation/implementation actions is embedded in the Enterprise Risk Management System ("ERM System") which is integrated within the organisation and governance structure. As described in Section 2, the ESG Committee oversees processes in place for Exor to identify and assess climate-related risks and opportunities. Climate-related risks and opportunities have been identified following the TCFD Implementing Guidance for relevant sectors, analysing all available internal documentation and conducting benchmarking analysis.

4.1 Assessing and managing risks

Climate-related risks and opportunities identification, assessment and management processes are fully integrated into Exor's ERM System, used in the identification and analysis of the main risks related to Exor. Exor's ERM System is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM Framework, which defines risk management as a "process affected by the Board of Directors, management and other personnel, applied in setting strategy across the organisation and designed to identify potential events that may affect the business, in order to manage the risk within the risk appetite and to provide reasonable assurance regarding the achievement of the business objectives". The COSO Framework is based on five areas: the control environment, risk assessment, control activities, information and communication, and monitoring and supervision.

The Audit Committee monitors the effectiveness of Exor's internal Control and ERM System and, together with Exor's management, performs a thorough exercise to identify and rank the main risks. Exor's risk assessment process consists of four phases: identification, classification, mitigation and reporting. It should be noted that Exor's ERM System is continuously being updated through the incorporation of risks and opportunities arising from the environment in which Exor and the investee companies operate, this includes elements related to sustainability aspects.

As described in Section 3 of this Report, in order to explore and assess the resilience of the portfolio and business strategy, Exor has performed scenario analysis with different climate pathways. Climate scenarios allow Exor to model how the impact and likelihood of the material risks and opportunities identified might change in each scenario. Exor quantifies the impact of climate-related risks and opportunities using risk adjusted GAV, through a bottom-up approach starting from key financial metrics at investee company level in terms of the increase/decrease in revenues or operating costs.

Exor manages risks and opportunities emerging in its value chain with reference to investee companies through specific engagement activities, as described in the next section. In addition, in the pre-investment stages, Exor conducts a due diligence process that includes, amongst others, assessment of sustainability elements. Findings from the due diligence are, if deemed relevant, reported to the Board and taken into consideration during the investment phase.

4.2 Company engagement

To fully integrate the TCFD model into Exor's overall risk management, Exor has reviewed the role and the approach of the Audit Committee regarding climate-related risks and opportunities.

TCFD model's strategy directions, including risks and opportunities categories, scenarios selection, time horizons and metrics and models, are being integrated within the risk policy and risk strategy of the ERM System. Given the Exor organisational structure and the autonomy and independence of the investee companies, it is important to consider that risks and climate-related matters material to the investee companies are identified and addressed by the investee companies themselves, within the framework of their own internal control. Exor, through its participation in the respective board of directors of its investee companies, supports the adoption of a sound internal control environment.

Exor encourages its investee companies to put in place foundational sustainability measures as well as to set and achieve their sustainability goals while always being conscious of their autonomy.

Some of the ways in which Exor supports its investee companies are outlined below.

1 CREATING AN ENVIRONMENT WHERE COMPANIES CAN THRIVE	2 EMPOWERING LEADERS TO BUILD GREAT COMPANIES	3 USING GOVERNANCE TO STEER OUR COMPANIES
✓ Stable ownership	✓ Use Exor's network to find new leaders	✓ Build effective boards
✓ Long-term committed capital	✓ Act as a "critical-friend" to leaders in its companies	✓ Support companies in their management successions
✓ Strong network	✓ Encourage the creation of strong and positive cultures	✓ Play an active role in the boards of all its companies
✓ Support and challenge companies' plans	✓ Promote diversity and inclusiveness	

Exor

5. Metrics and Targets

This section discloses metrics and targets connected to greenhouse gas (GHG) emissions and provides a description of main climate targets that Exor embraced. When available, data is provided for historical periods to allow trend analysis and comparison.

5.1 Exor and GHG emissions from its investee companies

Exor believes that, in order to define and refine the most effective strategy to maintain carbon neutrality, the starting point is to measure and monitor GHG emissions. Annually, Exor measures GHG emissions at Holding level and also considers emissions computed from its investee companies.

The GHG inventory has been calculated according to the Greenhouse Gas Protocol methodology, which is the most widely recognised international standard for the calculation of GHG emissions. The Greenhouse Gas Protocol initiative classifies GHG emissions into three "Scopes":

- Scope 1 emissions are direct GHG emissions from sources that are controlled or owned by Exor;
- Scope 2 covers indirect emissions that Exor causes from the generation of purchased electricity;
- Scope 3 emissions are all indirect emissions (not included in Scope 2) that originate from the value chain of the reporting company.

