



SUSTAINABILITY POLICY



Comelz Group
26th March 2024

1.	INTRODUCTION	2
1.1	PURPOSE OF THE SUSTAINABILITY POLICY	2
1.2	SCOPE OF APPLICATION AND RECIPIENTS	3
1.3	REFERENCE STANDARDS.....	3
2.	SUSTAINABILITY IN COMELZ	4
2.1	OUR COMMITMENT TO THE PLANET AND THE ENVIRONMENT	4
2.2	OUR RESPECT FOR PEOPLE AND HUMAN RIGHTS	5
	2.2.1 IN THE WORKPLACE.....	6
	2.2.2 ALONG THE SUPPLY CHAIN.....	7
2.3	GOVERNANCE AND BUSINESS ETHICS	7
2.4	SUSTAINABLE PROCUREMENT.....	8
3.	SUSTAINABILITY POLICY MANAGEMENT: ADOPTION, IMPLEMENTATION AND MONITORING	9
4.	ANNEX	9

Sustainability Policy			
Version	Verified by	Approved by	Issue Date
1.0	Paolo Riccardi	Board of Directors	28 June 2024

1. INTRODUCTION

Founded in 1943, Comelz (hereinafter also “the Group”) is an Italian company specialized in the design and construction of technologically-advanced blade cutting machines, splitting machines and software solutions for the footwear, leather goods and automotive industries, serving national and international markets.

In light of pressing global challenges such as climate change and social inequality, Comelz remains determined in its commitment to sustainability. Heightened **regulatory pressures**, particularly regarding European legislation such as the Corporate Sustainability Reporting Directive (CSRD), underscore the imperative of adopting sustainable practices. This Directive significantly influences ESG disclosure requirements, influencing the strategies of businesses. Concurrently, escalating **customer preferences for sustainable products** and services have prompted companies to recognize sustainability as a crucial determinant in preserving customer trust and loyalty. This dual focus on regulatory compliance and consumer demand underscores the pivotal role of sustainability as a key determinant of success.

Having considered this, the Group believes that sustainability is not only an element of competitive advantage and differentiation with respect to the competitors, but a strategic imperative. As a consequence, it has chosen to embark on a path aimed at **integrating ESG factors into strategic decision making**: the way we choose suppliers, the way we treat our employees, the way we design and produce innovative solutions for the market, the way we manage our offices and operating sites, the way we transport and deliver our products and the way we engage with clients to continuously improve products and services, between many others.

This Policy is divided into three main areas considered of primary importance:

- Environment: our commitment to the planet
- Social: our respect for people and human rights
- Governance: business ethics and sustainable procurement

1.1 PURPOSE OF THE SUSTAINABILITY POLICY

The objective of the following Sustainability Policy (hereinafter also “the Policy”) is to **define the key sustainability principles of Comelz**. The Policy serves as the cornerstone for fostering equitable and healthy working environments, generating decent job opportunities for local communities, and reaffirming a strong commitment to environmental stewardship, advocating for the preservation of ecosystems. By integrating environmental, social, and governance considerations into daily practice, the aim is to create a positive impact that extends beyond financial indicators.

1.2 SCOPE OF APPLICATION AND RECIPIENTS

The principles and guidelines outlined in this Policy apply to the parent company Comelz S.p.A. and all its subsidiaries (hereinafter also “Group” or “Comelz”).

This Policy applies to **corporate bodies, employees and collaborators** who work on behalf of the Group, across all global regions.

Moreover, acknowledging the significance of the supply chain and its potential impacts, Comelz is actively expanding these principles to encompass its **suppliers, contractors, subcontractors, customers, and business partners**.

1.3 REFERENCE STANDARDS

In the context of the following Sustainability Policy, Comelz has taken into consideration the principles on responsible business conduct described in several major international conventions, guidelines and frameworks, including the “Ten Principles of the United Nations Global Compact (UNGC)¹”, the “Conventions and recommendations of the International Labor Organization²” (ILO) and the “OECD Guidelines for Multinational Enterprises³”.

