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TCFD Report 2022

1. Introduction

Recognising the importance of being transparent with its stakeholders with regards to how Exor can assess and manage risks and opportunities related to climate change that affect both Exor and the Companies in which it has invested, for the first time Exor is providing a dedicated disclosure on climate change related issues, aligned with the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”).

Exor N.V. is a diversified holding company. In this report, when referring to “Exor” or the “holding level”, the scope included is 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 constitute the “Exor Group” or the “Group”. 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 company greatness and Exor therefore expects all of its Companies to engage with their stakeholders on sustainability topics and to set and achieve clear environmental, social and governance 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 ESG leadership.

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

Exor

ESG Framework

FOUNDATIONS	• These are the fundamental ESG governance procedures, policies and guidelines that Exor and its companies need to operate with integrity, responsibility and ethics
PASSIONS	• Exor has identified one passion within each ESG pillar that it expects all of its companies to pursue in ways that are aligned within their business strengths and priorities
COMMUNICATION	• Exor expects its companies to communicate their ESG priorities and progress clearly to their stakeholders and Exor facilitates engagement across its companies on this framework so they can learn from each other and work together where helpful

Exor's Passions

ENVIRONMENT

Emissions Reduction

OUR COMMITMENTS AT HOLDING LEVEL:	• Achieve carbon neutrality by 2022 and net zero emissions by 2025
WHAT WE WILL CHAMPION WITH OUR COMPANIES:	• Set reduction targets for Scope 1 and Scope 2 emissions and measure Scope 3 emissions

SOCIAL

Education: Reducing inequalities and promoting innovation

GOVERNANCE

Diversity and Inclusion

At holding level, Exor is committed to evaluate risks and exploit opportunities arising from climate change in order to positively contribute to the transition to a low-emission economy, with the aim to achieve net-zero emissions by 2025. Exor reached carbon neutrality at holding level in 2021 and is committed to achieve the same result for the coming years.

In this context, Exor supports the effort of the Task Force on Climate-related Disclosures (TCFD) and, from 2021, it started implementing the relevant recommendations, allowing Exor to better evaluate 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 the Companies in which it has invested, Exor’s management can understand how better to 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 first TCFD report is the result of a well-defined process that has been undertaken in order to officially set out its positioning on each of the four TCFD pillars. 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 on which its performance can be measured.

Taking into account best practice among peers, TCFD recommendations and specific additional guidance for European holdings similar to itself, Exor decided to build on publicly available data and information disclosed by its largest Companies (Ferrari, Stellantis, CNH Industrial and Iveco Group), which together represented approximately 90% of the Exor Group’s carbon footprint. This strategic approach allowed Exor to use the high-quality data published by the Companies, and then consolidate such information at holding level and assess the potential impacts of those risks and opportunities on Exor’s GAV. More details are described in depth in section 3.2 of the report.