Scope 1 and Scope 2 emissions have been calculated according to the activity-based method which allows the calculation of GHG emissions associated with the company specific activities, processes and/or products on the basis of detailed consumption data such as energy bills and information provided by buildings' owners, while a hybrid approach was adopted for Scope 3 emissions, incorporating both activity-based and spend-based methods, depending on the Scope 3 Category[4]. Exor has collected emissions data since 2019. In line with best practices, the inventory in this Report covers the last three years and includes

[4] For upstream categories: spend-based method was applied for Cat. 1 (Purchased Goods and Services), Cat. 2 (Capital Goods), Cat. 4 (Upstream Transportation and distribution) and Cat. 8 (Upstream Lease assets). An activity-based method for Cat. 3 (Fuel and energy related activities). Waste-type specific method was used for waste generated in operations-related emissions (Cat. 5) and distance-based methods have been applied to calculate Cat. 6 and 7 relating to business travels and commuting.
For downstream categories: direct-use method was applied for Cat. 11 and, according to best practices, the PCAF methodology for Cat. 15.

Scope 1 and Scope 2 emissions as well as all relevant categories of Scope 3 emissions, with the aim of facilitating emissions monitoring and ensuring trend analysis.

The inventory of Exor GHG emissions, for the period 2021-2023, is presented in the following table:

All units are tCO2e	2021	2022	2023
Exor Scope 1 Emissions	7	8	14
Exor Scope 2 Emissions	35	34	27
Exor Scope 3 Emissions	1,217	4,552	1,771
Exot Total Holding Level Emissions	**1,259**	**4,594**	**1,811**
Exor Scope 3 - Category 15 (Companies Emissions Scope 1 and Scope 2)*	411,752	351,778*	348,890

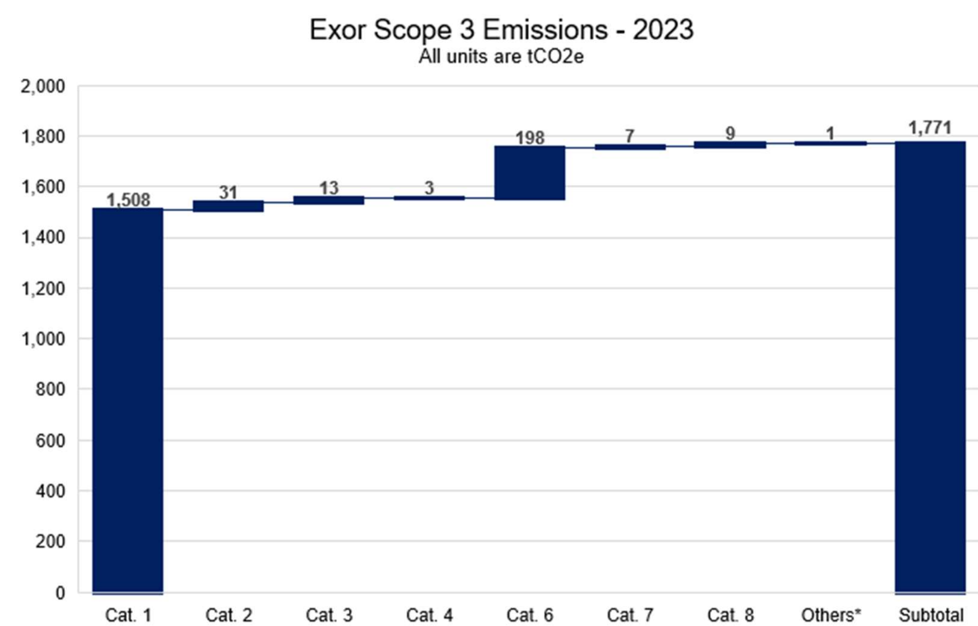
*Scope 3 Category 15 emissions only include investee companies emissions estimated with high data quality (Stellantis, CNH Industrial, Ferrari, Iveco Group, Juventus, The Economist and GEDI). FY2022 has been recalculated due to the restatement of data from Juventus and CNH Industrial.

The following graphs show a trend of Exor's emissions in the period from 2021 to 2023 (excl. investments):

Looking at Exor's emissions trend, it emerges that 2022 was characterised by a considerable level of emissions with respect to the previous year, which significantly declined in 2023, returning to 2021 levels. This is due to the regularisation of expenditures made, which experienced a surge in 2022 and more details can be found in last year's TCFD report.

