COMELZ

Sustainability Report 2024

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Letter to stakeholders

Dear readers,

Comelz is a leading company in the footwear machinery district of Vigevano, recognized worldwide for its ability to innovate the way of cutting and shaping leather and fabrics. It supplies high-tech, flexible cutting systems and islands with the highest levels of productivity, suitable for any type of processing, anywhere in the world. Comelz designs and manufactures in-house software, mechanics, electronics and motors of the machines to customize every element.

Over the last two years, the European and global geopolitical situation has destabilized the European balance, causing among other things an energy crisis and putting the supply chains of various raw materials at risk. In this difficult context, Comelz Group maintains its medium-term objectives unchanged, 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 criteria of ethics and business integrity. In 2024, sustainability was further promoted along the value chain, through the progressive operational integration of the Sustainability Policy and a Supplier Code of Conduct drawn up during 2023. Within these documents, the weight of corporate social responsibility and the commitment to comply with the highest international standards regarding the fundamental rights of employees were emphasized. At the same time, the Group promoted its proactive role in the transition to a circular and sustainable economy, as well as the constant effort to guarantee the quality and safety of products to customers. In this regard, Comelz also continued developing in 2024 the roadmap defined in 2023 aimed at reducing Scope 1 and Scope 2 emissions, in line with the SBTi (Science Based Target initiative) targets. The commitment to pursue this trajectory was formalized during the year and will lead Comelz to be a company at the forefront of its sector in terms of the fight against climate change. In addition, in order to spread awareness of sustainability issues relevant to the Group, in 2024 Comelz participated to an ESG training course held by industry experts.

This sixth Sustainability Report outlines the objectives set by Comelz to contribute positively to the dissemination of a responsible business model and transparent reporting, aimed at communicating the commitment to all stakeholders. With this in mind, the following document also presents the updated three-year action plan that has been a guide for the Group in the implementation of further initiatives and projects to achieve ESG objectives[1].

Signature

[1] For more information, please refer to the paragraph "2.2 Comelz ESG objectives".

Methodological note

This document, which represents the sixth Sustainability Report of the Comelz Group, aims to transparently communicate the performance of the Group (hereinafter also referred to as the "Group", "Comelz" and "Comelz Group") in the field of environmental, social and governance sustainability for the year 2024 (from 1 January to 31 December).

For the preparation of this Sustainability Report, Comelz Group used the GRI 2021 (Global Reporting Initiative) Standards, currently the most widely used and accredited internationally.

In order to communicate the Group's performance in a transparent and comparable manner, the Sustainability Report has been prepared using the *"in accordance"* approach to the Standards, as highlighted in the "Global Reporting Index" section of this document.

The scope of the data and information is the same as in the Consolidated Financial Statements of Comelz Group as at 31.12.2024, except for 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 figure reported refers only to Comelz S.p.A.

It should also be noted that there were no significant changes in the Group's supply chain and ownership structure.

The data collection was carried out through the compilation of special databases, containing the information necessary for the elaboration of the indicators required by the GRI standard, and each of them includes the calculation methodology used.

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 the positive and negative, actual and potential impacts on the economy, the environment and people, including those on the human rights of the Comelz Group, as described in the "Materiality analysis" paragraph of this document.

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.

To ensure the reliability of the data, the use of estimates has been limited, as far as possible, which, if present, are based on the best available methodologies and appropriately reported. Finally, the restatements of the data published in the previous Sustainability Report are also explicitly indicated in this document.

This document has been submitted for review by the Board of Directors on 2025 November 26th.

It is specified that the document is not subject to external assurance.

For further information and suggestions regarding the Comelz Group Sustainability Report, please contact esg@comelz.com.

The Sustainability Report is also available on the Comelz Group website www.comelz.com.

1. Comelz Group

Summary

For the sixth consecutive year, Comelz has drawn up the Group's Sustainability Report, communicating its ESG results to its stakeholders.