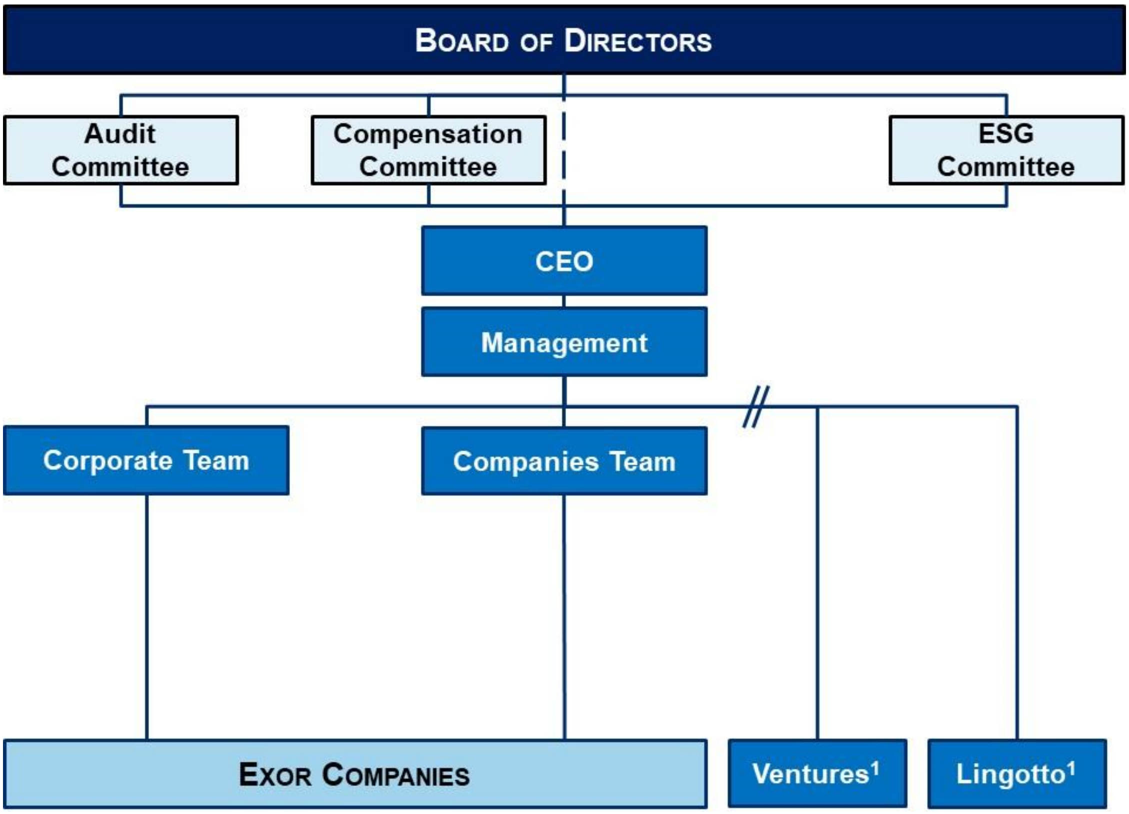
Through this report, Exor is committed to demonstrate how, at the holding entity level, it is transitioning the business while protecting and supporting the interests of all relevant stakeholders, driving long-term results and enabling continuous improvement both at holding level and among the Companies in which it has invested. The TCFD report is structured in accordance with TCFD guidelines and covers the entire 2022 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 entity level, to identify and manage climate-related risks and opportunities and helps in understanding Exor's commitment and engagement to manage climate change issues herein.

Exor attaches great importance to strong corporate governance. The Board of Directors of Exor (the ''Board'' or ''Board of Directors''), 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 entity level. For further details please refer to the Corporate Governance section in Exor's latest 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 managed by its leadership is set forth below.

Exor N.V. Organisational Chart



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

Exor's Board of Directors reviews and approves the ESG approach and relevant workstreams for the holding entity, as well as related disclosures.

- The ESG Committee assists and supports the Board of Directors in carrying out their ESG 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 Director remuneration, which may also include ESG considerations.
- Management is responsible for implementing the ESG approach in Exor and championing the Companies in which it has invested in making progress on their targets. The Chief Operating Officer ("COO") is the designated lead for ESG matters in Exor.

Within Exor, there is a transversal group of employees who work on ESG matters at the holding level and on the approach across the Companies in which it has invested.

2.1 Board of Directors oversight

The Board of Directors is responsible for the overall strategy of Exor, including in relation to ESG and climate-related issues. In order to oversee all relevant ESG matters, the Board of Directors has established the ESG Committee, aimed at assisting and supporting the Board and providing guidance on key global ESG and climate-related issues at Exor level. The ESG Committee is composed of three non-executive Directors, appointed by the Board of Directors. All members of the ESG Committee, including the Chair, have developed a strong experience in portfolio and ESG management, including overseeing pathways to Net Zero. The ESG Committee interacts with key management and functions within Exor, in particular with Exor's COO. The monitoring and evaluation of climate-related risks is embedded in the Exor organisation, for example in relation to setting management policies and objectives at holding level.

The ESG Committee assists the Board of Directors regarding relevant ESG and climate-related issues and encourages that these topics are a standing item 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.

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

In November 2021, the Board of Directors committed to ensuring responsible ESG governance in Exor through the adoption of three ESG pillars (Foundations, Passions, Communications) as described in the introduction.

Given this context, Exor established a sustainable path towards climate neutrality, with specific targets and objectives, namely to continue carbon neutrality for the coming years, after having reached it for 2021, and net-zero emissions by 2025 at holding level. With the support of the ESG Committee, the Board of Directors oversees progress against these targets, as well as addressing the main climate-related issues impacting Exor's objectives as a holding. In particular, this includes:

- monitoring Exor GHG emissions using dedicated Corporate Carbon Footprint reports, prepared internally or by third-party experts, accounting for both Exor and the emissions of the Companies in which it has invested (where available);
- taking timely actions on identified ESG and climate-related risks and opportunities, supported by internal risk management procedures and interfacing with the Audit Committee, as described in Section 4 "Risk Management".