Given the nature and the size of its business activities, Scope 3 emissions form the largest part of Exor's overall footprint. In line with GHG Protocol guidelines, Exor has performed an analysis of the business and main activities to assess the relevance of each Scope 3 category; with this regard, the Categories n. 9 "Downstream transportation and distribution", n. 10 "Processing of sold products", n. 12 "End-of-life treatment of sold products", n. 13 "Downstream leased assets" and n. 14 "Franchises" have not been considered in the calculation of Exor's Footprint. From 2023 the emission Category n. 4 "Upstream transportation and distribution" has been added to Scope 3 computation perimeter.

At Holding level, excluding investments, Scope 3 emissions are attributed mainly to purchased goods and services, capital goods and business travel, as shown in the following chart and table.



*"Others" includes Category 5 and Category 11 of Scope 3 emissions.

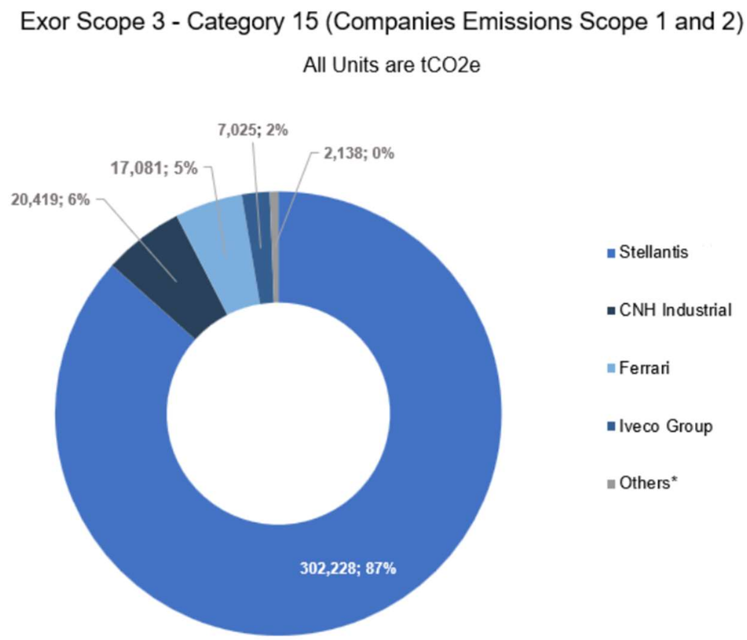
Exor Scope 3 Emissions (tCO2e)				
Scope 3 Categories	Name	2021	2022	2023
Category 1	Purchased Goods and Services	1,054	4,150	1,508
Category 2	Capital Goods	78	1	31
Category 3	Fuel- and Energy-Related Activities	8	9	13
Category 4	Upstream transportation and distribution	N/A	N/A	3
Category 6	Business Travel	56	184	198
Category 7	Employee Commuting	9	9	7
Category 8	Upstream Leased Assets	11	198	9
Category 15	Investments	411,752	351,778*	348,890
Others	Cat. 5 Waste generated in operations Cat. 11 Use of sold products	1	1	1

* The value has been recalculated due to the restatement of data from Juventus and CNH Industrial.

As previously mentioned, the categories of emission that recorded the major variation in 2023 with respect to the previous year are the n. 1 "Purchased Goods and Services" and the n. 8 "Upstream Leased Asset". This is connected to business needs which led to an increase in spending on goods, services and leasing during 2022, before returning to regular levels in 2023. Due to the adoption of a spend-based calculation methodology, this dynamic is also represented in total emissions.