Highlights

- ESG Action Plan aligned with the SDGs
- Strengthened international sales network

Comelz in numbers

54 M€ turnover

Spending on ESG activities: **€128,839**

41.1 M€ value distributed

57% of procurement expenditure coming from suppliers who have signed the Code of Conduct

1.1 The values that guide us

*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 customers and workers' needs. Every day Comelz works to maintain its business ethics and promote the highest standards of integrity throughout its operations. Guided by values of fair competition, transparency and anti-corruption, Comelz has formalised the principles that guide its work within the Code of Ethics, the Sustainability Policy and the Code of Conduct for suppliers.

Over the years, Comelz's commitment to promoting a healthy, virtuous and modern way of doing business has also involved collaboration with entities outside the company, such as sector associations like Assolombarda - an association of companies operating in the metropolitan city of Milan and in the provinces of Lodi, Monza-Brianza, Pavia - and ASSOMAC - an association that brings together producers of machinery for footwear, leather goods and tannery and which takes care of the development of the manufacturing district orbiting around Vigevano, with positive effects on the communities of the Municipality 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 national footwear and leather goods market that was then booming, giving life to a mechanical-footwear sector of international excellence. In particular, Comelz established itself as the first player in the market to introduce mechanical, electronic and software technologies in the production process. The innovative approach and the use of cutting-edge technologies have allowed the Group to establish itself in the global market.

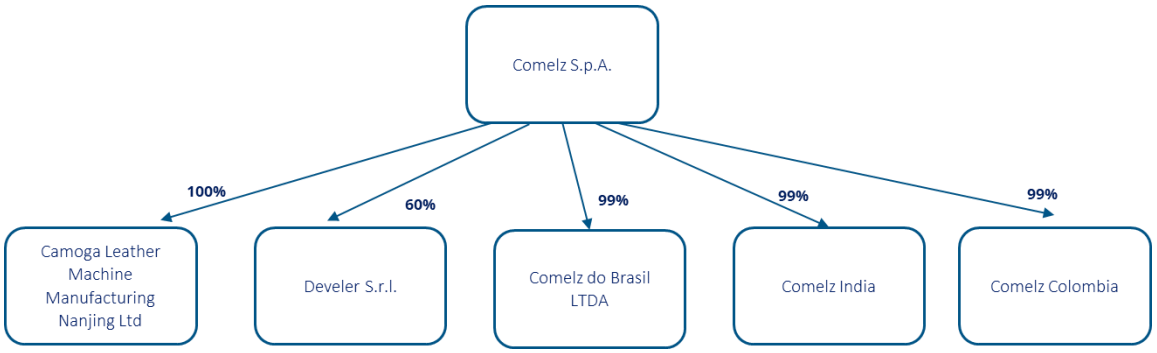
Comelz burst onto the market at the end of the 60s with highly innovative products and has established itself over time among the most significant players in the sector, taking on a leading role in the associative field. In fact, in the 70s, Alessandro Zorzolo, together with the main competitors of Comelz S.p.A., founded the National Association of Manufacturers of Footwear, Leather Goods and Tanning Technologies (hereinafter "ASSOMAC") with the aim of adopting a common approach towards the national and international market. At the end of the 80s, Comelz was one of the very first companies in the sector to interpret a new industrial season based on the spread of CAD systems and numerical control systems, managing to re-establish 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 new technologies and new cutting methods. 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 growth, 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 Group was acquired by NB Renaissance Partners, a private equity fund. The acquisition is part of a business growth project on international markets and represents an opportunity for the Group to acquire new resources and skills.

Currently, the corporate structure is represented as follows:

The corporate structure of the Comelz Group as at 31 December 2024[2]



As far as the ownership structure is concerned, 89% of the Group is controlled by Gold Blade S.à.r.l., which in turn is wholly owned by the Private Equity fund NB Renaissance Partners Holding S.à.r.l.

1.3 An international reality

Comelz Group operates in a variety of institutional, economic, political, social and cultural contexts in continuous and rapid evolution, exporting *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 material 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

[2] Since 2021, the Comelz Colombia LTDA headquarters has been in liquidation, although it is no longer an operational headquarters, there are still suspended receivables.