2.2 Management's role

Exor believes in the positive and active role it can play in the governance of the Companies in which it has invested. Exor monitors the performance of the Companies in which it is a significant shareholder both through its role on their Boards and through its dialogue with their management teams. However, while Exor takes seriously the positive role it can play in championing ESG topics (that include climate-related matters), it always does so while respecting the autonomy of the Companies in which it has invested.

Exor's management, with the COO as the reference point in terms of ESG-related matters, is responsible for implementing the ESG strategy within Exor and defines the actions to be implemented in order to meet the underlying objectives and targets. Top 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 reach carbon neutrality and net-zero emissions. Exor also collaborates closely on ESG and climate-related themes with its Companies, interacting with their management teams on a regular basis. Exor and its Companies hold individual catch up meetings to track progress on their respective ESG journeys, including climate targets, providing both qualitative and quantitative insights for discussion. To share expertise and knowledge across the Companies in which it has invested, Exor has also established topic-specific networks, including one entirely dedicated to ESG matters, that meet regularly, also with contributions from subject-matter experts and external guests with outstanding experience in the areas in question.

The ESG Committee and the Board of Directors are regularly informed about these meetings, including the progress and achievements of each of the Companies in which it has invested.

2.3 ESG and climate governance within the Companies in which it has invested

Exor supports the Companies in which it has invested in developing and adopting solid governance with a set of ESG foundational policies and strategies that are relevant to their respective industries.

All of its public Companies have established ESG Committees, have put in place relevant ESG policies that adhere to widely recognised guidelines, have implemented a whistle-blower mechanism and have effective risk evaluation and mitigation systems to identify and assess risks, including those related to climate change.

Exor strives to champion change within its Companies operating in a rapidly changing world. Some of the Companies in which it has invested have officially committed to sustainable manufacturing and a clear path to carbon neutrality, such as CNH Industrial and Ferrari. Others have started their journey towards climate change mitigation by producing low carbon products, for example Stellantis that has recently defined its future direction in the electric vehicles (EV) market. Iveco Group, following last year's demerger from CNH Industrial, 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 Companies in which it has invested 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 achieve carbon neutrality in 2022, as a continuation of the 2021 achievement, 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 company compositions and has quantitatively assessed those that are most relevant.

3.1 Exor's Profile and Strategy

Exor is one of Europe's largest diversified holding companies. For over a century, Exor has made successful investments and built great companies worldwide with a culture that combines an entrepreneurial spirit with financial discipline. Exor's GAV (Gross Asset Value) is principally made up of companies in which Exor is the largest shareholder.

Exor's purpose is to "*build great companie*s", focusing not only on their short-term performance but also on their longer-term growth, renewal and change, as well as on the need to act responsibly.

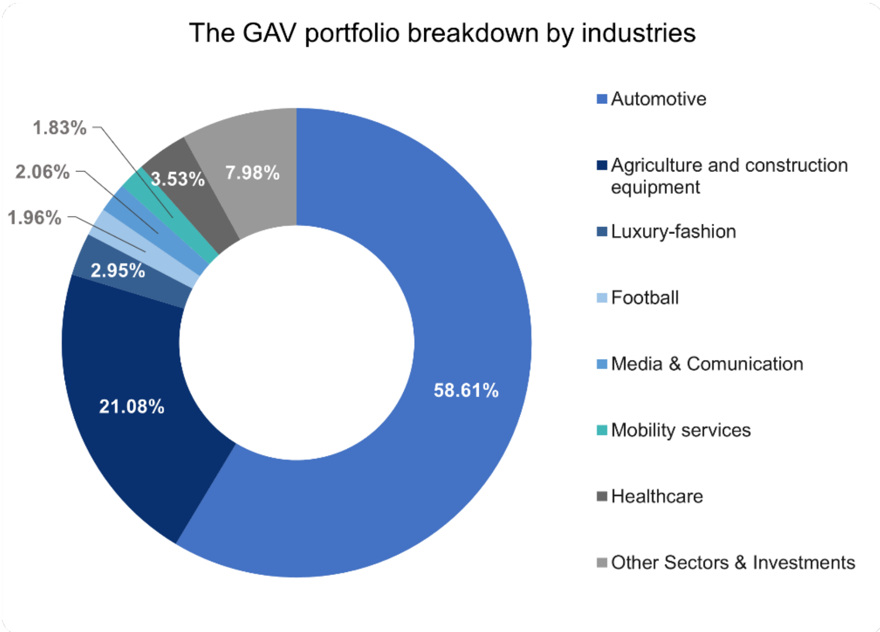
Exor's investment strategy is outlined around its purpose and values. Exor identifies sectors and themes that are of potential interest and look for opportunities within them, screening them through a clear set of investment criteria:

- We invest only when we understand;
- We back talent and look for cultural alignment;
- We decide based on value, not only price.