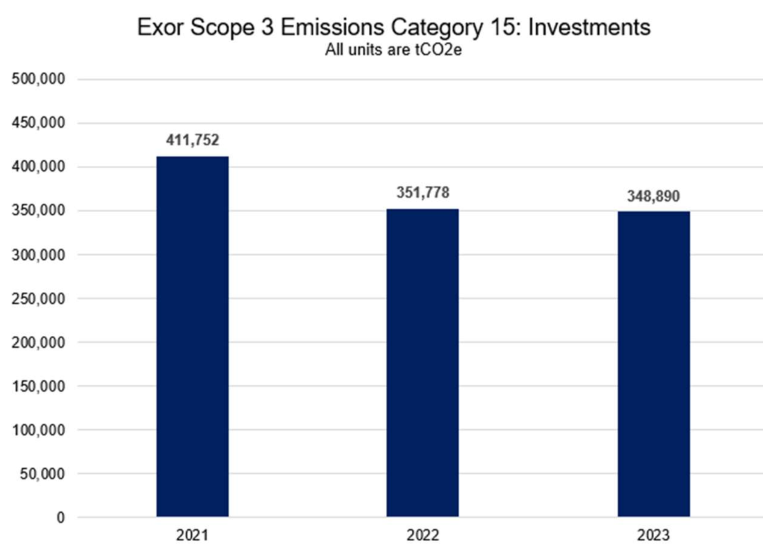
Over the course of the year, a process of continuous refinement of calculation methodologies was carried out, also through the adoption, for some Categories, of different emission factors. The updates in the methodological approach to the calculation are pursued for the intent of achieving an increasingly robust representation of the Group's emissions and are part of the broader path of oversight of sustainability issues undertaken by Exor. In particular, Categories 2, 3, 8 underwent a refinement in the calculation methodology; in the case of Categories 1, 2, 8, calculated with a spend-based approach, EEIO (environmentally extended input-output) emission factors have been adopted in 2023. Overall, a deeper and most detailed data collection process played an important role in the process of enhancing data quality.

Scope 1 & 2 emissions of the investee companies are mainly attributable to Stellantis, CNH Industrial and Ferrari, as shown in the following chart:



*" Others" includes Juventus, The Economist and GEDI.

The following graph highlights Scope 3 emissions related to Exor's investment activities:



The attribution factors used to determine the share of the investee companies' overall emissions that are attributable to Exor are calculated according to PCAF Methodology – The Global GHG Accounting and Reporting Standard for the Financial Industry (first edition).

5.2 Climate targets

Exor's environmental impact is fairly limited given its size, notwithstanding this it has committed to reduce impacts to a minimum and has set the following climate targets:

- Carbon neutral since 2022;
- Net-zero emissions by 2025;

For the emissions reduction journey, Exor achieved carbon neutrality in 2022 and reconfirmed this achievement for 2023 by offsetting its remaining emissions at holding level through a Ugandan reforestation project. The project consists in a long-term community-led agroforestry program with the aim to increase carbon sequestration, encourage sustainable land use practices, and provide performance-based payments to farmers. The project is of key relevance as it aligns with Exor's passions for education and D&I, and it focuses on educating and improving farmers' knowledge as well as on community involvement (particularly women) in land use planning.

Following the reassessment of its starting position, including the boundaries of analysis and the calculation methodology and approach, Exor will continue to monitor and track certain metrics to reach its goal of net zero emissions by 2025.

Exor plays a unique role in supporting the development of its investee companies' sustainability and climate policies and strategies, relevant to their respective sectors. Exor also encourages all investee companies to set and achieve clear environmental, social and governance targets, including reducing targets for Scope 1 and Scope 2 emissions and measurement of Scope 3 emissions.

Ferrari, CNH Industrial and Iveco Group have publicly committed to set SBTi (Science Based Targets initiative) targets to strengthen their pledge of emissions reduction and net-zero ambition. Through the networks of excellence built across Exor and its investee companies, there has been effective knowledge sharing between investee companies on how best to set targets emissions targets and adapt to upcoming sustainability regulation.

6. Conclusions

Exor strives for continuous improvement on its path towards Sustainability practices and decarbonisation, and to this end, Exor supports the effort of the Task Force on Climate-related Financial Disclosures, publishing an updated TCFD Report in 2023. Exor is providing the disclosure on a voluntary basis, taking into account all 11 recommended TCFD disclosures and demonstrating Exor's commitments to stakeholders in this important area.

Exor's management is already updating its strategy according to the results of climate-related scenario analysis, and will continue to periodically review the risks and opportunities identified.

Thanks to the efforts made, Exor was able to enhance its strengths and to identify opportunities to further improve its approach to sustainability and climate-related issues; Exor is therefore committed to:

- Continue championing interactions with the investee companies to share best practices;
- Further integrate in the ERM System the criteria for assessing climate-related risks and opportunities;
- Enhance the quality and timely availability of data employed for emission calculations.

Exor believes that great companies act in a responsible way, are distinctive in what they do, seek renewal and change and perform to the highest standards.

Exor decided to publish this TCFD Report in order to provide comprehensive and transparent disclosure to its stakeholders. Exor is committed to continuing the journey it has undertaken as part of its commitment with respect to climate change mitigation and adaptation and will continue to update and improve future information on sustainability and climate related topics.