

The image shows a large-scale solar panel installation. The panels are arranged in a grid, tilted at an angle, and supported by a complex metal framework of vertical and diagonal beams. The sky is overcast with light grey clouds. In the bottom left corner, there is a small black utility cabinet with a white door, featuring the 'COMELZ' logo and a blue arrow pointing right. The overall scene is an industrial or agricultural setting focused on renewable energy.

**COMELZ**

Sustainability Report 2023

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## Letter to stakeholders

Dear readers,

Comelz is a leading company in the mechanized footwear district of Vigevano, recognized worldwide for its ability to innovate leather and fabric cutting and shaping methods. It provides high-tech, flexible cutting systems and islands with the highest levels of productivity, suitable for any type of processing, in any part of the world. Comelz designs and produces internally software, mechanics, electronics, and machine engines to allow for customization of every element.

Over the last two years, the conflict in Ukraine has destabilized the balance in Europe, causing an energy crisis and jeopardizing the supply chains of various raw materials. In this difficult context, the Comelz Group has managed to maintain its productivity rate and its medium-term objectives, investing in the training of its employees and in product innovation.

Comelz has also renewed its commitment to creating a healthy working environment and disseminating business ethics and integrity. In 2023, sustainability was further promoted along the value chain, through the drafting of a Sustainability Policy and a Supplier Code of Conduct. Within these documents, the importance of corporate social responsibility and the commitment to respecting the highest international standards regarding employees' fundamental rights was highlighted. At the same time, the proactive role that the Group can play in the transition towards a circular and sustainable economy was emphasized, along with the ongoing effort to ensure the quality and safety of products for customers. In this regard, Comelz also started a path at the end of 2023 that led it to define a roadmap aimed at reducing Scope 1 and Scope 2 emissions, in line with the Science Based Targets initiatives. The commitment to pursue this trajectory will be formalized during the year, establishing Comelz as a leading company in its sector in the fight against climate change.

In this fifth Sustainability Report, Comelz outlines more clearly the objectives set to contribute positively to the diffusion of a responsible business model and transparent reporting, aimed at communicating commitment to all stakeholders. In this perspective, this document also presents a three-year action plan that will guide the Group in the implementation of further initiatives and projects to achieve ESG objectives<sup>1</sup>.

*Signature*



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<sup>1</sup> For further information, refer to paragraph "2.2 Comelz ESG objectives".

## Methodological Note

This document, which represents the fifth Sustainability Report of the Comelz Group, aims to communicate the performance of the Group (in the document also “Group” or “Comelz” or “Comelz Group”) in the field of environmental, social and governance sustainability for the fiscal year 2023 (from 1<sup>st</sup> January to 31<sup>st</sup> December).

This annual Sustainability Report has been prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the Global Reporting Initiative (GRI), as shown in the “GRI Contents Index” table. The 2021 updated version of the Standards was adopted for the GRI 1 (Foundation) and GRI 2 (General Disclosures) universal standards.

In particular, the contents subject to reporting were selected on the basis of the results that emerged from the update of the materiality analysis carried out between the end of 2022 and the beginning of 2023, which made it possible to identify Comelz’s positive and negative, actual and potential impacts, on the economy, the environment and people, including those on human rights, as described in the “Materiality analysis” section of this document.

The scope of the data and information is the same as that of the Consolidated Financial Statements of the Comelz Group as of 31.12.2023, with the exception of the company Comelz Colombia LTDA, which is excluded from the economic, social, and environmental data as it is in liquidation. With regards to the calculation of Scope 3 emissions, the reported data refers only to Comelz S.p.A.

Furthermore, it should be noted that no significant changes occurred along the supply chain, nor to the ownership structure of the Group.

In order to allow the comparability of the data over time, a comparison with the data relating to the previous year has been included, where possible. Furthermore, in order to guarantee the reliability of the data, the use of estimates has been limited, as far as possible; if present they are based on the best methodologies available and appropriately reported. Finally, the restatements of the data published in the previous Sustainability Report are also appropriately indicated in this document.

The Board of Directors reviewed this Sustainability Report on 28 June 2024. It is specified that the document is not subject to external assurance.

For further information and suggestions regarding the Comelz Group Sustainability Report, you can contact [esg@comelz.com](mailto:esg@comelz.com).

This document, published on 31 July 2024 is also available on the Comelz Group website [www.comelz.com](http://www.comelz.com).



## 1. The Comelz Group

## 2023 Comelz Group at a glance

### Summary

Comelz draws up its Sustainability Report for the fifth year in a row, communicating its ESG results to its stakeholders.

### Highlights

- ESG Action Plan aligned with the SDGs.
- Strengthened the international commercial network.



### Comelz by the numbers



81,5 M€ in revenues



Expenditure on ESG activities: **116.000€**



62,2 M€ distributed value

## 1.1 Values and Missions

*Our **mission** is to provide its customers with high quality products with high technological content*



To **KNOW**  
Know customer needs.

To **SERVE**:  
Provide quality service.

To **TRUST**:  
Create relationships of trust.

To **INNOVATE**:  
Create unique products to develop new technologies

Striving for **PERFECTION**:  
Always try to improve.

The Group is committed to providing quality service, striving to constantly improve its products to meet the needs of customers and workers. Every day, Comelz works to maintain its business ethics and promote the highest standards of integrity throughout its operations. Guided by the values of fair competition, transparency, and anti-corruption, Comelz has formalized the principles that guide its operations within the Code of Ethics, the Sustainability Policy and the Supplier Code of Conduct. These documents are useful for the diffusion of corporate values among employees and supply chain collaborators.

Over the years, Comelz's commitment to promoting a healthy, virtuous and modern business approach has also involved collaboration with external entities such as industry associations like Assolombarda, which represents businesses operating in the metropolitan city of Milan and in the provinces of Lodi, Monza-Brianza and Pavia. Additionally, Comelz has partnered with ASSOMAC, an association that brings together manufacturers of machinery for footwear, leather goods and tanning industries which



supports the development of the manufacturing district centered around Vigevano. This collaboration has led to positive impacts on the community of Vigevano and the District.

## 1.2 Our path

Located in Vigevano, a location of excellence in the tradition of leather and hide processing, Comelz S.p.A. is the parent company of a network of plants and companies present throughout the world.

Founded in 1943 Comelz S.p.A. is an Italian company specialized in the design and construction of operating machines for footwear manufacturers, such as chamfers of leather, folding of uppers, pantographs, serving both national and international markets.

*The Comelz's spirit is a blend of skills and expertise. It embodies the awareness of Made in Italy enriched by international experience.*

Comelz can be defined as one of the pioneering companies within a generation of Italian companies that knew how to interpret the needs of a rapidly expanding national footwear and leather goods market, thus creating an internationally renowned mechanical-footwear sector of excellence. In particular, the Comelz Group establishes itself as the first player in the market to introduce mechanical, electronic and software technologies into the production process. The innovative approach and the use of cutting-edge technologies have allowed the Group to establish itself in the global market.

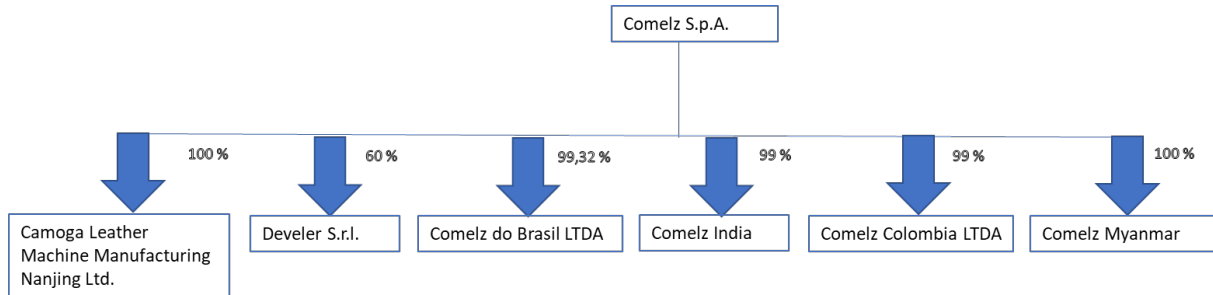
The Company broke into the market at the end of the 1960s with products with high innovative content; overtime it has established itself as one of the most significant players in the sector, assuming, among other things, a leading role in members association. In the 1970s, Alessandro Zorzolo, together with the main competitors of Comelz S.p.A., founded the National Association of Manufacturers of Technologies for footwear, leather goods and tannery (hereinafter ASSOMAC) with the aim of adopting a common approach toward the national and international market. By the end of the 1980s Comelz was among the very first companies in the sector to embrace a new industrial season based on the diffusion of CAD systems and numerical control systems. This shift allowed Comelz to redefine its corporate identity on a strong integration of mechanical, electronic and software technologies.

The continuous search for improvement has led Comelz to develop and patent innovative technologies and new cutting methodologies. At the beginning of the 2000s, Comelz was recognized as one of the best performing companies in the footwear sector. Its growth coincides with both corporate expansion, through the acquisition of new offices in Develer S.r.l. and Camoga, and sector expansion, with the entry into the synthetic fabrics market.

In 2017, the majority of the shares of the Comelz Group were acquired by NB Renaissance Partners, an Italian private equity fund. The acquisition is part of a company growth strategy in international markets and represents an opportunity for the Group to acquire new resources and skills.

Currently, the structure is divided as follows:

The corporate structure of the Comelz Group as of December 31, 2023<sup>2</sup>



With regards to the ownership structure, the Group is 89% controlled by Gold Blade S.à.r.l., which in turn is entirely controlled by the Private Equity fund NB Renaissance Partners Holding S.à.r.l.

### 1.3 An international reality

The Group operates in a multitude of institutional, economic, political, social and cultural contexts that are continuously and rapidly evolving, exporting the *Made in Italy* all over the world.

The Group's customers include the main players in the luxury industry, the main producers, and suppliers of footwear operators, as well as operators related to the production of tanning materials for the automotive sector. Among the customers of the Group there are also small artisans and craftsmen oriented towards the search for quality and performance.

The international aspect of the market has allowed the Group to expand its sales network, which consists of subsidiaries as well as distribution and resale points in Europe, Asia, North and South America, as shown in more detail in the figure below.

<sup>2</sup> Since 2021, the headquarters of Comelz Colombia LTDA has been in the process of liquidation, although it is no longer an operational headquarters, some suspended credits still remain.



It follows that the Comelz Group's value chain extends globally across multiple countries, structured to ensure efficient and integrated flow, from production to after-sales service, thereby guaranteeing high quality and constant support to global customers.

With regards to upstream activities, the actors involved in the supply chain include numerous Italian, German and Chinese suppliers. The development of advanced software and hardware to improve industrial processes is carried out in-house at the subsidiary Develer S.r.l., while the design, production, and assembly of machinery for cutting leather, synthetic materials and sheets is entrusted to Comelz S.p.A., the parent company. The Camoga Leather Machine Manufacturing Nanjing Ltd company in China further supports production by creating "leather splitting" machines and specific components, which are then sold on the Asian market.

In an intermediate phase, Comelz S.p.A. also manages machinery testing and logistics, distributing products to international branches and maintaining high warehouse stocks to ensure continuity of production and distribution.

Downstream activities are carried out by distribution companies, including Comelz do Brazil Ltda and Comelz India Private Limited. These subsidiaries deal with the marketing of machinery and consumables in their respective local markets, also offering technical assistance, maintenance, and repair services, managing relationships with customers, and promoting the products through events and demonstrations.

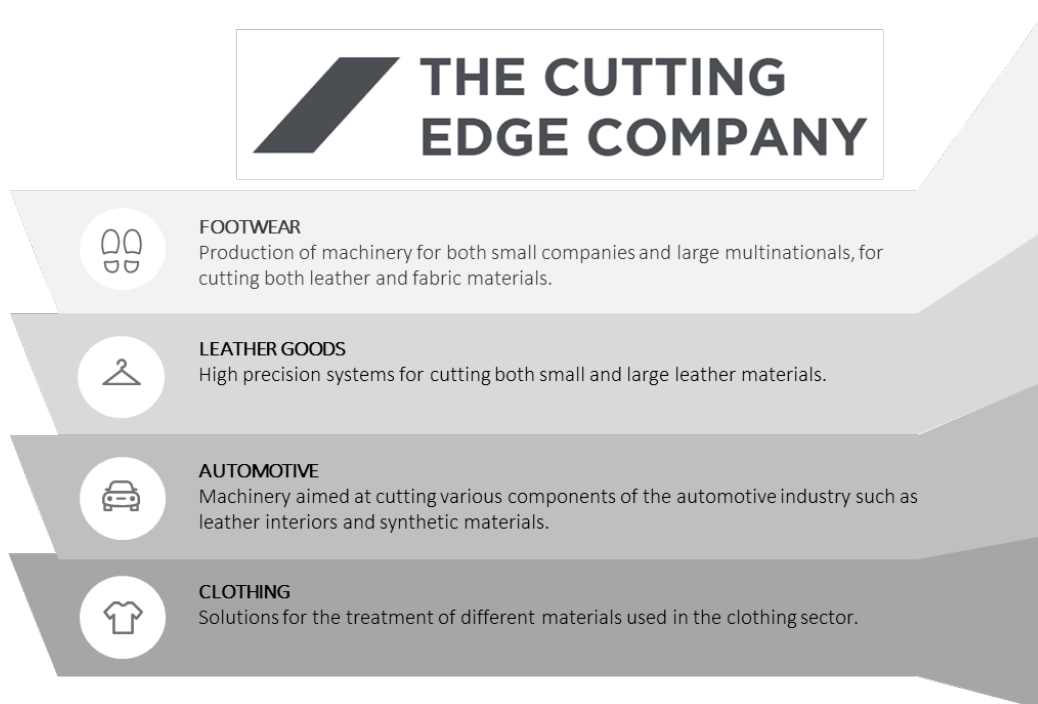
The 2023 fiscal year closed with a consolidated turnover of 81.5 million euros, a 1% decrease compared to 2022, and an EBITDA of 29.2 million euros. Net profit was positive for 13.8 million euros.