The Exor GAV as of 31 December 2022[1] amounts to € €32,487 million and is formed by "Companies" (Ferrari, Stellantis, CNH Industrial, Iveco Group, Juventus, Institut Mérieux, Christian Louboutin, Via Transportation, The Economist Group, GEDI Gruppo Editoriale, Welltec, Shang Xia, Lifenet, Casavo, NUO) and "Investments" (Lingotto, Ventures), as reported below.

[1] Data from Exor N.V. Annual Report 2022

The Companies that form Exor's GAV operate in different industries. The major industries are "Automotive" (inclusive of Performance and Luxury Cars sector) and "Agriculture and Construction equipment", which contribute to 80% of Exor's portfolio GAV[2]. The GAV portfolio breakdown by industries is shown below.



In Exor's first TCFD analysis, it focused on the largest public Companies (Ferrari, Stellantis, CNH Industrial and Iveco Group. These Companies account for 90% of the CO2 emissions deriving from the Companies in which Exor has invested, and considering the nature of their business, they may have a high level of exposure to both transition and physical climate change risks and opportunities in the short, medium and long term.

Due to the complexity of the Exor Companies, both in terms of industry heterogeneity, high profile and market relevance of its largest Companies, Exor adopted a bottom-up approach to identify climate change risks and opportunities, considering their climate-related commitment and disclosure maturity.

Taking into account best practices among peers, TCFD recommendations and specific additional guidance for European holdings similar to itself, Exor decided to build on publicly available data and information disclosed by its largest Companies, that have shown over time an increasingly high level of climate change

[2] Excluding items categorised as Other as reported in the Exor N.V. Annual Report 2022

commitment. This strategic approach allows Exor to rely on high quality data coming from the largest Companies, and then consolidate such information at holding level.

On these grounds, Exor started from the analysis of climate-related risks and opportunities identified by the in-scope Companies, and subsequently identified the most relevant cross-companies climate risks and opportunities for Exor as a holding company.

As a result of the risk identification process, transition risks related to policy and legal, market, products and services and technology categories and physical risks (both chronic and acute) emerged as those which could have a material financial impact on the majority of the Companies in which Exor has invested in terms of GAV and future investment return.

3.2 Climate-related scenario analysis

Scenario analysis

In line with the TCFD recommendations, Exor's strategy resilience has been assessed at Companies level by considering different climate pathway scenarios defined by internationally recognised 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 effects on Exor's business, strategy and financial planning in the short term (by 2026), medium term (by 2030) and long term (by 2035).

In Exor's first TCFD report, the impacts of climate-related risks and opportunities are evaluated starting from reference scenarios, which represent the strategic overview of each of the 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, 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 which follow the current trend. It also considers the 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

The Companies in scope are currently active 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 common to all the industries. For this reason, Exor has assessed the climate risks and opportunities that might have a significant impact across its GAV in scope of the analysis.

All the Companies in scope are potentially exposed to the transition risk related to new or more stringent regulations on carbon pricing mechanism, even though they currently have in place strong decarbonization strategies to reduce their global carbon footprint. The specific carbon pricing mechanism 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 Companies. This climate risk could be relevant for Exor, as the in-scope Companies are industrial manufacturing companies, 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 Companies Scope 1 and 2 emissions could result in an increase in their operating costs and could negatively impact Exor's investment return.

Another relevant risk for the majority of the Companies in which Exor has invested is related to more stringent regulation with reference to downstream Scope 3 GHG emissions resulting from the use of in-scope 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 Companies operate. This risk could be relevant for the Companies as vehicles CO2 emissions standards are expected to be more stringent in the future, and in-scope Companies sell vehicles in countries where regulations on fuel consumption and CO2 emissions are severe. Violation of vehicle emissions regulations standards might also have a negative impact on reputation and could have negative implications on Exor's GAV and investment return.