As a result, the Comelz Group's value chain branches out globally into various states and is structured to ensure an efficient and integrated flow, from production to after-sales service, and ensure high quality and constant support to global customers.

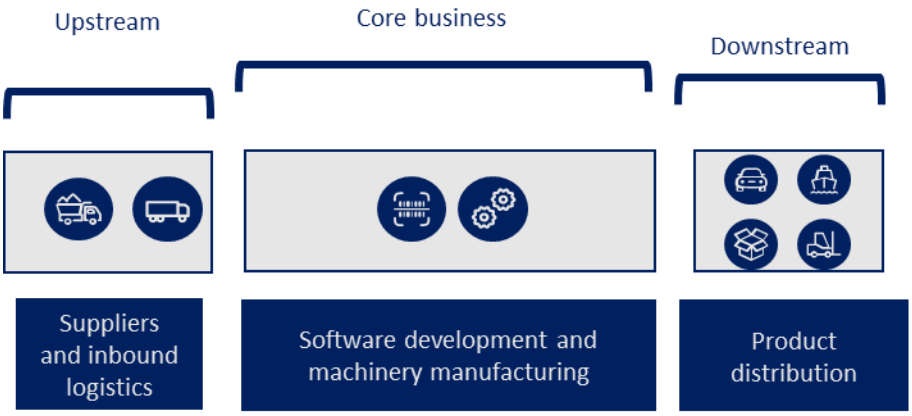
As far as upstream activities are concerned, the players involved in the supply chain include numerous Italian, German and Chinese suppliers. The development of advanced software and hardware to improve industrial processes is carried out in-house at the subsidiary Develer S.r.l., while the design, production and assembly of machinery for cutting leather, synthetic materials and sheets is entrusted to Comelz S.p.A., the parent company. Camoga Leather Machine Manufacturing Nanjing Ltd in China further supports production through the creation of "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 subsidiaries and maintaining high warehouse stocks to ensure continuity of production and distribution.

Downstream activities are carried out by distribution companies, including Comelz do Brasil Ltda and Comelz India Private Limited. These subsidiaries are responsible for marketing machinery and consumables in their respective local markets, including technical support, maintenance and repair services, managing customer relationships and promoting products through events and demonstrations.

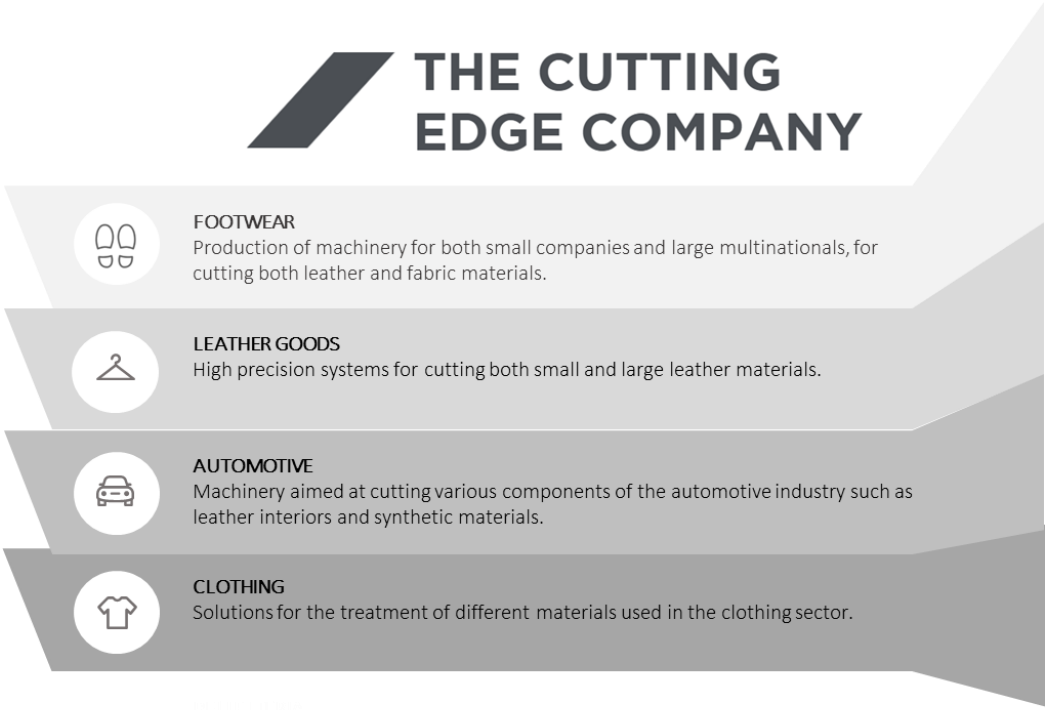
The 2024 financial year closed with a consolidated turnover of 54 million euros, down 34% on 2023, mainly due to a decrease in the production. Net profit was positive for 6.5 million euros.