In addition, in 2022 the Group has put in place an **ESG Action Plan**, as highlighted in the Group’s Sustainability Report, which establishes specific sustainability objectives that the Group intends to achieve by **2026** and which are inspired by the United Nations 17 Sustainable Development Goals⁴ (SDGs), with the aim of advancing their fulfillment.

¹ [United Nations Global Compact](#): this framework consists of Ten Principles on corporate social responsibility, focusing on human rights, labour, the environment and anti-corruption.

² [ILO Conventions and Recommendations](#): this set of obligations aims to promote social justice by ensuring decent, equal and fair labour conditions for everyone and everywhere.

³ [OECD Guidelines](#): these international guidelines define the recommendations that multinational companies should follow in order to maintain a responsible business conduct.

⁴ [United Nations Sustainable Development Goals](#): the 2030 Agenda for Sustainable Development was adopted by the UN General Assembly in the form of resolution in 2015. It comprises 17 Sustainable Development Goals defined by 169 targets, linking environmental, social and economic aspects, with the aim of advancing peace and prosperity for people and the planet globally.

The integration of ESG goals into the business strategy and operations directs efforts towards responsible business practices. In particular, Comelz is currently focusing on **SDGs 3, 7, 9, 12 and 13**, as outlined in the Group’s ESG Action Plan. In addition, the Group intends to implement actions to contribute to the advancement of **SDGs 5 and 8**, integrating the already existing disclosure on gender-pay gap and working conditions.

Sustainable Development Goals



Moreover, in conducting business activities and engaging with stakeholders, Comelz upholds its principles and values as formalized in the following corporate documents:

- Code of Ethics, adopted in 2020;
- Organizational, Management and Control model, updated in 2022, in line with the provisions of Legislative Decree no. 231/2001 (this provision applies only to Comelz S.p.A);
- Supplier’s Code of Conduct, adopted in 2024.

2. SUSTAINABILITY IN COMELZ

2.1 OUR COMMITMENT TO THE PLANET AND THE ENVIRONMENT



Comelz, as part of the automotive and textile value chain, is committed to aligning its operations with a more sustainable economic development. In line with SDG 7, 12, and 13, it has implemented

solutions addressing energy consumption, greenhouse gas emissions, waste, and material management.

In this perspective, since 2020 the Group has undertaken significant efforts to increase its share of energy sourced from **renewables**. This includes the installation of **solar power plants** at its two Italian sites, and the procurement of certified electricity through **Guarantees of Origin**. In addition, the Group **monitors energy consumption** and GHG emissions through KPIs aligned with the Global Reporting Initiative Standards⁵.

Continuing its efforts to reduce reliance on fossil fuels, the Group has embarked on a **decarbonization path** in accordance with the 1.5°C target of the United Nations Paris Agreement⁶, specifically focusing on reducing **GHG emissions (Scope 1 and Scope 2)** at its Italian plants. Moreover, Comelz is committed to implementing and expanding a comprehensive monitoring system designed to effectively track its **Scope 3 GHG emissions**, demonstrating a dedicated effort to address its environmental impact across all aspects of its operations.

With the aim of promoting more responsible production and consumption practices, Comelz has embraced a **circular economy approach** across its consumption and production activities. The materials used are sourced favoring the **highest quality standards** available on the market and products are designed to ensure efficiency and reduce waste. Specifically, Comelz labels its machines according to the Targa Verde, a voluntary badge that informs clients about **energy efficiency gains** and **lowered environmental impact** of the machines. Additionally, with the support of its Procurement department, the Group makes the best effort to monitor tin, tantalum, tungsten, and gold and forward the request to its suppliers. This commitment aims to **enhance the recyclability** of the product and promote **responsible end-of-life product management**.

Also, in line with the Group’s Code of Ethics, Comelz takes a proactive approach in monitoring the waste generated and its disposal. Comelz considers reducing its environmental footprint through active efforts in the preservation of **natural resources** and the **safe disposal of hazardous materials**.