The industries where the in-scope 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 Companies operate. The rapid spread of low emission products is increasing sharply and is expected to keep growing in the future. The inability to adapt in time to the transition towards low emission products may result in loss of revenues of the Companies and could have negative implications on Exor's investment return. Exor believes that, to some extent, future performances of its in-scope 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 Companies in which Exor has invested 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 Companies included in Exor's analysis, due to their relevant specific industry 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 Companies since the majority of their manufacturing sites use high quantities of water for their production processes. Several aqueduct analyses were performed by the 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 in recent years. The consequences on the in-scope 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 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 Companies have already identified growth potential drivers of their businesses through the development of new products and services through R&D and innovation. Exor could be positively impacted thanks to higher future growth rates of the in-scope Companies' performances resulting from increased demand for such products and services. In addition, the Companies in which Exor has invested have efficiency projects planned and they are integrating strong decarbonisation strategies aimed at reducing operating costs that could deliver positive impacts for Exor both in terms of economic value and reputation.

The table below represents the climate-related risks and opportunities that have been assessed through scenario analysis.

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 infrastructure 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 CO_2 emissions and reach decarbonization targets at investee level	Impact on Exor GAV due to operating costs savings at investee level

3.3 Strategy resilience

Through its Companies, Exor has exposure to a wide range of sectors, which 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 issues related to those sectors and markets in which its Companies and subsidiaries 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 and the 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 risks and opportunities and the relative financial impact for Exor in the short, medium and long term.

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	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	No impact	Limited	Limited
			B	Marginal	Marginal	Marginal
			C	Limited	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	Limited	Marginal	Limited
			C	Limited	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

No impact · Marginal · Limited · Medium · Significant · Extreme

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	Marginal	Marginal	Limited
			C	Marginal	Marginal	Marginal
			D	Marginal	Marginal	Limited
2	Shifting to renewable energy sources	Energy efficiency projects at investee level, aimed primarily at reduce CO2 emissions and reach decarbonization targets.	A	Marginal	Marginal	Marginal
			C	Marginal	Marginal	Marginal
			D	Marginal	Marginal	Marginal

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

Financial Thresholds

No impact · Marginal · Limited · Medium · Significant · Extreme

All the in-scope Companies have strong decarbonisation strategies to reduce their Scope 1 & 2 emissions related to manufacturing process and production facilities, thus the introduction and price increase of carbon tax, in the considered scenarios, would have little impact on Exor's GAV in the period of analysis.

Considering the main industries that constitute the Companies in which Exor has invested, 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 Companies to adapt in time to the transition towards electric vehicles, and it may result in a loss in revenues and competitiveness with a negative financial impact on Exor GAV. Electric vehicles' sales growth rate changes differently in climate scenarios and in markets where the Companies operate, with major growth expected in the accelerated scenario rather than in the intermediate or business as usual ones. As a result of the analysis, the portfolio assessment showed a high level of resiliency in all the climate change scenarios and reference time frames. In-scope 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 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 Companies in the scope of this analysis have already presented ambitious low emission vehicles roll out plans and electrification strategies as part of their strategic targets. The 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.

Acute and chronic physical risks such as heat waves, droughts and water stress, could cause business interruption or a loss in productivity in the Companies. From Exor's point of view, given the geographic diversification and the extended manufacturing network of the 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 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 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 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 Companies is related to the development of energy efficiency projects through decarbonisation strategy. All of the 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 portfolio 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 monitoring the physical and transition risks which are relevant to Exor with the aim of reducing their potential impacts through risk-response strategy and, at the same time, Exor will also be seeking new climate-related opportunities in the sectors in which its Companies operate.

4. Risk Management

This section includes the description of processes for identifying, assessing and managing climate-related risks and opportunities, which are fully integrated into the 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") 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 for the identification of the main risks and their ranking. Exor's risk assessment process comprises four phases: identification, classification, mitigation and reporting.

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 increase/decrease in revenues or operating costs.

4.2 Company engagement

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

TCFD model 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. Lastly, in 2023 Exor will explore how to formally include in the Risk Identification and Assessment procedures of the ERM system the criteria for assessing climate-related risks and opportunities, calculation methodology and tools.

Given the Exor organisational structure and the autonomy and independence of the Companies, it is important to consider that risks and climate-related matters material to the Companies are identified and addressed by the Companies themselves, within the framework of their own internal control. Exor, through the participation in the respective Boards, supports the adoption of a sound internal control environment.

Exor encourages the Companies in which it has invested to put in place foundational ESG Measures and Exor challenges them to strive for renewal in a rapidly changing world.

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 the Companies in which it has invested

Exor believes that, in order to define and refine the most effective strategy to reach carbon neutrality, the starting point is to measure and monitor GHG emissions. Annually, Exor measures GHG emissions at a holding level and collect measurements from the Companies in which it has invested.