### The Comelz Group value chain



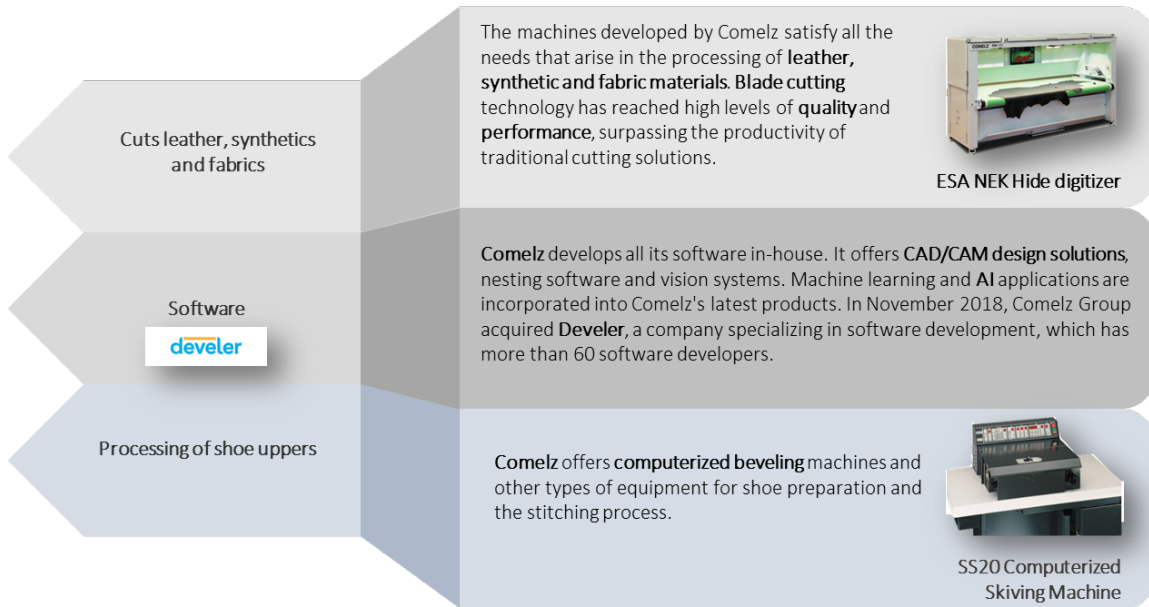
### 1.4 Our products

The products offered by the Group are primarily used in the following sectors:



**PELETTERIA**  
 Sistemi ad alta precisione per il taglio di materiale in pelle sia di piccole che grandi dimensioni.

The Comelz product range is divided into three branches: leather, synthetic fabrics and fabric cutting, software development, and the creation of machinery for the preparation of upper leather with the most modern and advanced tools for the stitching department.



## Integrated Technology

Each component of a Comelz product is designed and developed to integrate into a single compact and efficient system. R&D activities extend to all the technologies that characterize Comelz products, from mechanical technologies, to electronics, up to software, to then produce internally with the most modern resources available in each sector.

## Precision Structural Sheets

Comelz has sophisticated precision sheet metal technology, developed through close and continuous collaboration with a highly qualified and experienced partner. The use of module technology simplifies and allows for flexibility in the manufacturing process, increasing quality and reliability compared to the use of traditional carpentry and defining the characteristic compact and functional design.

All Comelz products are unique but at their core they share values linked to quality and flexibility of use, in order to satisfy all customer needs.

## 1.5 Product certification



The safety and reliability of Comelz products is fundamental in ensuring a high level of quality, as demonstrated by obtaining a product certification from the TUV body, in compliance with the 2006/42/EC Machinery Directive for the protection and safety of workers. In 2023, the TUV certification for CZ+ products were renewed and the recertification process began for CZ machinery from previous years. Recognized globally, the TÜV SÜD certification mark is issued upon completion of the relevant verification and inspection program and remains valid provided that a production control inspection is conducted every year. Obtaining certification demonstrates a company's commitment to safeguarding consumer health and increases the reliability of products.



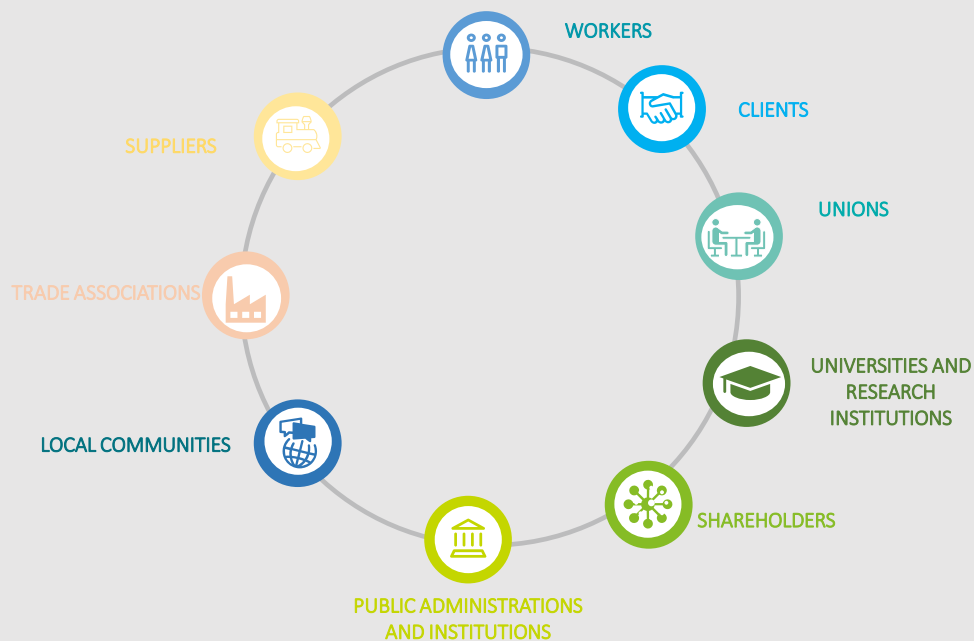
## 2. Sustainability in Comelz

## 2.1 Materiality Analysis

### Materiality analysis

In 2019, Comelz embarked on a journey in sustainability to strengthen communication with its stakeholders, focusing particularly on environmental, social and governance performance. The Group has continued to pursue this commitment, deeming it of primary importance to maintain an open and continuous dialogue with its stakeholders in order to best meet their needs and interests. Stakeholders have always been involved in the evaluation of material issues and in the definition of strategic objectives for the company. In particular, Comelz maintains profitable industrial relations relationships with both trade unions and sector associations. Great attention is also paid to safeguarding relationships with suppliers and customers, with whom the Group maintains long-lasting relationships.

The materiality analysis was updated in 2023, in order to comply with the new guidelines introduced by the GRI Standard. The materiality analysis process first led to the identification of relevant stakeholders and then to prioritization of material issues, with the following results:



Material themes for the Comelz Group are listed below:

- Cybersecurity and data protection and sensitive information
- Sustainable management of the supply chain
- Ethics & business integrity and anti-corruption
- Management of energy consumption and fight against climate change
- *Made in Italy*, uniqueness, and versatility of the product
- Quality, reliability, and safety of the products
- Developing a positive work environment
- Sustainable development of value and business relations
- Relationship with the community
- Responsible management of material and waste
- Innovation, and R&D
- Health & safety of employees
- Diversity and professional development

The review of the materiality analysis has helped to underline the importance of the “Sustainable Supply Chain Management” theme, which is increasingly at the center of peers and competitors’ sustainability reporting, and of “Ethics & business integrity and anti-corruption”, once again one of the most important topics for both stakeholders and employees. In the environmental field, the theme “Management of energy consumption and fight against climate change” is the topic in which the impact of the Group has been assessed as the most relevant. Moreover, “Made in Italy, uniqueness, and versatility of the product” and “Quality, reliability and safety of the products” are also confirmed among the themes considered important to the Group's business.

This process of Materiality analysis has led the Group to develop a greater sustainability awareness, identifying commitments and objectives of sustainability in line with the values and the reference context in which the Group operates.

## 2.2 Comelz ESG Goals

The commitment declared in the 2022 Sustainability Report was implemented during the 2023 fiscal year with the launch of the following initiatives:



The drafting of the Sustainability Policy



Appointment of the ESG Manager, responsible for managing sustainability issues in Comelz







The drafting and dissemination of the suppliers' Code of Conduct

Based on the goals achieved in previous years and on the growing commitment to conducting responsible business, Comelz has defined a set of ESG objectives identifying, for some of the Sustainable Development Goals (SDGs), concrete and measurable targets that it aims to achieve by 2026.




Below is the Action Plan, shared with the Top Management of Comelz S.p.A..



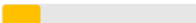

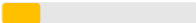
To monitor the achievement of objectives and improve transparency towards stakeholders, a legend has been introduced that reports the implementation status.

### Legend

-  *completed*
-  *partially completed*
-  *in progress*
-  *not started*



EGS Action Plan			
SDG	Objective	Timeline	Implementation Status
<b>GOVERNANCE</b>			
	Establishment of an internal sustainability committee comprising various functional managers (e.g., Operations, HR, legal, internal audit)	II Semester 2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Identification of an ESG Manager	II Semester 2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Definition of MBO linked to the achievement of the ESG objectives defined within the Group Action Plan	2025	<div style="width: 10%; height: 10px; background-color: yellow;"></div>
	Promotion of induction and training activities in the field of sustainability to management bodies and internal sustainability committee	2025	<div style="width: 30%; height: 10px; background-color: lightgreen;"></div>
	Extension of the Code of Ethics to the Group	II Semester 2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Development and implementation of an ESG Code of Conduct and an ESG screening and evaluation system for all the suppliers of the Group	2025	<div style="width: 20%; height: 10px; background-color: lightgreen;"></div>
	Preparation of an ESG audit plan on the Group's suppliers	2026	<div style="width: 0%; height: 10px; background-color: gray;"></div>
	Implementation of ESG self-assessment questionnaire for all major suppliers of the Group	2024	<div style="width: 10%; height: 10px; background-color: yellow;"></div>
<b>SOCIALE</b>			
 	Development of training courses in the areas of security, privacy policy, and ethical behavior	2024	<div style="width: 30%; height: 10px; background-color: lightgreen;"></div>
	Definition and implementation of a MBO system at the Group management level	2024	<div style="width: 0%; height: 10px; background-color: gray;"></div>
<b>AMBIENTALE</b>			

 	<p>Extension/ development of a policy on product-end of life, with respective analysis on the environmental impacts of products; development ISO 14021</p>	<p>2024</p>	
	<p>Implementation of a management system relating to the quantification and reporting of greenhouse gas emissions by organization, according to ISO 14064-1 standard</p>	<p>2024-2025</p>	

### 3. Governance of the Group

## Governance at a glance

### Summary

In 2023, Comelz assigned environmental responsibilities to the ESG Manager to monitor its impacts on the environment and people and to implement sustainability commitments. In addition, the Board of Directors has committed to meeting twice a year to oversee the progress on sustainability issues and to address critical issues that have emerged.

Comelz has also implemented a Sustainability Policy which encompasses the Group's sustainability strategy and outlines the values that guide its operations. To communicate and disseminate the Policy, Comelz intends to run a training course for the organisation's managers.



### Highlights

- Participation and achievement of the **Ecovadis rating**
- Diffusion of the **Code of Ethics** to all Group sites
- **Alignment to the principles of the United Nations Global Compact**

### Comelz in numbers



14% women in the BoD



0 confirmed corruption incidents



0 significant cases of non-conformity to laws and regulations



0 significant cases of ongoing or concluded legal actions regarding anti-competitive behavior and antitrust violations related to monopolistic practices

### 3.1 The principles of ethics and business integrity

All the Group's activities are carried out in compliance with the law, within a framework of fair market competition. Comelz operates with honesty, personal integrity, professional correctness, and good faith, protecting the environment, the health and safety of workers, respecting the legitimate interests of all those who operate in the company and of all the stakeholders, such as the Public Administration, customers, external collaborators, and suppliers.

The Comelz S.p.A. Code of Ethics and Conduct, adopted in 2020 and extended to all the subsidiaries of

#### Group Code of Ethics

In 2023, the Code of Ethics was disseminated to all Group offices, which signed the contents of all sections, including "business values", "competition", "conflict of interest".

the Group in 2023, defines the principles that regulate the functions and responsibilities of all collaborators. From personnel policies to relationships with third parties, the topics covered are an integral part of the contractual obligations taken on by employees. The Code is available and freely accessible to all Comelz staff and is also posted on union noticeboards (also electronically). Any updates are disseminated

through the aforementioned channels. The document also contains fundamental elements regarding health and safety, and the terms of the relationship with suppliers (more details in the respective section).

#### UN Global Compact Alignment

0 violations of the UNGC principles and OECD guidelines

In line with its focus on values and integrity, Comelz has adopted the UN Global Compact Principles starting in 2023 and has included in its monitored KPIs the number of violations of the OECD Guidelines for Multinational Enterprises, and the procedure implemented to verify compliance with the two international frameworks.<sup>3</sup>

Furthermore, Comelz S.p.A. has implemented an organisation, management, and control model in line with the provisions of Legislative Decree 231/2001. Following the identification of the areas of potential risk within the company's activities where the likelihood of committing crimes is deemed higher, the model outlines the measures for their prevention. In 2022, an update was conducted in order to introduce new crimes as per legislation (art. 316-bis of the criminal code and 640-bis of the criminal code).

To reiterate its commitment to the principles of ethics and integrity, in 2023 Comelz S.p.A. developed a Sustainability Policy and a Supplier Code of Conduct, documents read and approved by the Board of Directors.

<sup>3</sup> The link to the UNGC <https://unglobalcompact.org/what-is-gc/mission/principles>; the link to the OECD Guidelines for Multinational Enterprises: <https://pcnitalia.mise.gov.it/index.php/it/linee-guida-ocse-2>

**Sustainability Policy: section on Governance**

In 2023 Comelz developed a sustainability policy based on responsibility in 3 macro-areas: Environmental, Social and Governance. Among the declared values and commitments, Comelz has dedicated a section to its business values, including anti-corruption, data security and transparency. In this section Comelz is committed to promoting the principles of integrity and business ethics among its employees and along its value chain.