2.2 OUR RESPECT FOR PEOPLE AND HUMAN RIGHTS



⁵ [Global Reporting Initiative \(GRI\) standards](#): these voluntary standards are currently the most widely adopted sustainability reporting guidelines, which have been issued and regularly updated by the non-governmental organization “Global Reporting Initiative”.

⁶ [United Nations Paris Agreement](#): this multilateral treaty was signed in 2015 during the 21st Conference of the Parties of the UN Framework on Climate Change and it currently features 195 member parties. Member countries committed to keeping average global temperatures well below 2 °C compared to preindustrial levels and possibly below 1,5 °C, by setting national emissions targets in order to curb emissions and limit the effects of climate change.

In line with the UNGC principles⁷, Comelz stands for the protection of internationally proclaimed human rights and make sure that it is not complicit in any human rights abuse. Similarly, Comelz is guided by the “Conventions of the International Labor Organization” and the existing regulatory frameworks for the safeguard of workers’ rights.

Comelz refuses all forms of **discrimination** and **abuse** in the workplace and along its supply chain.

2.2.1 IN THE WORKPLACE

Within the company, Comelz engages in well-being initiatives to promote **a healthy work-life balance**. **Employees’ working conditions** are closely monitored to ensure their satisfaction and safety. With careful attention to the changes in the cost of living across its various geographic realities, the Group revises its **remuneration** practices and **benefits**, ensuring a decent and fair wage for its workers. The Group stands strongly against **child and forced labor** and, to this end, conducts age verification of candidates before hiring.

Comelz believes its people are the driving force behind their success, thus **career management** and **human capital development** are fundamental aspects of the Group’s social approach. From the recruitment phase to the employment, Comelz promotes the principles of **fairness and inclusivity** and **equal opportunity**, enhancing a meritocratic employee management system. In line with training required by law, Comelz engages in training-on-the-job to constantly improve and share the technical know-how and the business values among its employees.

The Groups invites its employees to a **two-way dialogue**, supporting the input of its employees and the feedback on working conditions. Employees enjoy **freedom of association** and Comelz ensures a constant dialogue with **trade unions** and **workers’ associations**.

Safety in the workplace is of paramount importance for Comelz. For this reason, the Group is committed to promoting risk awareness and a preventive risk culture to reduce incident rates over time. With due regard to internal risk analysis procedures, specific protocols for handling chemicals and hazardous substances are made explicit where necessary and communicated to the workforce to foresee negative effects. Comelz remains committed to continuously **monitoring risks** and implementing mitigation measures to **ensure the safety of its workers**.

Also, **customer safety** is a fundamental priority for the success of the business. Comelz ensures that its products comply with the highest standards and continuously invests in efforts to reduce risks for users.

⁷ [UNGC](#), in particular Principles n. 1 and 2.

2.2.2 ALONG THE SUPPLY CHAIN

Comelz actively engages with its supply chain to ensure the **respect of human rights and shared business values**. These relationships are founded on principles of **good faith** and **transparency**, as Comelz abhors and condemns all forms of violence and human rights abuses and makes the best effort to uphold these principles along the supply chain, with reference to **child labor, forced labor and human trafficking**.

With the diffusion of its Suppliers' Code of Conduct, Comelz intends to monitor **discrimination** issues and promote **diversity, equality and inclusion** throughout its network. The social impact of the Group covers various global realities and, from the perspective of an ever-expanding supply chain, Comelz promotes social dialogue and workers' rights.

2.3 GOVERNANCE AND BUSINESS ETHICS

Comelz places strategic importance on sustainability matters, thus the Group has shaped its Governance to include the role of an **ESG Manager** to supervise and coordinate activities across departments. In addition, the management of **sustainability topics is delegated to the Board of Directors** which jointly with the ESG Manager monitors data on **relevant ESG KPIs**, ensuring a transparent and truthful accounting of information in the **Sustainability Report**. Updates to the disclosure are conducted on a yearly basis and revised to the latest reporting standards; the Group is undertaking measures to make their sustainability reporting procedure aligned with the new requirements set out in the Corporate Sustainability Reporting Directive⁸ (CSRD).