The Comelz Group value chain



1.4 Our products

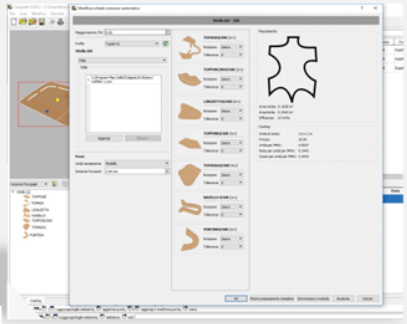
The products offered by the Group are primarily used in the following sectors:



The products 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.

Software

Comelz develops all its software internally. It offers **CAD/CAM design solutions**, **nesting software** and **vision systems**. Machine learning and AI applications are incorporated into Comelz's latest products. Since 2018, the Comelz Group acquired Develer, a company specialized in software development.



develer

Footware Upper Manufacturing

Comelz offers computerized skiving machines and other types of equipment for the shoe preparation and sewing process.

SS20 Skiving Machine

Integrated Technology

Each component of a Comelz product is designed and developed to be integrated in the best possible way into a single compact and efficient system. R&D activity extends to the complexity of all the technologies that characterize Comelz products, from mechanics to electronics, up to software, and internal production with the most modern resources available in every sector.

Precision Structural Sheets

Comelz has a sophisticated precision sheet metal technology, developed through a close and continuous collaboration with a highly qualified and experienced partner. The use of a modular technology simplifies the manufacture of the machines, increasing their quality and reliability compared to the use of traditional carpentry and defining the compact and functional design it is renowned for.

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

1.5 Product certifications

The safety and reliability of Comelz products is essential in ensuring a high level of quality, as demonstrated by obtaining product certification from TUV, in accordance with the 2006/42/EC Machinery Directive for the protection and safety of workers. In 2024, Comelz completed the renewal of the TUV certification for CZ[3] products, which had been launched in 2023. Globally recognized, the TÜV SÜD certification mark is issued upon completion of the relevant verification and inspection program and remains a valid assessment of the production control carried out annually. Obtaining the certification demonstrates a company's commitment to safeguarding consumer health and the reliability of the product.

[3] CZ products represent one of the cutting machinery technologies developed by Comelz.