**3.1.1 Alert system**

In case of violation of the provisions in the Code of Ethics, the occurrence of crimes referred to in Legislative Decree no. 231/2001, or practices not in line with procedures and rules of conduct adopted by the Group, the recipients are required to make specific reports to the Supervisory Body (hereinafter also "SB"), at the e-mail address: odv@comelz.com. For all reports made, Comelz guarantees the confidentiality of the identity of the whistleblower in the management activities. This procedure aligns with Legislative Decree 24/2023, which requires companies to activate a whistleblowing channel for reports regarding unethical or illegal activities or behaviors that have occurred within the organization.

The Supervisory Body evaluates the reports received with discretion and responsibility. To this end, it may listen to the author of the report and/or the person responsible for the alleged infringement, giving written reasons for the autonomous decision not to proceed. In any case, the whistleblowers will be protected against any form of retaliation or penalty, and they will be guaranteed maximum confidentiality, without prejudice to the legal obligations and the protection requirements of the Company, and of persons accused in error or in bad faith.

In this connection, direct or indirect acts of retaliation or discrimination against the signaling agent shall be prohibited for reasons directly or indirectly related to the reporting. In any event, any retaliatory or discriminatory measures taken against the whistleblower for reasons directly or indirectly related to the reporting are void. Although the online channel is recommended, any reports of irregularities or critical issues by employees can also be presented during periodic meetings with managers.

In 2023, Comelz experienced no cases of non-compliance with laws and regulations.

**ESG Manager**

An ESG manager was appointed, with the responsibility of managing Sustainability activities. These activities are discussed and updated in meetings with the Board of Directors called specifically for ESG issues.

**3.2 Governance of the Group**

The Group's governance system is based on the principles of transparency and accountability for all workers, regardless of their degree, to promote a healthy working environment and a competitive product on the market.

The Group has adopted a traditional form of administration and control, which provides for the presence of the Board of Directors (hereinafter also "Board"), which is entrusted with corporate

management, and the Board of Statutory Auditors, which is responsible for supervision of corporate operations.

The appointment and selection procedure of the Board of Directors is regulated by the shareholders' agreement, signed in 2017, and by the amending agreement, dating back to 2022. This agreement establishes that the Board of Directors must be composed of a minimum of six to a maximum of eight Directors designated to ensure two Directors represent Minority Shareholders and the remaining to the Majority Shareholders. This guarantees that the Board of Directors is made up of members of an "industrial" background with experience in the sector in which the company operates, and of representatives from Neuberger Berman Renaissance Partners Holding S.à.r.l., with financial expertise, in M&A, strategy and, last but not least, in the ESG field.

With regards to these issues, an ad hoc course was held in 2023 at "SDA Bocconi" entitled "Sustainability and ESG criteria in Private Equity". The skills of the highest governing body will be further strengthened following training carried out by external consultants and relating to the Sustainability Policy and the recently drafted Supplier Code of Conduct.

As of 31<sup>st</sup> December 2023, the Board of Directors of Comelz S.p.A., which will remain in office until the approval of the financial statements for the year ending December 312023 consists of 7 people, including one woman, aged between 30 and 50 years old. The Chairman of the Board of Directors is also a senior executive of the Company.

#### Composition of the Board of Directors as of 31st December 2023

Member	Role	Executive/ non-executive	Date of nomination
Corsico Piccolino Alessandro	Chairman of the Board of Directors	Executive	From 28/09/2017
Zorzolo Bruno	Member	Executive	From 28/09/2017
Canè Fabio Cosmo Domenico	Member	Non-executive	From 28/09/2017
Cerrina Feroni Marco	Member	Non-executive	From 28/09/2017
Camisassi Giovanni	Member	Non-executive	From 28/09/2017
Riccardi Paolo	Member	Executive	From 13/02/2018
Loiacono Alice	Member	Non-executive	From 04/03/2022

#### Members of the Board of Directors, by gender and age as of 31st December 2022 and 2023

Gender	On 31 December 2023				On 31 December 2022			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Men	-	1	5	6	-	1	5	6
Women	-	1	-	1	1	-	-	1
<b>Total</b>	-	2	5	7	1	1	5	6

Regarding the remuneration of the members of the Board of Directors, a fixed compensation has been established for the Board of Directors and a variable remuneration for the Directors holding operational roles within the company, following a resolution of the Board of Directors in February 2022.

Currently, no formalized procedures have been adopted to evaluate the performance of the highest governance body in managing the impacts generated.

The oversight of the impacts caused by the organization on the economy, the environment and people are the responsibility of the Board of Directors. The latter is also entrusted with the task of examining this document, as well as approving the financial statements. In 2023, Comelz also appointed a director responsible for monitoring ESG issues: this figure leads the periodic discussions with senior executives aimed at managing these issues. Comelz has set itself the goal of formally addressing these issues within the Board meetings twice a year.

No Committees have been formalized within the Board of Directors; however, the Directors meet periodically to address salient issues such as the health and safety of employees, as well as to address critical issues that have emerged in conducting company activities.

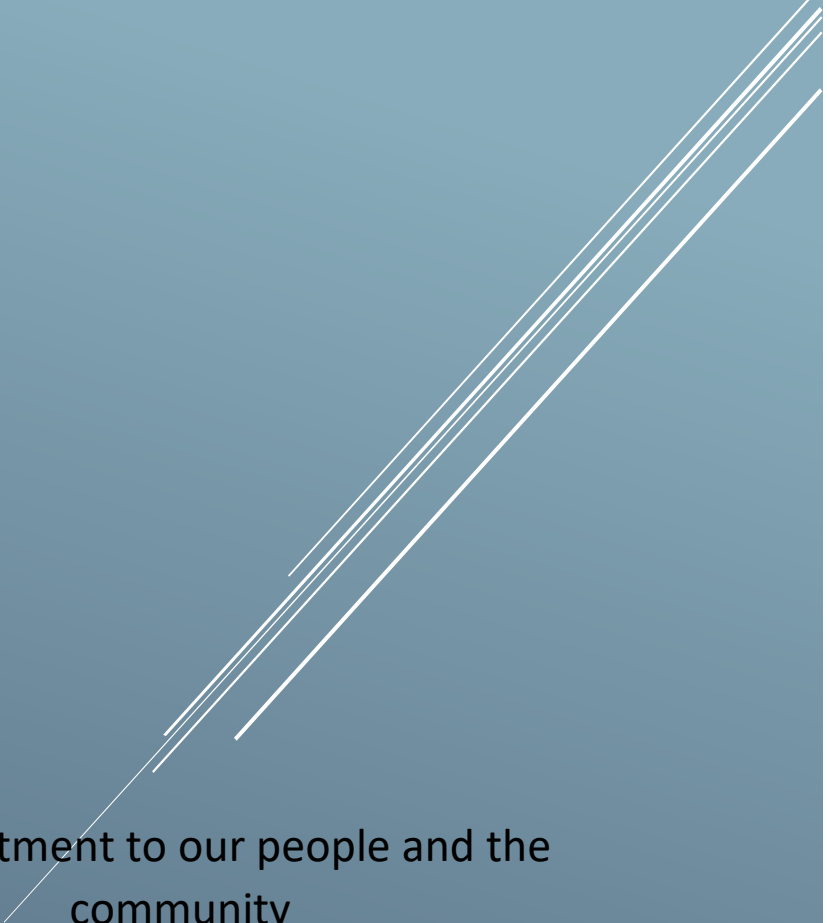
It is specified that, in order to prevent the occurrence of conflicts of interest, executives are not allowed to hold positions or roles that involve interests incompatible with the profession carried out within the organization. This obligation has also been formalized at the contractual level.

Lastly, the Board of Statutory Auditors, as the control body, is responsible for supervising compliance with laws and company regulations, as well as verifying the adequacy of the internal controls and organizational structure. The Board, whose composition has remained unchanged compared to the previous year, is made up of 3 men over the age of 50.

**Members of the Board of Statutory Auditors, by gender, company, and age as of 31st December 2022 and 2023**

Company	Gender	On 31 December 2023				On 31 December 2022			
		<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Comelz S.p.a.	Men	-	-	3	3	-	-	3	3
	<b>Total</b>	-	-	<b>3</b>	<b>3</b>	-	-	<b>3</b>	<b>3</b>





4. Commitment to our people and the  
community

## Our people at a glance

### Summary

Comelz constantly promotes the well-being of its workers in all its aspects. Through a daily commitment to training people and minimizing risks in the workplace, Comelz guarantees its workers a healthy and safe working environment.

In the Sustainability Policy, drafted in 2023, Comelz dedicated a chapter to its social responsibility and towards employees, including attention to diversity, professional development and health and safety at work.

### Highlights

- Introduction of the number of days lost due to accidents, among the KPIs relating to the health and safety of workers;
- Promotion of monitoring of **near miss incidents**;
- Promotion of **human rights** through its Sustainability Policy.

### Comelz by the numbers



**80% reduction** in injury rate



Average of **13h** of training per employee



**98%** of employees covered by collective bargaining agreements

**0** complaints regarding customer privacy violations.

## 4.1 Our employees

For Comelz, its employees are the key to the success of the company. For this reason the Company is committed to guaranteeing working conditions and professional development opportunities that enhance its employees.

The Comelz Group has **366 employees** as of 31<sup>st</sup> December 2023.

The Group hinders any form of discrimination by gender, nationality, sexual orientation, age or political and/or religious opinion with the aim of enhancing the concept of “diversity” as an opportunity for growth for the organization. In this regard, no incidents of discrimination occurred during 2023.

In compliance with the International Labor Organization Conventions and the current legislation to protect working conditions, the Company commits to respect fundamental human rights. In particular, Comelz:

- Bases its policies of selection, management, remuneration and training of personnel on criteria of professionalism, competence, and merit, in line with the relevant legal requirements, the workers' Statute and the applicable National Collective Bargaining Agreement (CCLLs). Comelz rejects any form of discrimination or favoritism aimed at facilitating the recruitment of a candidate by adopting an evaluation process as objective as possible in assessing the professional and psycho-aptitude profiles of candidates and offering all workers the same opportunities;
- creates a working environment in which the personal characteristics of the individual worker are valued and not penalized;
- ensures the protection of the privacy of the personnel and requires compliance with current legislation on privacy by prohibiting the dissemination of news about sensitive data acquired in the course of one's work function without prior authorization of the person concerned and specific authorizations from company management;
- ensures that no form of harassment is practiced in internal and external employment relations, particularly those based on or related to age, gender, sexual orientation and gender identity, marital status, health status, disability, race, ethnicity, nationality, political and trade union affiliations and religious beliefs;
- commits to combating the exploitation of workers' labor, including through the refusal to engage in commercial relations or to enter into contracts with third parties who engage in such practices;
- commits to ensure that staff are employed in accordance with compensation, contribution, working hours, rest periods, as well as other labor and trade union rights which are recognized to workers by laws, regulations in force and national and territorial collective bargaining agreements.

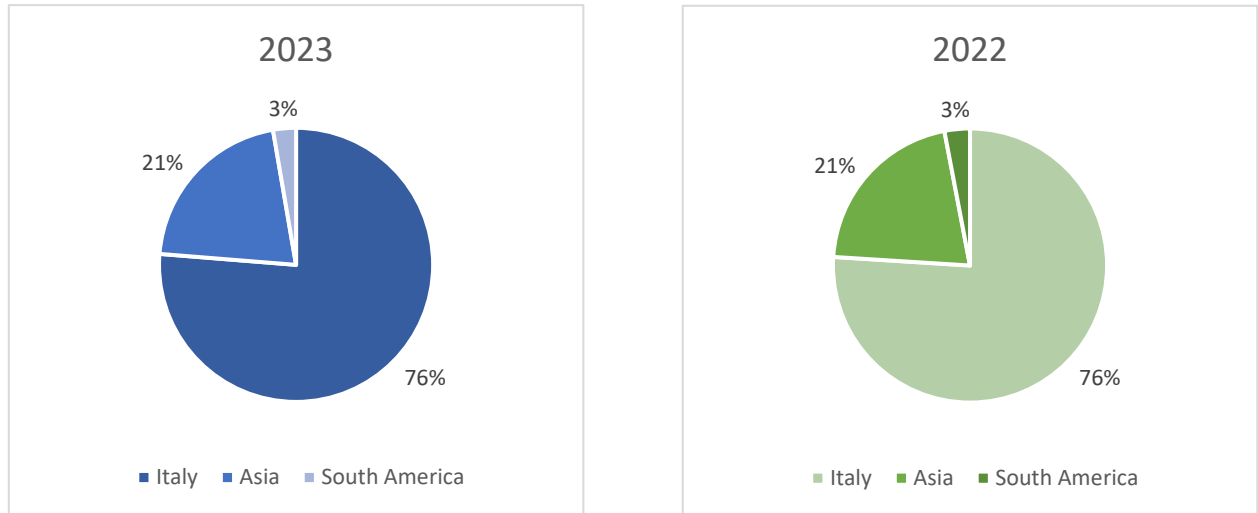
### Sustainability Policy: section on social responsibility

Comelz pays particular attention to its impact in the social sphere. For this reason, within the Sustainability Policy, Comelz is committed to promoting a healthy and safe working environment, respecting workers' rights.

The Group has 366 employees and 18 external workers as of 31<sup>st</sup> December 2023. External workers are recruited through a third-party company.

The staff is mainly employed in Italy (76%, with 279 employees), while the remaining share is divided between Asia (21%, with 77 employees), in particular in China, India and Myanmar and Brazil (3%, with 10 employees), in line with the previous year.

#### Geographical distribution of employees as of 31 December 2023 e 2022



#### Employees of the Group by geographical area and gender as of December 31<sup>st</sup>, 2023 and 2022

Geographical area	As of 31 <sup>st</sup> December 2023			As of 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
Italy	258	21	<b>279</b>	266	22	<b>288</b>
China	48	22	<b>70</b>	52	21	<b>73</b>
Brazil	9	1	<b>10</b>	9	2	<b>11</b>
India	4	2	<b>6</b>	4	2	<b>6</b>
Myanmar	1	-	<b>1</b>	1	-	<b>1</b>
<b>Total</b>	<b>320</b>	<b>46</b>	<b>366</b>	<b>332</b>	<b>47</b>	<b>379</b>

As of 31 December 2023, 98% of the Group's employees are employed with permanent contracts, an increase compared to the previous reporting period. Furthermore, almost all employees are employed full-time (98%).