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 to calculate 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 the methodology employed for Scope 3 categories varies from category to category[3]. Exor has collected emissions data since 2019[4]. In line with best practices, the inventory in this report covers the last two years and includes 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.

[3] For upstream categories: spend-based method was applied for cat. 1 (Purchased Goods and Services), cat. 2 (Capital Goods) and cat. 8 (Upstream Lease assets). A mixed approach 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.

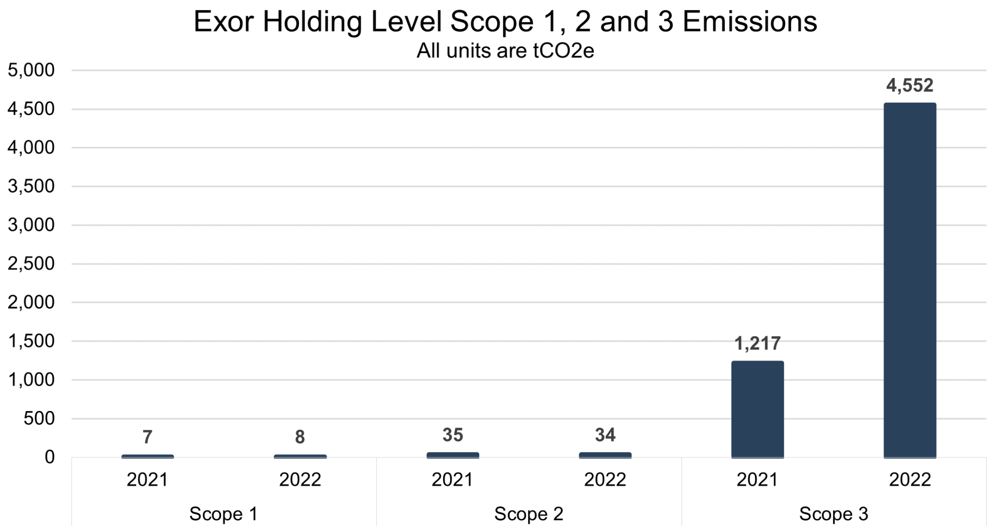
[4] Please note that thanks to the relevant Exor commitment in continuously improving reliability and completeness of its sustainability information, the whole Carbon Inventory 2021 was reviewed by an external advisor and data and figures shown have been restated in comparison to what previously disclosed.

The inventory of Exor GHG emissions, for the period 2021-2022, is presented in the following table:

All units are tCO_2e	2021	2022
Exor Scope 1 Emissions	7	8
Exor Scope 2 Emissions	35	34
Exor Scope 3 Emissions	1,217	4,552
Exor Total Holding Level Emissions	**1,259**	**4,594**
Exor Scope 3 - Category 15 (Companies Emissions Scope 1 and 2)*	411,752	351,328

*Scope 3 Category 15 emissions only include Portfolio Companies emissions estimated with high data quality (Stellantis, CNH Industrial, Ferrari, Iveco Group, Juventus, The Economist and GEDI).

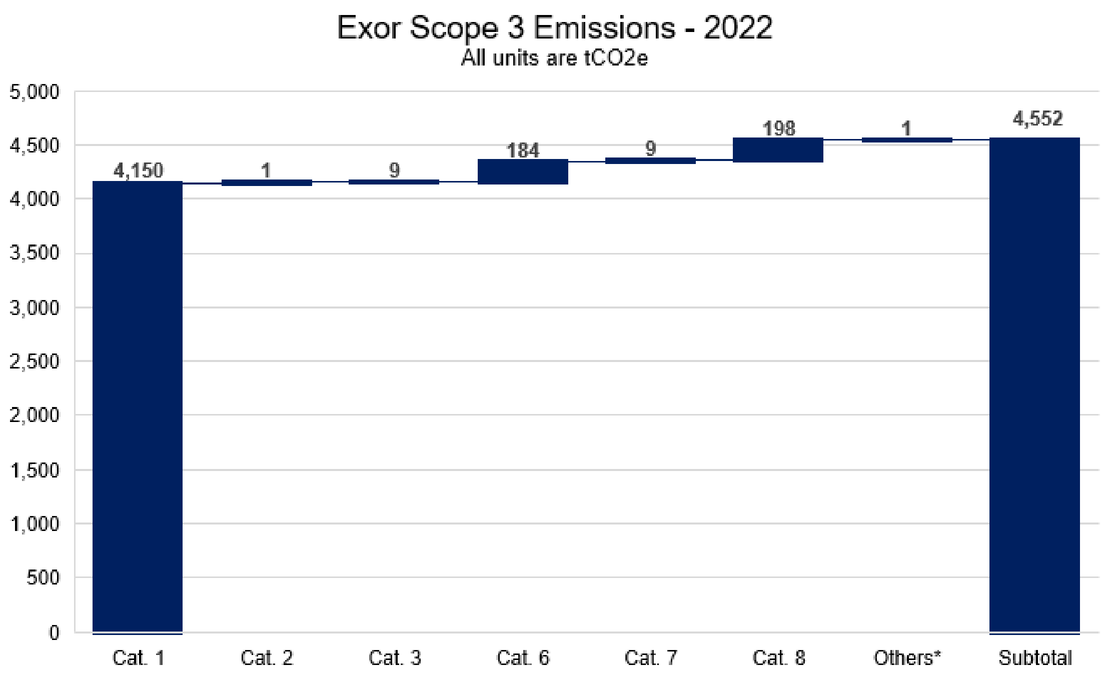
The following graphs show a trend of Exor's emissions in the period from 2021 to 2022 (excl. investments):