Moreover, to guarantee awareness of sustainability matters across all functions of the Group, the Governance has implemented a specific **training** on ESG for all employees.

In addition, Comelz believes that business values are at the core of its **integrity and body ethics**, therefore the Group has developed and shared through internal communication channels the Group's Code of Ethics in Italian and English. The Code of Ethics reiterates Comelz's commitment to promote **data protection** and **privacy safeguards**, also through third-party audits on **firewall integrity and digital infrastructure resilience**.

Comelz stands for **anti-corruption** and promotes comprehensive procedures to ensure **fair competition, avoid conflict of interests and promote transparency**. These values are

⁸ [Corporate Sustainability Reporting Directive \(CSRD\)](#): this directive entered into force on 5 January 2023, and aims at strengthening the sustainability reporting requirements with which listed and large EU companies and large non-EU companies operating in the EU must comply with. Large listed EU-companies must adopt the new rules starting from the financial year 2024 for sustainability reports published in 2025, while large private EU-companies must comply with the new obligations starting from 2025 for reports published in 2026.

communicated to employees and applied all along the supply chain. The Group supports third-party assessments on the matter.

2.4 SUSTAINABLE PROCUREMENT



Comelz strives to enter lasting and transparent business relations with its suppliers. As formalized in the **Supplier's Code of Conduct**, procurement affiliations and collaborations are assessed based on technical and economic criteria to ensure adherence to the highest quality standards.

Currently, suppliers are internally evaluated by the Procurement team in consultation with the Technical Unit. However, as part of its future commitment, Comelz intends to make the best effort to integrate **ESG criteria** into its **supplier selection process** and promote sustainability in its procurement practices.

Additionally, to promote its business values, the Group expects all its suppliers to align to the Code of Conduct: all collaborators are asked to respect the principles of the Code of Conduct and adhere to the most stringent **regulatory standards**, whether it is national laws, international frameworks, or the Code of Conduct itself. Comelz requires its suppliers to align to its **ethical values**, avoid all forms of corruption, money laundering and promote data privacy and fair competition.

The Group takes note of the **social and environmental issues** across its suppliers' network and intends to monitor the respect of human rights and workers' rights among its collaborators. Procurement practices must also align with Comelz's commitment to reducing its environmental impact to:

- Promote the respect of the environment and biodiversity;
- Reduce energy consumption and greenhouse gas emissions;
- Monitor water consumption and advance the responsible use of chemicals and waste management.

3. SUSTAINABILITY POLICY MANAGEMENT: ADOPTION, IMPLEMENTATION AND MONITORING

The Policy has been approved by the Group's Board of Directors on 28 June 2024 and shared with the internal network through the Groups' communication channels.

In line with principles of openness and responsibility, the Sustainability Policy is published on both the corporate and subsidiary **websites**. This facilitates access to the Policy framework, implementation strategies, and continual progress reports, thus enhancing awareness among the Group's stakeholders.

The **Board of Directors** bears the responsibility of ensuring the Policy's successful integration into the strategic decision-making process across all operations of the Group. **The Board monitors the implementation of the policy** and the achievements of the commitments. With the support of the ESG Manager and the Board, periodic revisions of the policy are scheduled to evaluate and update its relevance in line with emerging sustainability issues and regulatory frameworks.

Comelz's commitment to monitoring ESG performance is documented annually in **the Group's sustainability report**, where specific Key Performance Indicators (KPIs) aligned with the GRI standard are meticulously tracked and reported on.

4. ANNEX

Comelz has formalized specific **sustainability related goals and quantitative targets** in a separate document, outlining its commitment to environmental, social, and governance responsibilities. These targets are meticulously crafted to align with the Group's overarching sustainability strategy, reflecting its dedication to fostering positive impact across all facets of its operations. Regular reviews are conducted to assess progress towards these objectives, ensuring transparency and accountability in Comelz's pursuit of sustainable practices. Furthermore, these targets are dynamic, allowing for adjustments that reflect evolving market dynamics, regulatory requirements, and stakeholder expectations.