#### Employees of the Group by contract type and gender as of December 31<sup>st</sup>, 2023 and 2022

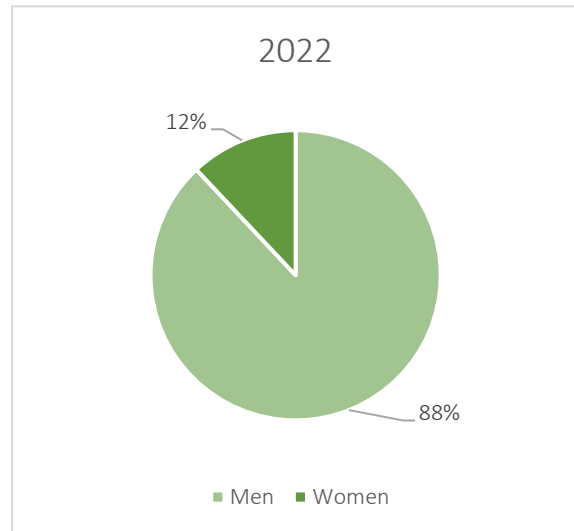
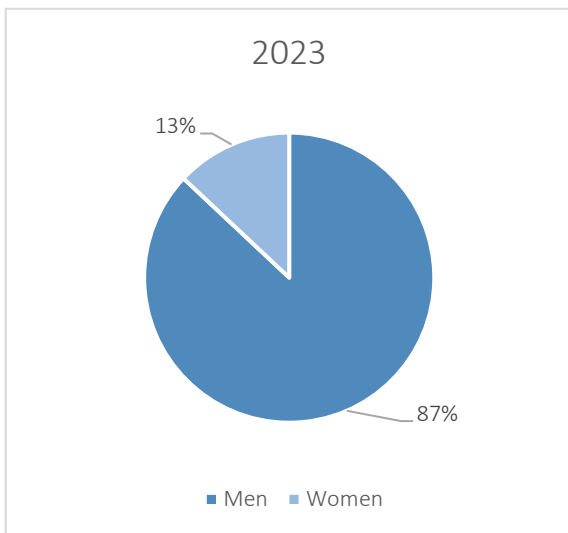
Type of contract	As of 31 <sup>st</sup> December 2023			As of 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
Permanent	314	43	<b>357</b>	314	43	<b>357</b>
Temporary	6	3	<b>9</b>	18	4	<b>22</b>
<b>Total</b>	<b>320</b>	<b>46</b>	<b>366</b>	<b>332</b>	<b>47</b>	<b>379</b>

Employees of the Group by type of employment and gender as of December 31<sup>st</sup>, 2023 and 2022

Type of employment	As of 31 <sup>st</sup> December 2023			As of 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
Full-time	315	42	357	326	42	368
Part-time	5	4	9	6	5	11
<b>Total</b>	<b>320</b>	<b>46</b>	<b>366</b>	<b>332</b>	<b>47</b>	<b>379</b>

Due to the nature of the business and the type of production activities carried out, men make up 87% of the Group's workforce, complementing a 13% female presence, mostly in the white-collar category. 67% of the Group's staff are between 30 and 50 years old, followed by 24% of employees over 50 years of age and 9% of workers are under 30 years of age.

Percentage of employees by gender as of 31<sup>st</sup> December, 2023 and 2022



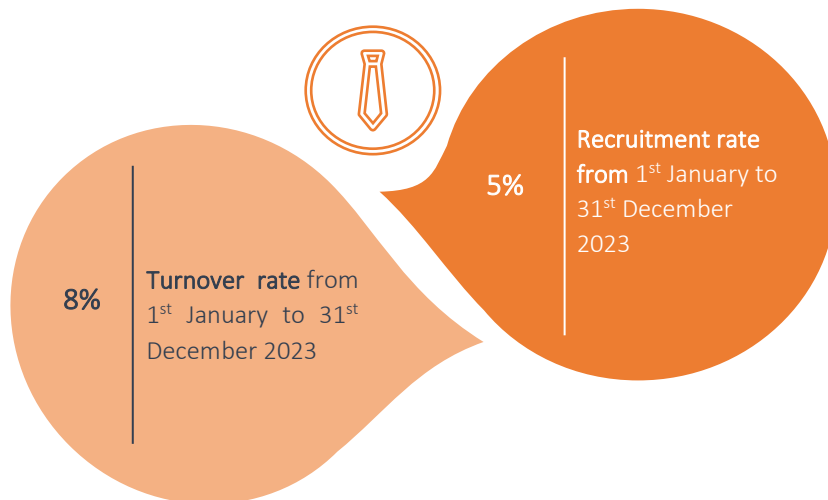
**Percentage of employees by professional category and by gender as of 31<sup>st</sup> December, 2023 and 2022**

Professional category	As of 31 <sup>st</sup> December 2023		As of 31 <sup>st</sup> December 2022	
	Men	Women	Men	Women
Executives	80%	20%	80%	20%
Middle management	92%	8%	90%	10%
Employees	73%	27%	72%	28%
Workers	98%	2%	98%	2%

**Percentage of employees covered by collective bargaining agreements as of 31<sup>st</sup> December, 2023 and 2022<sup>4</sup>**

Percentage	As of 31 <sup>st</sup> December 2023	As of 31 <sup>st</sup> December 2022
Employees covered by collective bargaining	98%	98%

The hiring rate for 2023 is equal to 5%, a decrease compared to the previous reporting period (12%); as regards outgoing resources, the turnover rate fell from 9% in 2022 to 8% in 2023.



The Comelz Group also has an impact on the territory and the community in which it operates. Aware of its role, with particular reference to economic development and the general well-being of the community, Comelz operates with respect for local and national communities, supporting initiatives of cultural and social value. The main headquarters of Comelz S.p.A. are located in Vigevano, one of Lombardy's oldest industrial districts, renowned for the production of footwear and machinery used by manufacturing enterprises, which employ a significant portion of the district population. Within this unique reality, the Group strives to contribute to the growth and development of the local district and

<sup>4</sup> With regards to the protection of workers' rights, the national regulations of the various geographical areas in which the Group operates apply. In particular, in India and Myanmar there are no collective bargaining agreements in force, but workers are protected by national laws.

to uphold the ongoing excellence and experience of *Made in Italy*. To confirm this commitment, the Group has recruited 100% of its senior management from the local community<sup>5</sup>.

## 4.2 Training and professional development

Comelz identifies professional growth and employee development as essential objectives through structured training plans that respond to the needs and requirements linked to the different roles.

The Corporate Management of Comelz S.p.A. annually prepares a training program for the current year addressing the topics to be developed, involved business areas and implementation times. This program is also prepared based on training needs identified and communicated by functional managers to Company Management. The Group guarantees that the training and development of its staff through specific courses, in addition to mandatory training.

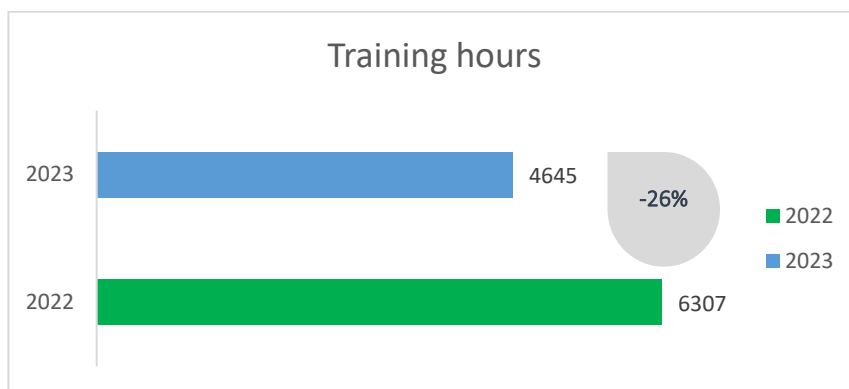
During 2020, Comelz developed the Education and Training Procedure, in line with the requirements of Legislative Decree 81/08 relating to Safety, as well as to the ISO 45001:2018 standard. The procedure applies to all company functions to ensure that:

- for each present function/ task, the necessary present and future skills are identified;
- each person who holds this function/ task is provided with the opportunity to acquire this skill;

The training activities envisaged by the procedure focus on health and safety in the workplace and apply to all Comelz corporate functions.

With the aim of disseminating knowledge about health and safety regulations and to ensure compliance with laws, 4,645 hours of training were delivered during 2023. The average annual training hours for women was 8.2 while for men it was 13. With reference to the training hours provided, there was a 26% decrease compared to the previous year, a change attributable to the lack of course updates carried out in the previous year.

**Number of training hours provided from 1 January to 31<sup>st</sup> December 2023 and 2022**



<sup>5</sup> By local community we mean Italy for Comelz S.p.A., Camoga Italia S.p.A. and Develer S.r.l.; India for Comelz India Private Limited, Brazil for Comelz do Brazil and China for Camoga Leather Machine Manufacturing Nanjing Ltd.

### 4.3 Employee well-being

Employees are the real assets of every company, especially in the current uncertain market where the most qualified resources are scarce and worker motivation and loyalty are essential.

In this regard, since 2020, Comelz has been offering its employees a production bonus divided into two parts. The first recognizes incentives linked to the intensity and flexibility of the individual employee's presence in the company. The second relates to company productivity as a whole.

In addition, Comelz has set up a variable remuneration system for certain key employees that can be obtained upon achievement of personal objectives. Moreover, the company has in place company welfare program and tax benefits for all employees and the company, as a result of a trade union agreement. The majority of employees opted for the monetization of this part of their salary in the form of shopping vouchers. In this way, Comelz's corporate welfare combines corporate social responsibility with workforce incentive plans, directly associating benefits with the topic of compensation.

Finally, Comelz has set in place an MBO incentive system defined for some managers who own shares in Comelz.

Comelz's total annual compensation rate for 2023 is equal to 12. This value represents the ratio between the annual salary of the highest paid individual and the median salary of employees (excluding the highest paid person).

### 4.4 Health and safety of workers

Comelz is committed to spreading and consolidating the culture of health and safety in the workplace, developing awareness of risks in the workplace, and promoting responsible behavior on behalf of all staff. The Group strives to preserve the health and safety of its workers, also through targeted preventive actions.

In this regard, Comelz S.p.A. confirmed the risk assessment carried out in 2022, according to the requirements of the Consolidated Law on the Health and Safety of Employees, Legislative Decree 81/2008, a text coordinated with the Legislative Decree. 106/2009. The measures to be adopted, the objectives and the timing for their implementation are presented within the evaluation. Furthermore, the frequencies for renewing certifications and inspections are indicated. In order to monitor the protection measures in place and to ensure their development, specific figures have been appointed to manage and safeguard the conduct of work activities and comply with regulations regarding workplace environment, health, and training of workers. Hence, the Company defined the roles of RLS (Workers' Safety Representative), RSPP (Prevention and Security Service Representative), and department supervisors. The latter receive special training in first aid and firefighting, dealing with prevention directly in the workplace.

Comelz has also drawn up an Accident Management Procedure, aimed at formalizing the methods of managing adverse events that may occur and implementing preventive or corrective actions that cancel or reduce the probability of these occurrence. This document also collects "near miss" reports, asking the reporter for the factors that may have contributed to the occurrence of the event and which factors can reduce the harmful consequences. The reports are managed by the department head, the RSPP and, upon review, by the RLS.



To encourage communication aimed at the continuous improvement of the working environment, meetings are scheduled every year involving all the company figures who deal with health and safety management and the workers' representatives, who have the opportunity to periodically meet with the company RSPP and consult the risk assessment document. Furthermore, to keep the RLS constantly updated, Comelz encourages informal meetings between the different figures.

As previously mentioned, all workers are provided with specific training on safety in the workplace to allow them to carry out their work while protecting their health and to be able to report any situations of danger, if necessary. In particular, specific training with periodic updates is provided for roles that include the use of the overhead crane and the forklifts.

To guarantee the health of its workers in the workplace, Comelz S.p.A. also organizes annual and bi-annual health checkups, tailored to the role played in the company.

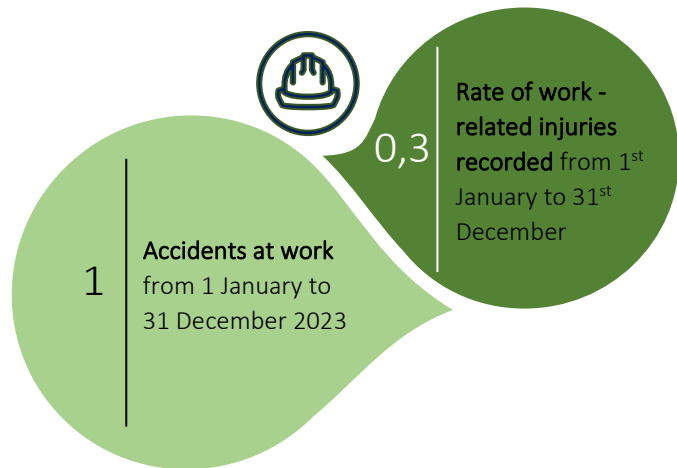
With regards to temporary staff, Comelz S.p.A. works to ensure compliance with the applicable legislation and the awareness of the personnel themselves regarding the health and safety risks related to the work environments in which they operate.

The sharing of health and safety values is also extended to external collaborators,

where applicable, in consideration of the services covered by the business relationship and linked to Comelz S.p.A. from contractual relationships, through the adoption of specific contractual clauses.

The Company, in view of its desire to create a healthy and comfortable environment for its employees and visitors, has provided for a ban on smoking in the workplace.

In 2023, there was 1 accident at work recorded, compared to 5 accidents in 2022, demonstrating the great attention paid to the workplace health and safety. The rate of recordable workplace injury is 0,3, a decrease from the previous year (1.5 in 2022). Furthermore, starting from 2023, Comelz will report the days lost due to recorded injuries. This saw a decline of 79% (from 101 days to 21).