Looking at Exor's emissions trend, it can considerably lower values. The Covid-19 pandemic led Exor to reduce its direct and indirect consumptions, as well as business travel and purchased goods and services.

Given the nature and the size of its business activities, Scope 3 emissions represent the heaviest weight in 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. 4 "Upstream transportation and distribution", 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.

At holding level, excluding investments, Scope 3 emissions are attributed mainly to purchased goods and service, business travel and upstream leased assets, as shown in the following chart and table:

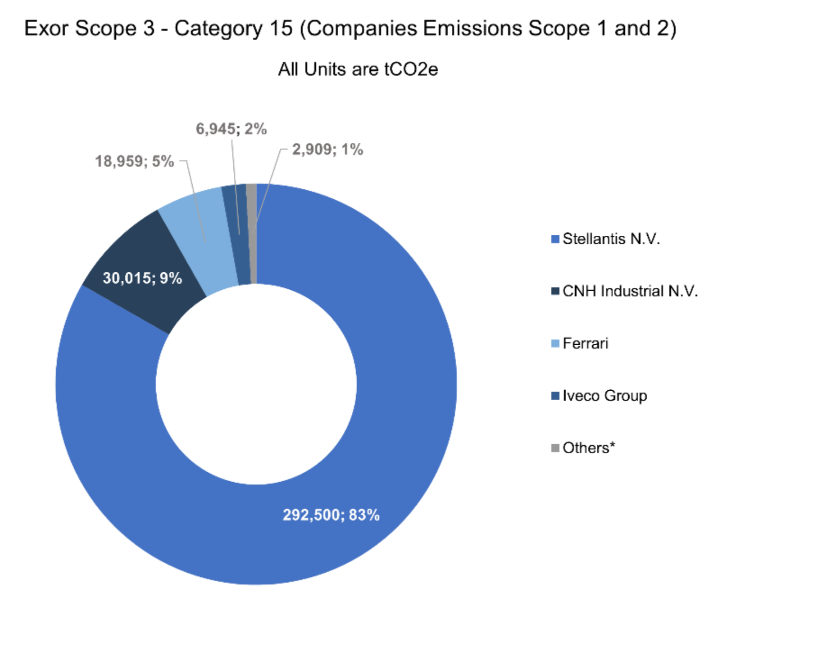


*"Others" includes Category 5 and Category 11 of Scope 3 emissions.

Exor Scope 3 Emissions (tCO2e)			
Scope 3 Categories	Name	2021	2022
Category 1	Purchased Goods and Services	1,054	4,150
Category 2	Capital Goods	78	1
Category 3	Fuel- and Energy-Related Activities	8	9
Category 6	Business Travel	56	184
Category 7	Employee Commuting	9	9
Category 8	Upstream Leased Assets	11	198
Category 15	Investments	411,752	351,327
Others	Cat. 5 Waste generated in operations Cat. 11 Use of sold products	1	1