## 5. Our commitment to reducing the environmental impact

## Our environmental responsibility at a glance

### Summary





Comelz has maintained its commitment to promoting responsible production, drafting new policies, and defining a long-term path to reduce Scope 1 and Scope 2 GHG emissions. In addition, for the first time, it has attempted to report two categories of emissions scope 3.

### Highlights

- **Sustainability Policy:** with particular reference to the commitment to renewable energy;
- Formalization of the **Decarbonization Plan**, geared towards reducing emissions in line with SBTi.



### Comelz by the numbers

-  Increase in the percentage of **renewable energy** compared to total energy consumption.
-  **82%** of the energy purchased is certified with Guarantees of Origin
-  **8% reduction** in Scope 1 emissions
-  **100%** of waste recycled

## 5.1 The commitment to the energy transition: towards renewables

Comelz prioritizes in its production process the reduction of its activities' environmental impact through active participation in resource conservation, compliance with applicable environmental regulations and the implementation of energy efficiency initiatives.

### Comelz S.p.A.'s commitment to sustainability

Comelz S.p.A. in Vigevano has invested in a photovoltaic system with a power capacity of about 402 kWp, which has supplied electricity to the entire plant.

In particular, Comelz S.p.A. formalizes its commitment to respect for the environment within the Code of Ethics, in which it also addresses all its employees asking to:

- contribute to the fulfillment of environmental protection obligations;
- always assess the effects of their conduct in relation to potential damage to the environment;
- avoid careless behaviors that could damage the environment.

The Sustainability Policy drawn up in 2023 pays particular attention to commitment in the environmental sector, in terms of responsible use of natural resources and energy consumption.

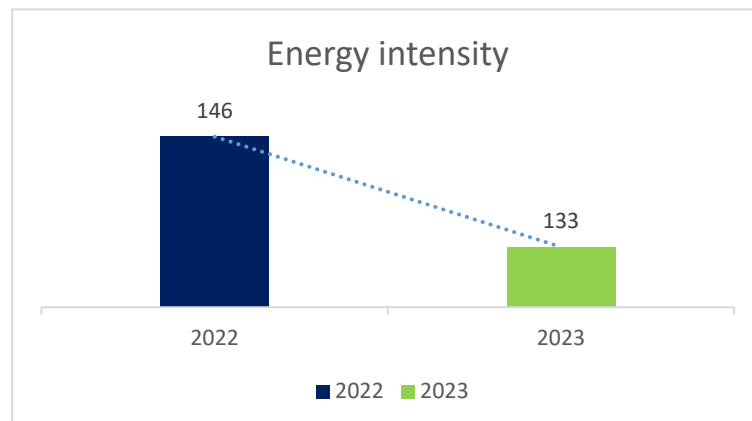
### Sustainability Policy: section on environmental responsibility

In the Sustainability Policy, Comelz indicated the role of its operations in the path towards the energy transition through:

- Reduction of fossil fuel consumption;
- Increase in the use of energy from renewable sources, through the purchase of electricity;
- Development of a Decarbonization Plan, a roadmap aimed at reducing Scope 1 and Scope 2 emissions.

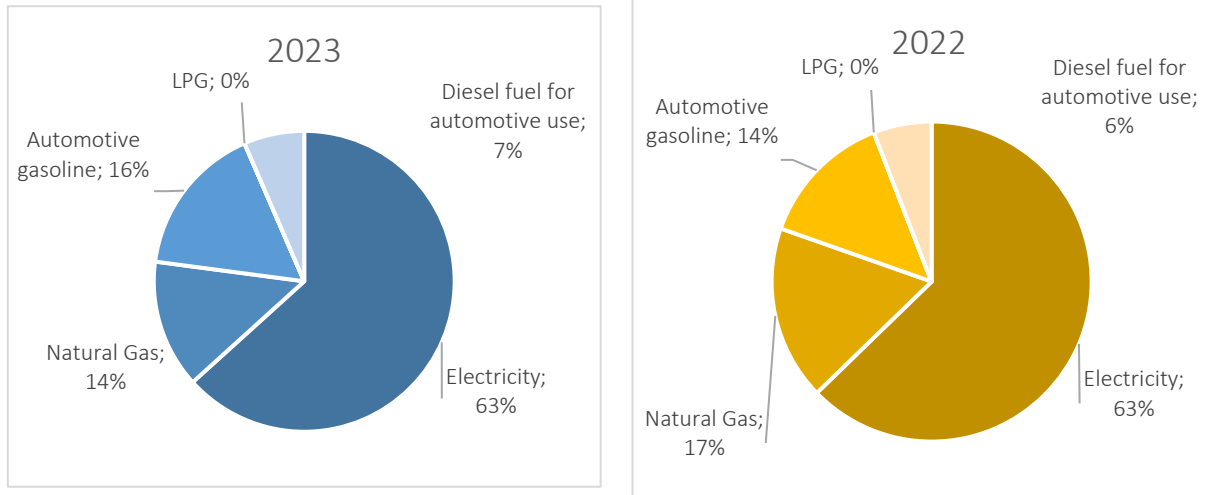
Based on the commitments described above, in 2023 the Group consumed a total of over 10,764 GJ of energy, the main share of which was represented by electricity, equaling 63% of total energy needs, in line with the previous year. The decrease in energy consumption can be explained by considering the reorganization of the production activity compared to the previous year; this change is also reflected in the decrease in energy intensity, which fell by 9% between 2022 and 2023.

### Energy intensity in 2023 and 2022 (GJ/M€)



In 2023, the main items relating to energy consumption saw the addition of LPG for company vehicle use, albeit in a negligible quantity (equal to 0,01% of overall consumption). Compared to fuel consumption, the Group recorded a decrease of 8% between 2022 and 2023, mainly due to a decrease in natural gas consumption. Regarding gasoline for automotive use, Develer is the only company that has recorded an increase compared to 2022, having expanded its car fleet.

### Energy consumed within the organization from 1<sup>st</sup> January to 31<sup>st</sup> December 2023 and 2022 (GJ)<sup>6</sup>



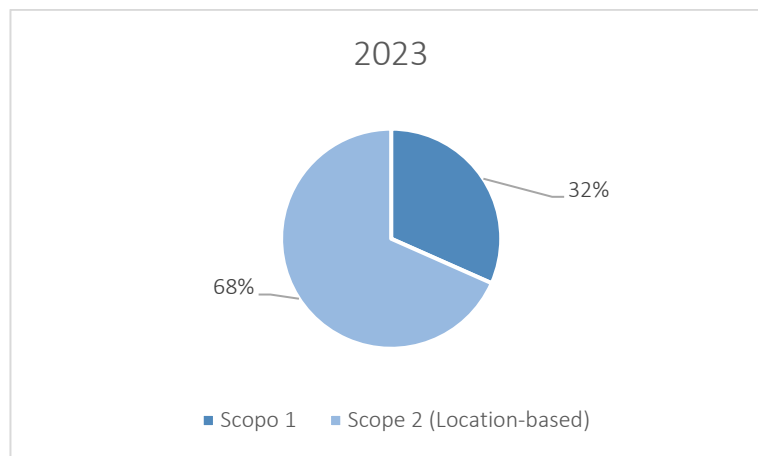
<sup>6</sup>The following conversion factors were used to calculate energy consumption in GJ:

- Electricity: for both 2023 and 2022 it is equal to 0,0036 GJ/kWh (source: International System)
- Natural gas: for 2023 it is equal to 0,0401 GJ/kWh (source: DEFRA 2023); for 2022 it is equal to 0,0398 GJ/kWh (source: DEFRA 2022);
- Diesel fuel for transport: for 2023 it is equal to 0,0378 GJ/litres (source: DEFRA 2023); and for 2022 it is equal to 0,0382GJ/litres (source: DEFRA 2022);
- Petrol for transport: for 2023 it is equal to 0,0341 GJ/litres (source: DEFRA 2023); for 2022 it is equal to 0,0343 GJ/tonne (source DEFRA 2022);
- LPG: for 2023 it is equal to 0,0389 GJ/litres (DEFRA 2023);

59% of the electricity consumed comes from renewable sources, partly from self-production via solar panels (29%) and partly from energy purchased through guarantees of origin (71%). This distribution is consistent with the previous year, despite a 3% increase in consumed renewable energy.

In 2023, the Group emitted 236 tCO<sub>2</sub>eq of direct Scope 1 emissions, and 510 tCO<sub>2</sub> of indirect Scope 2 emissions (calculated with the location-based method) linked to the purchase of electricity, for a total of 746 tCO<sub>2</sub>eq. When considering the purchase of electricity from renewable sources, Scope 2 emissions, calculated with the market-based method, are equal to 128 tCO<sub>2</sub>. Scope 1 emissions represent approximately 30% of aggregate Scope 1 and Scope 2 emissions and are mainly caused by the consumption of natural gas by Comelz S.p.A. and by the petrol used for the Comelz S.p.A. car fleet and Develer S.r.l.

### Scope 1 (tCO<sub>2</sub>eq) and 2 Location-based (tCO<sub>2</sub>) emissions from 1<sup>st</sup> January to 31<sup>st</sup> December 2023<sup>7</sup>



Emissions intensity (calculated considering market-based Scope 2 emissions) fell by 21% compared to the previous year due to the decrease in turnover and an increase in renewable energy consumption relative to total energy consumed.

<sup>7</sup> The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method".

The "Location-based" method is based on average emission factors related to energy generation for well-defined geographical boundaries, including local, subnational or national borders (methodology used, with 2023 emission factor: 315 gCO<sub>2</sub>/kWh - Source: TERNA 2019; China: 609 gCO<sub>2</sub>/kWh – Source: TERNA 2019; Brazil: 139 gCO<sub>2</sub>/kWh - source TERNA 2019; India: 0,82 Tco<sub>2</sub>/MWh Ministry of Energy (India) and for 2022: 315 gCO<sub>2</sub>/ kWh - Source: TERNA 2019; 609 gCO<sub>2</sub>/kWh – Source: TERNA 2019; Brazil: 139 gCO<sub>2</sub>/kWh - source TERNA 2019;

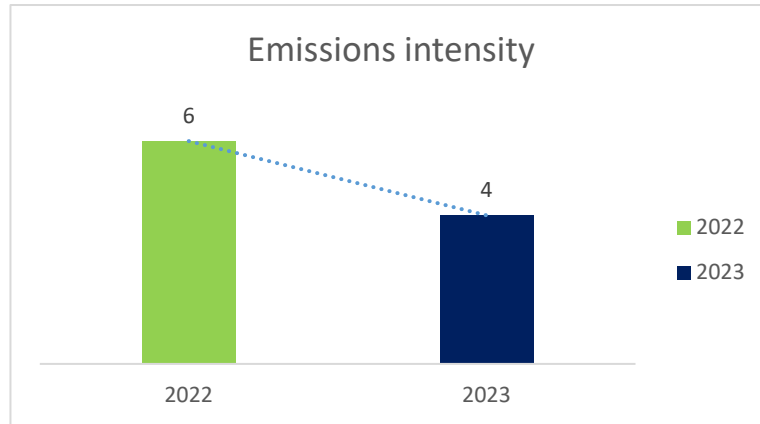
The "Market-based is based on the CO<sub>2</sub> emissions emitted by the energy suppliers from which the organization purchases, through a contract, electricity and can be calculated considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors relating to the "residual mix", i.e. energy and unmonitored or unclaimed emissions (methodology used, with Italy 2023 emission factor: 457 gCO<sub>2</sub>/kWh - Source: AIB - European Residual Mixes 2023; China: 609,00 gCO<sub>2</sub>/kWh source TERNA 2019; Brazil: 139,00 gCO<sub>2</sub>/kWh\_ source TERNA 2019; India: 0,82 tCO<sub>2</sub>/MWh and for 2022: 457 gCO<sub>2</sub>/kWh - Source: AIB - European Residual Mixes 2022; China: 609,00 gCO<sub>2</sub>/kWh source TERNA 2019; Brazil: 139,00 gCO<sub>2</sub>/kWh\_ source TERNA 2019; Comelz purchases Guarantee of Origin certificates for the Vigevano headquarters.

The emission factors used to calculate Scope 1 are:

- Natural Gas: for 2023 2,0384 kgCO<sub>2</sub>eq/m<sup>3</sup> (Source DEFRA 2023); and for 2022 2,0174 kgCO<sub>2</sub>eq/m<sup>3</sup> (Source DEFRA 2022);
- Diesel fuel for transport: for 2023 2,5121 kgCO<sub>2</sub>eq/litres (Source DEFRA 2023); and for 2022 it is equal to 2,76 kgCO<sub>2</sub>eq/litres (Source DEFRA 2022);
- Petrol for transport: for 2023 2,0975 kgCO<sub>2</sub>eq/litres (Source DEFRA 2023); for 2022 it is equal to 2,16 kgCO<sub>2</sub>eq/litres (Source: DEFRA 2022);

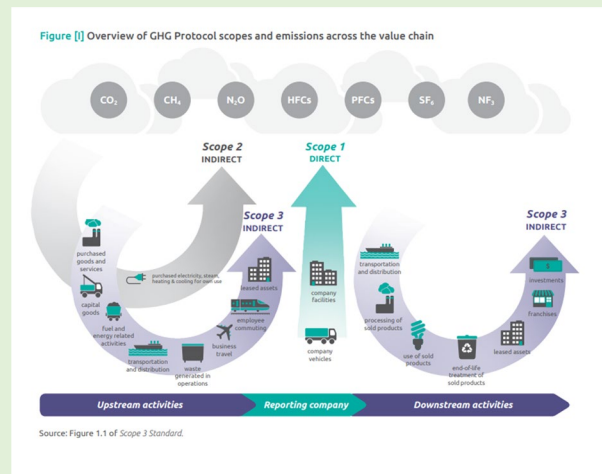
Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub> equivalents) as can be deduced from the reference technical literature.

Energy and emissions intensity 2022 e 2023 (Scope 1 + Scope 2 Market-based) (tCO<sub>2</sub>eq/M€)



**Monitoring Scope 3 GHG Emissions**

According to the GHG Protocol, Scope 3 emissions are divided into 15 categories, represented as follows:

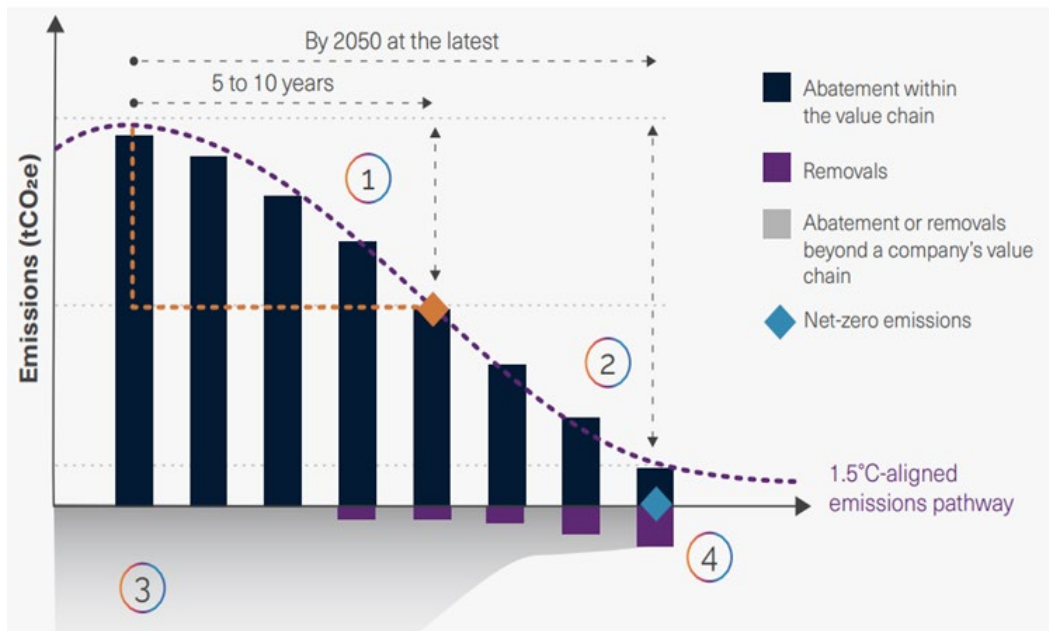


Starting from 2023 Comelz began monitoring two categories of Scope 3 emissions generated along its value chain. The monitoring process has initially focused on categories 4 and 9 of the GHG Protocol: category 4 refers to the emissions generated in the transport and distribution of purchased products and therefore conceptually upstream with respect to company operations ("Upstream Transportation & Distribution"); conversely, category 9 focuses on the emissions generated by the transport and distribution of sold products, and is therefore conceptually placed downstream from company activities ("Downstream Transportation & Distribution"). For the first year of reporting, the data collected is limited to the parent company Comelz S.p.A.

Total Scope 3 Emissions: 1549 tCO<sub>2</sub>e

*Decarbonization Plan*

*In 2023 Comelz formalized its commitment to a decarbonization path in line with the SBTi targets. The path involves achieving a quantitative target for reducing Scope 1 and 2 emissions emitted by Italian sites, compared to the 2022 baseline. The objective involves a 42% reduction in emissions and is divided into 3 macro-phases.*



5.2 Conscious management of waste and materials

The Group is committed to managing and disposing of its waste properly, as required by current environmental regulations, recognizing the considerable impact of this practice on public health and ecosystems. This commitment is formalized within the Waste Management Procedure, outlining the phases and responsibilities related to waste management within Comelz S.p.A. The guidelines specify the management of urban waste, hazardous and non-hazardous waste, the use of temporary storage facilities, the criteria for selecting carriers, disposer, recyclers and the declaration obligations.

In 2023, Comelz produced approximately 226 tons of waste, a decrease of 7% compared to 2022. Most of the waste (90%) is non-hazardous.



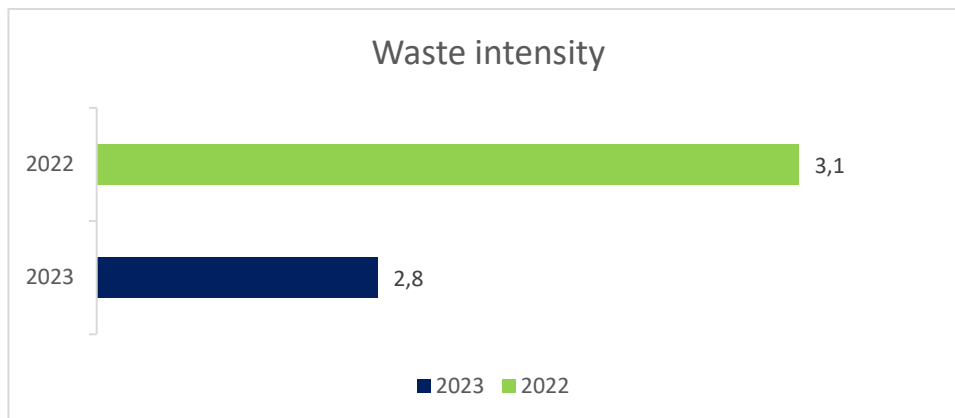


Waste generated from 1 January to 31 December 2023 and 2022 (t)



Similarly, the intensity of waste generated also fell by 10% between 2022 and 2023, from 3,1 (t/M€) to 2,8 (t/M€).

Waste intensity 2023 and 2022 (t/M€)



Comelz does not report the material composition of its products but aims to develop a data collection system in this regard to provide disclosure of the material topic by the 2025 Report.



## 6. Commitment to the value chain

## Our supply chain at a glance

### Summary

Comelz promotes the sustainability principles of its business along its supply chain. Renewing its commitment to the diffusion of *Made in Italy*, the Group has continued to maintain high quality standards in all phases of its operations.

#### Highlights

- **Supplier Code of Conduct**, which promotes environmental responsibility throughout the supply chain.
- **Purchasing procedure**, which determines the guidelines for the procurement of materials.

#### Comelz by the numbers



89% of expenditure from local suppliers



12 patents obtained in the last 10 years



€4,1M spent on research and development

## 6.1 “Made in Comelz” spirit

At the heart of the “Made in Comelz” spirit there is the combination of skill and experience developed through out a long tradition based on the continuous improvement of the manufacturing techniques and abilities in the Italian territory. On this premise, Comelz is the champion of the *Made in Italy* brand.

Comelz S.p.A. products aim to promote innovation and Italian manufacturing quality within the mechanical-footwear district in the Vigevano area, favoring the supply of resources coming from the Italian market and, in particular, from the local territory in which the Group operates, ensuring high product quality and production standards. Regarding this, no incidents of non-compliance related to product safety occurred during 2023

The procurement of materials is regulated by the Purchasing Procedure. Annually, the Production Function Manager, with the support of the Purchasing/Warehouse Function, defines a demand schedule based on the batch of machines to be produced during the period. The budget for these supplies is defined by the CEO and the CFO. Unlike the process that regulates purchases for production, the demand for services/ consultancy and/or consumables is managed directly by the specific Functions as the need arises. In this case, the Procedure requires each Function to make use of qualified suppliers according to the criteria and methods described in the document. These checks guarantee that the suppliers meet the reputational requirements of integrity, professionalism, technical ability, and economic-financial solidity.

The assignment of the purchase order to the supplier is divided into four phases:

Given the international nature of the Group, the procedure also specifies the measures for customs compliance and monitoring of the material from sending to delivery to the recipient, guaranteeing the traceability of products.

The overall expenditure towards local suppliers over the reporting period is shown below<sup>8</sup> in terms of percentage volume. As can be seen, Comelz is committed to favoring local production, where possible, aiming to preserve product quality and production standards.

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<sup>8</sup> Any expenditure made in the country where the Group company carrying it out is located is identified as expenditure towards local suppliers.



#### 1 Issue of the request for quotation to potential suppliers

Once the potential counterparties have been identified, the Manager of the Requesting Function sends the order requests to three different suppliers, requesting quotes, with indication of the technical specifications;



#### 2 Reception and evaluation of offers submitted by suppliers

Once offers from potential suppliers have been received, the Requesting Functions carry out technical/ economic and qualitative assessments relating to the products to be purchased. The evaluation regarding material intended for production will be weighted according to the following aspects:

- Competitiveness
- Delivery time
- Product quality
- Compliance with technical specifications



#### 3 Negotiation of the purchase order

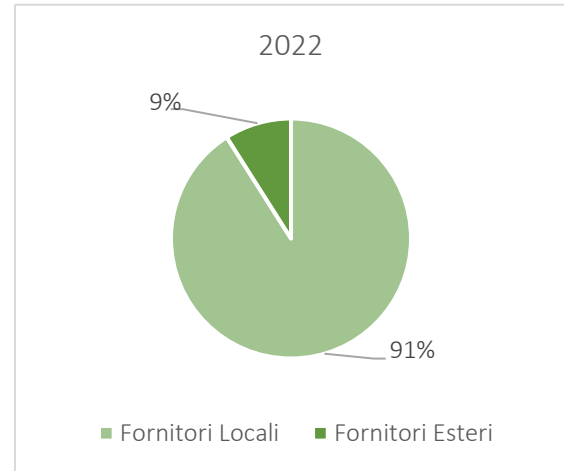
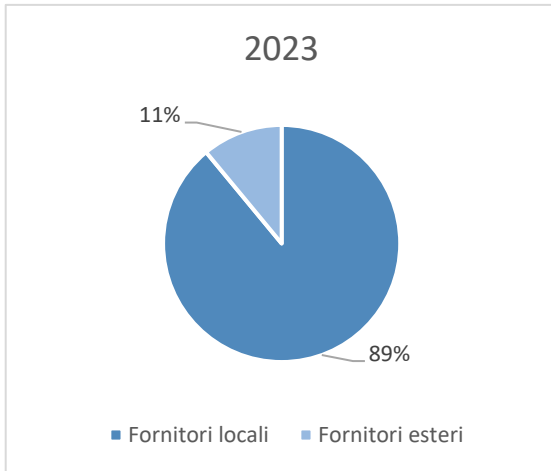
The Requesting Function, with the support of any other competent functions, evaluates the possibility of presenting the supplier with any counter-offers to those received; the functions involved undertake to guarantee the consistency and correct application of the purchasing criteria;



#### 4 Formalization of the contract with the suppliers

The purchase order is made in a clear, unambiguous, accurate and complete manner; the contractual relationship is considered confirmed only when the parties have confirmed their acceptance and the documents have been archived by the Requesting Function and subsequently also by the Purchasing/ Warehouse Function.

Expenditure by local suppliers from 1<sup>st</sup> January to 31<sup>st</sup> December, 2023 and 2022<sup>9</sup>



#### Supplier Code of Conduct

Comelz has drafted a Code of Conduct for its suppliers, requiring they align themselves with the Group's values and undertake to respect the principles of ethics and business integrity. Comelz encourages attention to human and workers' rights and invites suppliers to ensure responsible use of resources in carrying out their activities.

<sup>9</sup> The data refers to the following companies: Comelz S.p.A., Develer S.r.l., Camoga S.p.A., Camoga Leather Machine Manufacturing Nanjing Ltd, Comelz do Brazil. By local suppliers we mean suppliers with registered office in Italy for Comelz S.p.A., Develer S.r.l., Camoga S.p.A., in China for Camoga Leather Machine Manufacturing Nanjing Ltd and in Brazil for Comelz do Brazil.

## The values of Comelz products

### INNOVATION

Comelz aspires to innovation. With particular attention to the sustainability of its supply chain, it seeks and develops solutions that meet the needs of demand with the aim of building long-lasting relationships.

### PRODUCTIVITY

Comelz technology serves businesses of any type, increasing the productivity of processes 3for an increasingly larger pool of customers.

### FLEXIBILITY

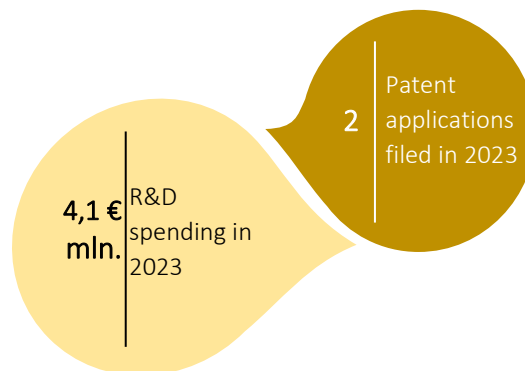
Comelz focuses on achieving high quality standards in order to create versatile machines with a flexible design and efficient layout to satisfy different needs.

### TAILORED SOLUTIONS

Thanks to automation, Comelz provides different machine configurations that allow the customer to develop tailor-made solutions in an easy, efficient and sustainable way.

Since its foundation, Comelz's innovative spirit is reflected in the continuous development of technological solutions and the attainment of numerous patents. In addition to the twelve existing patents, requests for the recognition of two new patents were filed in 2023.

Comelz is renowned for being one of the first companies to integrate electronics into its production lines and among the first to use numerically controlled (CNC) machines and computerized manufacturing equipment. The Group is working to digitalize cutting processes, combining sophisticated software and advanced technology to achieve an unprecedented level of performance.