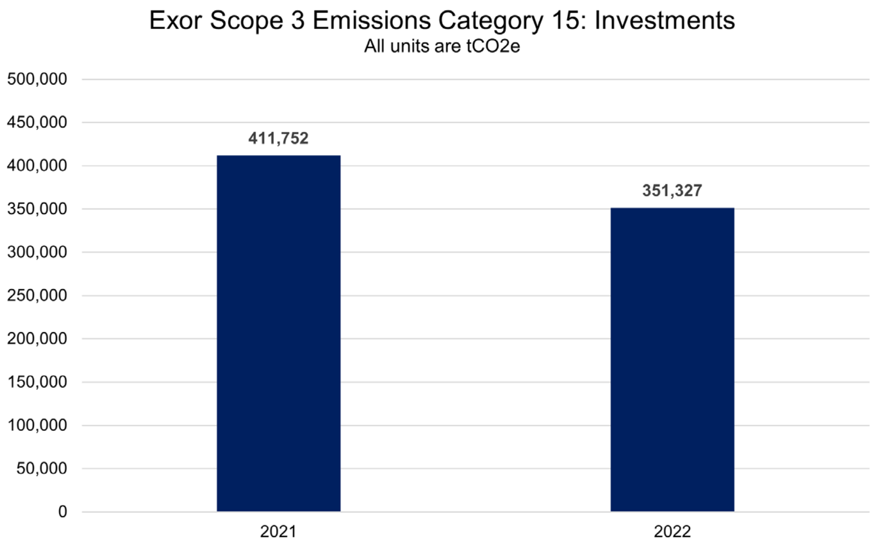
The greatest emissions variation from 2021 to 2022 concerns categories 1, 2 and 8 and is explained by a change in Exor's spending in comparison to the previous year. Specifically, Category 1 includes all emissions deriving from Exor's expenses for goods (e.g. paper, food and beverage, etc.) and services (e.g. consultancy services, insurance, etc.) which witnessed a significant increase due to the purchase of financial intermediation services for higher investment activities. On the other hand, Exor expenses for long-term tangible assets and the related emissions (Category 2) dropped significantly in 2022. Category 8 emissions, which include emissions from the operation of leased assets, witnessed a significant increase due to a rise in Exor's spend.

Scope 1 & 2 emissions of the Companies in which Exor has invested 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 is an overview highlighting Scope 3 emissions related to Exor's investment activities:



The attribution factors used to determine the share of the 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 environmental impact is fairly limited given its size, notwithstanding this it has committed to reduce impacts to a minimum and have set the following climate targets:

- Carbon neutrality by 2022;
- Net zero emissions by 2025;

For the emissions reduction journey, Exor achieved carbon neutrality in 2021 by implementing its decarbonisation strategy and by offsetting all remaining (residual) emissions through a clean water project in the Manica region of eastern Zimbabwe. This region is very isolated and - both because of historical poor maintenance and the high cost of constructing them - has few good quality water sources. This project has been building new water pumps and rehabilitating existing ones to give local households access to safe and clean water that no longer needs to be boiled using firewood.

Following the reassessment of its starting position, including the boundaries of analysis and the calculation methodology and approach, Exor will develop a new set of decarbonisation measures to reach its goal of net zero emissions by 2025. To do so, Exor is committed to building a roadmap that includes a catalogue of decarbonisation actions and a set of Key Performance Indicators to measure the year-on-year effectiveness of the decarbonisation strategy.

In line with Exor's objective to minimise its environmental impact, following consultation with employees at the annual Exor Day (a company-wide event to strengthen relationships between teams and foster the Exor spirit), Exor has implemented ESG-related changes such as improving recycling in its offices and making more use of e-signatures.

Exor plays a unique role in influencing and supporting the development of its Companies' ESG and climate policies and strategies, relevant to their respective sectors. Exor also encourages all the Companies in which it has invested 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 Companies, there has been considerable knowledge sharing between Companies on how best to set targets in line with the SBTi. CNH Industrial and Ferrari's commitment and actions implemented to tackle climate change gained official recognition by the CDP, which in 2021 awarded CNH Industrial and Ferrari an A and B rating respectively.

6. Conclusions

Exor strives for continuous improvement on its path towards ESG practices and decarbonisation, and to this end, Exor supports the effort of the Financial Stability Board and TCFD, publishing its first TCFD report in 2022. Exor is providing the disclosure on a voluntary basis, taking into account all 11 recommended TCFD disclosures and demonstrating our 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 our strengths and to identify opportunities to further improve its approach to ESG and climate-related issues; Exor is therefore committed to:

- Continue championing the interactions with the Companies in which it has invested;
- Formally include 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 at the beginning of our journey and will continue to update and improve future climate and more broadly its ESG-related disclosures.