Appendix



## Performance indicators

In the following section, only the tables not included within the chapters of the Sustainability Report are presented

## Our people

### GRI STANDARDS 2-7

Number of employees by type of contract, geographical area, and gender:

Type of contract and region	As of 31 December 2023			As of 31 December 2022		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Permanent	252	20	272	255	22	277
Temporary	6	1	7	11	-	11
<b>Total Italy</b>	<b>258</b>	<b>21</b>	<b>279</b>	<b>266</b>	<b>22</b>	<b>288</b>
<b>Asia</b>						
Permanent	53	22	75	50	19	69
Temporary	-	2	2	7	4	11
<b>Total Asia</b>	<b>53</b>	<b>24</b>	<b>77</b>	<b>57</b>	<b>23</b>	<b>80</b>
<b>South America</b>						
Permanent	9	1	10	9	2	11
Temporary	-	-	-	-	-	-
<b>Total South America</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>9</b>	<b>2</b>	<b>11</b>
<b>Group</b>						
Permanent	314	43	357	314	43	357
Temporary	6	3	9	18	4	22
<b>Total Group</b>	<b>320</b>	<b>46</b>	<b>366</b>	<b>332</b>	<b>47</b>	<b>379</b>

Number of workers with non-guaranteed hours:

Workers with non-guaranteed hours	As of 31 December 2023			As of 31 December 2022		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Workers with non-guaranteed hours	-	-	0	-	-	0
<b>Asia</b>						
Workers with non-guaranteed hours	-	-	0	-	-	0
<b>South America</b>						
Workers with non-guaranteed hours	-	-	0	-	-	0
<b>Group</b>						

Total Group	-	-	0	-	-	0
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## GRI STANDARDS 2-8

Number of workers who are not employees by region and gender:

External workers	As of 31 December 2023			As of 31 December 2022		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Administered workers	8	-	2	10	-	10
Self-employed workers	2	-	8	1	-	1
<b>Total Italy</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>11</b>	<b>-</b>	<b>11</b>
<b>Asia</b>						
External workers	-	1	1	-	1	1
Other	1	-	1	-	-	-
<b>Total Asia</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>South America</b>						
Administered workers	-	-	-	-	-	-
Self-employed workers	4	2	6	4	1	5
<b>Total South America</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>5</b>
<b>Group</b>						
External workers	-	1	1	-	1 <sup>10</sup>	1
Administered workers	8	-	8	10	1	11
Self-employed workers	6	2	8	5	1	6
Other	1	-	1	-	-	-
<b>Total Group</b>	<b>15</b>	<b>3</b>	<b>18</b>	<b>15</b>	<b>3</b>	<b>18</b>

## GRI STANDARDS 401-1

Total number and rate of hiring by age group, gender and geographical area:

Region	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023			From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Italy	4%	14%	5%	12%	8%	12%
<30 years	1	1	7%	13	1	40%
30-50 years	9	2	7%	14	1	9%

<sup>10</sup> The previously published data relating to the 2022 reporting year have been restated following an improvement in the reporting process. For previously published data, please refer to the 2022 Sustainability Report, published on the website [Sustainability Report Comelz Group 2022 – COMELZ](#)

>50 years	1	-	1%	5	-	6%
<b>Asia</b>						
Asia	-	4%	3%	12%	2%	11%
<30 years	-	-	0%	-	-	-
30-50 years	1	1	3%	7	1	11%
>50 years	-	-	-	-	-	-
<b>South America</b>						
South America	22%	-	20%	22%	-	18%
<30 years	1	-	33%	2	-	67%
30-50 years	1	-	14%	-	-	-
>50 years	-	-	-	-	-	-
<b>Total Group</b>	<b>4%</b>	<b>9%</b>	<b>5%</b>	<b>12%</b>	<b>6%</b>	<b>12%</b>
<30 years	2	1	9%	15	1	38%
30-50 years	11	3	6%	21	2	9%
>50 years	1	-	1%	5	-	6%

New employee hires and employee turnover by age group, gender and region:

Region	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023			From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Italy	7%	19%	7%	6%	19%	7%
<30 years	3	-	11%	5	-	14%
30-50 years	9	3	7%	7	3	6%
>50 years	7	1	9%	5	1	7%
<b>Asia</b>						
Asia	9%	-	6%	12%	9%	11%
<30 years	-	-	-	-	-	-
30-50 years	5	-	7%	6	2	11%
>50 years	-	-	0%	1	-	-
<b>South America</b>						
South America	22%	100%	30%	22%	50%	27%
<30 years	2	-	67%	2	1	100%
30-50 years	-	1	14%	-	-	-
>50 years	-	-	-	-	-	-
<b>Total Group</b>	<b>8%</b>	<b>11%</b>	<b>8%</b>	<b>8%</b>	<b>15%</b>	<b>9%</b>
<30 years	5	14	15%	7	1	19%
30-50 years	-	4	7%	13	5	7%
>50 years	7	1	9%	6	1	9%

**GRI STANDARDS 403-9<sup>11,12</sup>**

Health and Safety Indicators – employees:

<b>Work-related injuries (employees)</b>	<b>From 1<sup>st</sup> January to 31<sup>st</sup> December 2023</b>	<b>From 1<sup>st</sup> January to 31<sup>st</sup> December 2022</b>
Total number of hours worked	<b>635.721</b>	<b>668.914</b>
Number of fatalities as a result of work-related injury	-	-
Number of accidents at work with serious consequences (excluding fatalities)	-	-
<b>Number of recorded work-related injuries</b>	<b>1</b>	<b>5</b>
Rate of fatalities as a result of work-related injury	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of recordable work-related injuries	<b>0,3</b>	<b>1,5</b>

It should be noted that in 2023, 1 recordable injury and death occurred among external workers, compared to a total number of hours worked of 30.637.

<sup>11</sup> The calculation of injury indices was based on 200.000 hours worked, according to the following formulae:

- Rate of fatalities as a result of work-related injury: Number of fatalities as a result of work-related injury/number of hours worked\*200.000
- Rate of high-consequence work-related injuries (excluding fatalities): Number high-consequence work-related injuries (excluding fatalities)/ number of hours worked \*200.000
- Rate of recordable work-related injuries: Number of recordable work-related injuries / number of hours worked \*200.000;

<sup>12</sup> Recordable injuries: All accidents (whether or not leading to death), days out of work, job limitations or transfer to another job, medical care beyond first aid or unconsciousness, major injury or diagnostic illness by a physician or other authorized health care provider, even if it does not cause death, days out of work, job limitation or transfer to another job, medical care beyond first aid or a state of unconsciousness. Recordable accidents with serious consequences: Accidents leading to damage from which the worker (employee) cannot recover, resume or it is unrealistic to expect that it will recover completely back to the state of health before the accident within 6 months (excluding deaths).

### GRI STANDARDS 404-1

Average hours of training per capita per gender and employee category:

Employee category	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023			From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022		
	Men	Women	Total	Men	Women	Total
Executives	-	2	0,4	4	1	4
Middle management	1	-	1	3	-	3
Employees	31	9	25	38	17	32
Workers	5	8	5	7	8	7
<b>Total</b>	<b>13</b>	<b>8</b>	<b>13</b>	<b>17</b>	<b>16</b>	<b>17</b>

### GRI STANDARDS 405-1

Percentage of employees by employee category and age group:

Employee category	As of 31 December 2023				As of 31 December 2022			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	40%	60%	1%	-	40%	60%	1%
Middle management	-	42%	58%	3%	-	40%	60%	3%
Employees	12%	72%	16%	40%	14%	69%	18%	39%
Workers	8%	66%	26%	55%	10%	68%	22%	57%
<b>Total</b>	<b>9%</b>	<b>67%</b>	<b>24%</b>		<b>11%</b>	<b>67%</b>	<b>22%</b>	

Percentage of employees belonging to the protected categories broken down by professional framework and gender:

Employee category	As of 31 December 2023			As of 31 December 2022		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Middle management	-	-	-	-	-	-
Employees	3%	1%	4%	1%	4%	4%
Workers	4%	-	4%	3%	-	4%
<b>Total</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>

## Our commitment to reducing the impact on the environment

### GRI STANDARDS 302-1

Energy consumption within the organization:

Energy consumption within the organization (GJ) <sup>13</sup>	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022
Natural gas	1.484	2.188
Diesel for automotive use	1.769	1.469
Automotive gasoline	699	654
LPG	1	-
<b>Total fuels consumed</b>	<b>3.953</b>	<b>4.311</b>
<b>Electricity<sup>14</sup></b>	<b>6.811</b>	<b>7.246</b>
<i>of which renewable (self-produced)</i>	1.848	1.610
<i>of which renewable (certified purchase)</i>	4.540	4.576
<i>of which non-renewable</i>	989	1.540
<b>Total</b>	<b>10.764</b>	<b>12.037</b>

### GRI STANDARDS 302-3

Energy intensity within the organization:

Energy intensity (GJ/ M€)	As of 31 December 2023	As of 31 December 2022
<b>Total</b>	133	146

### GRI STANDARDS 305-1 and 305-2

Direct and indirect emissions generated by the organization:

<sup>13</sup> The following conversion factors were used to calculate energy consumption in GJ:

- Electricity: for both 2023 and 2022 it is equal to 0,0036 GJ/kWh (source: Sistema Internazionale)
- Natural gas: for 2023 it is equal to 0,0401 GJ/kWh (source: DEFRA 2023); for 2022 it is equal to 0,0398 GJ/kWh (source: DEFRA 2022);
- Diesel fuel for transport: for 2023 it is equal to 0,0378 GJ/litres (source: DEFRA 2023); and for 2022 it is equal to 0,0382GJ/litres (source: DEFRA 2022);
- Petrol for transport: for 2023 it is equal to 0,0341 GJ/litres (source: DEFRA 2023); for 2022 it is equal to 0,0343 GJ/tonne (source DEFRA 2022);
- LPG: for 2023 it is equal to 0,0389 GJ/litres (DEFRA 2023).

<sup>14</sup> The total value of the electricity consumed is given by the sum of the electricity self-produced from renewable sources, the electricity purchased with Guarantee of Origin certificates, and the electricity purchased not from renewable sources, net of the electricity sold, not shown in the table.

GHG direct emissions (tCO <sub>2</sub> e) and indirect emissions (tCO <sub>2</sub> ) <sup>15</sup>	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022
Scope 1	236	256
Scope 2 - Location Based	510	584
Scope 2 - Market based	128	213
Total Scope 1 and Scope 2 (Location based)	746	840
Total Scope 1 and Scope 2 (Market based)	364	468

### GRI STANDARDS 305-3<sup>16</sup>

Other indirect emissions generated by the organization

Other indirect emissions (tCO <sub>2</sub> e)	As of 31 December 2023
<b>Total Scope 3</b>	1549

### GRI STANDARDS 305-4

Intensity of greenhouse gas emissions (tCO<sub>2</sub>eq/M€), with reference to Scope 1 and Scope 2 emissions Location-based:

Emissions intensity (tCO <sub>2</sub> eq/M€)	As of 31 December 2023	As of 31 December 2022
<b>Total</b>	9	10

### GRI STANDARDS 306-3, 306-4 and 306-5

<sup>15</sup> The GRI Sustainability Reporting Standards provide two methodologies for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". The "Location-based" method is based on average emission factors related to energy generation for well-defined geographical boundaries, including local, subnational or national borders (methodology used, with 2023 emission factor: 315 gCO<sub>2</sub>/kWh - Source: TERNA 2019; China: 609 gCO<sub>2</sub>/kWh - Source: TERNA 2019; Brazil: 139 gCO<sub>2</sub>/kWh - source TERNA 2019; India: 0.82 Tco<sub>2</sub>/MWh Ministry of Energy (India) and for 2022: 315 gCO<sub>2</sub>/ kWh - Source: TERNA 2019; 609 gCO<sub>2</sub>/kWh - Source: TERNA 2019; Brazil: 139 gCO<sub>2</sub>/kWh - source TERNA 2019;

The "Market-based is based on the CO<sub>2</sub> emissions emitted by the energy suppliers from which the organization purchases, through a contract, electricity and can be calculated considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors relating to the "residual mix", i.e. energy and unmonitored or unclaimed emissions (methodology used, with Italy 2023 emission factor: 457 gCO<sub>2</sub>/kWh - Source: AIB - European Residual Mixes 2023; China: 609,00 gCO<sub>2</sub>/kWh source TERNA 2019; Brazil: 139,00 gCO<sub>2</sub>/kWh\_ source TERNA 2019; India: 0,82 tCO<sub>2</sub>/MWh and for 2022: 457 gCO<sub>2</sub>/kWh - Source: AIB European Residual Mixes 2022; China: 609,00 gCO<sub>2</sub>/kWh source TERNA 2019; Brazil: 139,00 gCO<sub>2</sub>/kWh\_ source TERNA 2019; Comelz purchases Guarantee of Origin certificates for the Vigevano headquarters.

The emission factors used to calculate Scope 1 are:

- Natural Gas: for 2023 2,0384 kgCO<sub>2</sub>eq/m<sup>3</sup> (Source DEFRA 2023); and for 2022 2,0174 kgCO<sub>2</sub>eq/m<sup>3</sup> (Source DEFRA 2022);

- Diesel for transport: for 2023 2,5121 kgCO<sub>2</sub>eq/litres (Source DEFRA 2023); and for 2022 it is equal to 2,76 kgCO<sub>2</sub>eq/litres (Source DEFRA 2022); - Petrol for transport: for 2023 2,0975 kgCO<sub>2</sub>eq/litres (Source DEFRA 2023); for 2022 it is equal to 2,16 kgCO<sub>2</sub>eq/litres (Source: DEFRA 2022);

Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub> equivalent) as can be deduced from the technical reference literature.

<sup>16</sup> To calculate Scope 3 GHG emissions, categories 4 and 9 of the GHG Protocol ("Upstream Transportation and Distribution" and "Downstream Transportation and Distribution") were considered; if difficulties were found in the data, estimates were used.

Waste generated within the organization:

Waste products– production sites (ton)	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022
<b>Waste intended for disposal</b>	<b>1,5</b>	<b>1</b>
<i>of which hazardous waste</i>	-	-
<i>of which non-hazardous waste</i>	1.5	1
<b>Waste not intended for disposal</b>	<b>225</b>	<b>254</b>
<i>of which hazardous waste</i>	-	24
<i>of which non-hazardous waste</i>	225	230

Waste diverted from disposal by recovery operation:

Waste diverted from disposal	From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2023			From 1 <sup>st</sup> January to 31 <sup>st</sup> December 2022		
	On-site	At an external site	Total	On-site	At an external site	Total
<b>Hazardous waste</b>	-	22	22	-	24	24
<i>Preparation for reuse</i>	-	-	-	-	-	-
<i>Recycling</i>	-	22	22	-	24	24
<i>Other recovery operations</i>	-	-	-	-	-	-
<b>Non-hazardous waste</b>	-	203	203	-	230	230
<i>Preparation for reuse</i>	-	-	-	-	-	-
<i>Recycling</i>	-	203	203	-	230	230
<i>Other recovery operations</i>	-	-	-	-	-	-
<b>Total</b>	-	225	225	-	254	254

## Material Topics and related impacts

Material Topic	Relative impact	Description of the impact
Cybersecurity & Data Protection and sensitive Information	<b>Negative impact:</b> Failure to respect stakeholder privacy	Incorrect management of stakeholder data and non-compliance with applicable legislation and information management procedures
	<b>Negative impact:</b> Loss of sensitive	Incidents of information breaches caused by the failure to implement cyber security systems and consequent vulnerability to cyber attacks



	organization information	
Sustainable management of the supply chain	<b>Positive impact:</b> Improved supplier ESG performance	Insertion of ESG policies and criteria for the selection of suppliers in order to improve their procurement practices
	<b>Positive impact:</b> Business activities aimed at local suppliers	Support for the local community and greater environmental sustainability through the selection of local suppliers
	<b>Negative impact:</b> Inefficient supply chain management	Indirect reputational risk for the company due to the non-compliance of the social and environmental standards by the suppliers, with indirect disadvantages for the workers and commercial partners
Ethics & business integrity and anti-corruption	<b>Negative impact:</b> Non-compliance with laws, regulations and standards, and adoption of non-virtuous behavior	Non-compliance with laws and regulations due to poor definition of a system of company policies and procedures
	<b>Negative impact:</b> Communication practices not aligned with Company values	Communication activities and campaigns that are not in line with business values and objectives that are detrimental to reputational behavior
	<b>Negative impact:</b> Non-compliance with laws, regulations and standards and poor adoption of virtuous behavior	Violation of workers' fundamental rights, possible fines and economic and reputational risk to the company due to non-disclosure of rules and conduct
Management of energy consumption and fight against climate change	<b>Negative impact:</b> Use of energy from non-renewable sources with greenhouse gas emissions	The use of energy from non-renewable sources, during production processes and daily activities, generates greenhouse gas emissions into the atmosphere
<i>Made in Italy</i> , uniqueness and versatility of the product	<b>Positive impact:</b> Increased customer satisfaction	Promote unique and versatile products that meet customer expectations
	<b>Positive impact:</b> Promotion of <i>made in Italy</i> and Italian excellence in design and technologies	Products with a high quality <i>Made in Italy</i> and excellence in the technologies and design employed
Quality, reliability, and safety of the product	<b>Positive impact:</b> Production of safe and high-quality products	Manufacture of products with high quality standards and highly personalized, according to customers' needs

Developing a positive work environment	<b>Positive impact:</b> Inclusive and fair working environment	Promotion of an inclusive, equal and impartial work environment that protects all employees through the use of best practices training activities
	<b>Positive impact:</b> Implementing benefits for employees	Promotion of well-being in the workplace, through the promotion of benefits for all employees of the company
	<b>Positive impact:</b> Promoting employee health and <i>well-being</i> activities	Promotion of employee health and well-being activities, including through a dedicated training path
	<b>Negative impact:</b> Remuneration and/or work activities not attractive to new generation	Non-competitive remuneration and work activities that disincentive the recruitment of new generations that generate business continuity and stakeholder expectations issues
	<b>Negative impact:</b> High turnover of staff and consequent loss of key knowledge	Unattractive working environment that generates high turnover rates for staff, resulting in loss of key knowledge of the company and its activities
Sustainable development of value and business relations	<b>Positive impact:</b> Development of fair, transparent and constructive relations with stakeholders	The promotion of fair and transparent trade relations, with a particular focus in the ESG field, generates an improvement in the process of value creation along the entire production chain
	<b>Positive impact:</b> Direct generation of economic value and stakeholder-related distribution	Business plan that points to generating economic value and sharing it with stakeholders
Relationship with the community	<b>Positive impact:</b> Hiring workers from the local community	Recruitment of workers from the territory, favoring a higher rate of local employment
	<b>Positive impact:</b> Investments in locally supported infrastructure and services	Promotion of investments aimed at the purchase or maintenance of infrastructure and services that support the local community
Responsible management of materials and waste	<b>Positive impact:</b> Promoting a circular economy	Reuse and re-entry of waste in the production cycle following recovery and recycling operations
	<b>Negative impact:</b> Soil pollution	Soil contamination as a result of incorrect waste management, in particular hazardous chemical waste
	<b>Negative impact:</b>	Production activities generate hazardous and non-hazardous waste which, if not managed properly,

	Production of hazardous and non-hazardous waste	can cause the deterioration of the surrounding territory
	<b>Negative impact:</b> Use of Raw materials and depletion of natural resources	Continuous supply of raw materials which causes the depletion of natural resources
	<b>Positive impact:</b> Promotion of sustainable waste disposal techniques	The company uses sustainable practices for the disposal of waste from its business
Innovation and R&D	<b>Positive impact:</b> Promotion of R&D activities for industrial development	Investments in Research and development activities aimed at promoting industrial development in the relative market
	<b>Positive impact:</b> Sustainable applications	Promotion of activities and investments in Research and development for possible new sustainable applications of the company's products and services
	<b>Positive impact:</b> impact of new technologies	Identification of new technologies whose production processes result impacting on the environment and the resources employed, at the very first stages of development
Employee health and safety	<b>Positive impact:</b> Prevention and mitigation of risks related to the health and safety of workers	Activities and policies aimed at the prevention and protection of the health and safety of workers carrying out any activity of the business process
	<b>Negative impact:</b> Occupational diseases of employees	Long-term illness in employees due to unsafe or unsafe manufacturing processes
	<b>Negative impact:</b> Employee injury	Increased risk of accidents during work due to risky or poorly managed production processes
Professional development <sup>17</sup>	<b>Positive impact:</b> Development of workers' skills and careers	Promote stimulating career paths and improve skills within the organization through training and creating a feedback culture
Diversity and inclusion	<b>Negative impact:</b> Discrimination incidents between employees	Incidents of discrimination between workers that do not allow the creation of an inclusive and respectful working environment
	<b>Negative impact:</b> Discrimination in remuneration	Cases of discrimination in remuneration between men and women which do not allow the creation of a fair and inclusive working environment

<sup>17</sup> Following the evaluation, the topics of "professional development" and "diversity and inclusion" were merged for the list of material topics on p.13.

	between men and women	
	<b>Positive impact:</b> Diversity in government bodies and among employees in respect of the principle of equality	Commitment to ensure diversity in the composition of government bodies and among employees, aimed at establishing the affirmation of a principle of equality in the composition of the company's staff

## Reconciliation table with GRI standards

Material themes	Standard GRI	Impact boundary	Type of impact
Cybersecurity and data protection and sensitive information	CONSUMER PRIVACY (418)	Comelz Group	Caused by the Group
Sustainable management of the supply chain	-	Comelz Group	Caused by the Group
Ethics & business integrity and anti-corruption	ANTICORRUPTION (205) ANTICOMPETITIVE BEHAVIOR (206)	Comelz Group and Partners	Caused by the Group
Management of energy consumption and fight against climate change	ENERGY (302) EMISSIONS (305)	Comelz Group and electricity suppliers	Caused by the Group and directly connected through a business relationship
<i>Made in Italy</i> , uniqueness and versatility of the product	-	Comelz Group	Caused by the Group
Quality, reliability and safety of the product	CUSTOMER HEALTH AND SAFETY (416)	Comelz Group	Caused by the Group
Developing a positive work environment	-	Employees of the Comelz Group	Caused by the Group
Sustainable development of value and business relations	-	Employees of the Comelz Group	Caused by the Group
Relationship with the community	-	Employees of the Comelz Group	Caused by the Group
Responsible management of material and waste	WASTE (306) MATERIALS (301)	Comelz Group	Caused by the Group and directly connected through a business relationship
Innovation, R&D	-	Employees of the Comelz Group	Caused by the Group
Health and safety of employees	HEALTH AND SAFETY AT WORK (403)	Comelz Group	Caused by the Group
Diversity and professional development	DIVERSITY AND EQUAL OPPORTUNITIES (405) NON-DISCRIMINATION (406) TRAINING AND EDUCATION (404)	Comelz Group	Caused by the Group

## GRI content index

This material refers to the following Disclosure GRI:

GRI CONTENT INDEX					
Declaration of use	The Comelz Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, in accordance with the GRI Standards.				
GRI 1 used	GRI 1: Foundation 2021				
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
<b>GRI 2: GENERAL DISCLOSURE (2021)</b>					
<b>The organization and its reporting practice</b>					
2-1	Organizational details	4,7,9			
2-2	Entities included in the organization's sustainability reporting	4			
2-3	Reporting period, frequency, and contact point	4			
2-4	Restatements of information	4			
2-5	External Assurance	4			
<b>Activities and workers</b>					
2-6	Activities, value chain and other business relationships	10-11			
2-7	Employees	26-28,48			
2-8	Workers who are not employees	49			
<b>Governance</b>					
2-9	Governance structure and composition	20-23			
2-10	Nomination and selection of the highest governance body	22			
2-11	Chair of the highest governance body	22			
2-12	Role of the highest governance body in overseeing the management of impacts	4,23			

GRI CONTENT INDEX					
Declaration of use		The Comelz Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, in accordance with the GRI Standards.			
GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
2-13	Delegation of responsibility for managing impacts	23			
2-14	Role of the highest governance body in sustainability reporting	23			
2-15	Conflicts of interest	23			
2-16	Communication of critical concerns	21,23			
2-17	Collective knowledge of the highest governance body	22			
2-18	Evaluation of the performance of the highest governance body	23			
2-19	Remuneration policies	23			
2-20	Process to determine remuneration	23			
2-21	Annual total compensation ratio	31	GRI 2-21b: report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual);	Incomplete information as this is the first year of GRI 2-21 reporting.	Comelz aims to cover this indicator starting from the next reporting period (2024)

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GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy	3			
2-23	Policy commitments	7			
2-24	Embedding policy commitments	20			
2-25	Processes to remediate negative impacts	14-15			
2-26	Mechanisms for seeking advice and raising concerns	21			
2-27	Compliance with laws and regulations	19			
2-28	Membership associations	7			
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	14			
2-30	Collective bargaining agreements	25			
<b>GRI 3: MATERIAL TOPICS (2021)</b>					
<b>Disclosures on material topics</b>					
3-1	Process to determine material topics	14,15			
3-2	List of material topics	14, 56-59			
<b>Sustainable value creation and business relationships</b>					
<b>GRI 3: MATERIAL TOPICS (2021)</b>					
3-3	Management of material topics	6,10			
<b>GRI 201: Economic performance (2016)</b>					



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Declaration of use		The Comelz Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, in accordance with the GRI Standards.			
GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
201-1	Direct economic value generated and distributed	10			
<b>Sustainable management of the supply chain</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	43-44			
GRI 204: Procurement practices (2016)					
204-1	Proportion of spending on local suppliers	45			
<b>Business ethics and integrity and anti-corruption</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	19-20			
GRI 205: Anti-corruption (2016)					
205-3	Confirmed incidents of corruption actions taken	19			
GRI 206: Anti-competitive behavior (2016)					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	19			
<b>Innovation and R&amp;D</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	43-46			
<b>Quality, reliability and safety of the products</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	11-12			
GRI 416: Customer Health and Safety (2016)					
416-2	Incidents of non-compliance concerning the health and	42			

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Declaration of use		The Comelz Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, in accordance with the GRI Standards.			
GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
	safety impacts of products and services				
<b>Cybersecurity &amp; Data Protection and sensitive Information</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	25			
GRI 418: Customer Privacy (2016)					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	25			
<b>Management of energy consumption and fight against climate change</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	35			
GRI 302: Energy (2016)					
302-1	Energy consumption within the organization	36, 53			
302-3	Energy intensity	35, 53			
GRI 305: Emissions (2016)					
305-1	Direct (Scope 1) GHG emissions	36, 54			
305-2	Energy indirect (Scope 2) GHG emissions	37, 54			
305-3	Other indirect (Scope 3) GHG emissions	38, 54			
305-4	GHG emissions intensity	38, 53			
<b>Responsible management of materials and waste</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	39			

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Declaration of use		The Comelz Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023, in accordance with the GRI Standards.			
GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
GRI 306: Waste (2020)					
306-1	Waste generation and significant waste-related impacts	40,55			
306-3	Waste generated	40,55			
306-4	Waste diverted from disposal	40,55			
306-5	Waste directed to disposal	40,55			
GRI 301: Materials (2016)					
301-1	Materials used by weight or volume	\	<p>GRI 301-1:</p> <p>The reporting organization shall report the following information: Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <ul style="list-style-type: none"> <li>i. non-renewable materials used;</li> <li>ii. renewable materials used.</li> </ul>	Information not available as the company does not have a data collection process in place	Comelz aims to develop a data collection system in this regard to provide disclosure on the material topic within the report for the 2025 reporting year
Diversity and professional development					
GRI 3: MATERIAL TOPICS (2021)					

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<b>GRI 1 used</b>		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
3-3	Management of material topics	25, 28			
GRI 401: Employment (2016)					
401-1	New employee hires and employee turnover	26-27, 49-51			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	31			
GRI 404: Training and education (2016)					
404-1	Average hours of training per year per employee	30,52			
GRI 405: Diversity and equal opportunities (2016)					
405-1	Diversity of governance bodies and employees	29,52			
GRI 406: Non-discrimination (2016)					
406-1	Incidents of discrimination and corrective actions taken	25			
<b>Health and safety of employees</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	31,32			
GRI 403: Occupational health and safety (2018)					
403-1	Occupational health and safety management system	31,32			
403-2	Hazard identification, risk assessment and incident investigations	31,32			
403-4	Worker participation, consultation and communication on occupational health and safety	31,32			

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GRI 1 used		GRI 1: Foundation 2021			
GRI Standards	Information	Page Number	Omissions		
			Requirements omitted	Reason	Omissions
403-5	Worker training on occupational health and safety	31,32			
403-6	Promotion of worker health	31,32			
403-9	Work-related injuries	32			
<b>Relationship with the local community</b>					
GRI 3: MATERIAL TOPICS (2021)					
3-3	Management of material topics	29			
<b>Made in Italy, uniqueness and versatility of the product</b>					
3-3	Management of material topics	43-44			