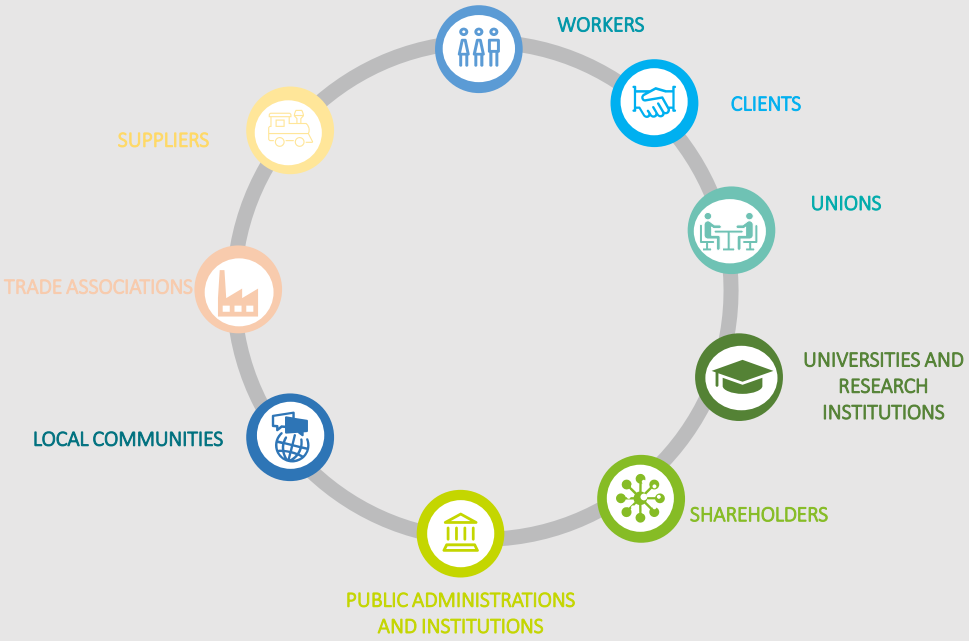
2. Sustainability at Comelz

2.1 Materiality analysis

Materiality Analysis

In 2019, Comelz embarked on a journey in sustainability to strengthen the communication process with its stakeholders, focusing particularly on performance in the environmental, social and governance fields. 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 be able 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 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-term relationships.

The materiality analysis was updated in 2023 and reconfirmed in 2024, in compliance with the new guidelines introduced by the GRI Standard. The materiality analysis process led first to the identification of the relevant stakeholders and then to the vote on the material issues, with the following results:



And the following **list of material topics:**

- Cybersecurity and protection of sensitive data and information
- Sustainable supply chain management
- Business ethics and integrity and anti-corruption
- Management of energy consumption and contribution to climate change
- *Made in Italy*, uniqueness and versatility of the product
- Quality, reliability, and safety of the products
- Creating a positive work environment
- Sustainable value creation and business relationships
- Relationship with the community
- Responsible material and waste management
- Innovation, research and development
- Employee health and safety
- Diversity and professional development

The review of the materiality analysis helped to underline the importance of the issue of "Sustainable supply chain management", which is increasingly at the centre of sustainability reporting by peers and competitors, and of "Ethics and business integrity and anti-corruption", which was once again among the most relevant issues for both stakeholders and the Group. In the environmental field, the topic "Management of energy consumption and contribution to climate change" is the one in which the Group's impact has been assessed as the most relevant. In addition, "*Made in Italy*, uniqueness and versatility of the product" and "Quality, reliability and safety of products" are also confirmed among the topics considered relevant for 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's ESG objectives

The commitment declared in the 2023 Sustainability Report was implemented during the 2024 fiscal year, in particular by launching the following activities:

- ESG training for Group employees
- Appointment of the ESG Manager, in charge of managing sustainability issues in Comelz

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 in the upcoming years.

The Action Plan, shared with the Top Management of Comelz S.p.A., is set out below.

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

EGS Action Plan			
SDGs	Objective	Timeline	Implementation status
CROSS-PORTOFLIO			
	Definition of MBOs linked to the achievement of the ESG objectives defined within the Group Action Plan	2025	
GOVERNANCE			
	Promotion of induction and training activities in the field of sustainability to management bodies and internal sustainability committee	2025	
	Development and implementation of a Code of Conduct and an ESG screening and assessment system for all Group suppliers	2027	
	Preparation of an ESG audit plan on the Group's suppliers	2027	
	Implementation of ESG self-assessment questionnaire for all the Group's main suppliers	2027	
SOCIAL			
	Development of refresher training courses in the field of security, privacy legislation, ethical behavior	2024	
	Definition and implementation of an MBO system at Group management level	2024	
ENVIRONMENTAL			
	Feasibility study on the implementation of ISO 14021 on the environmental impacts of products	2024	
	Implementation of a management system relating to the quantification and reporting of greenhouse gas emissions of the organization, according to the ISO 14064-1 standard	2027	

In addition to the commitments made within the ESG Action Plan, Comelz consolidated its commitment to sustainable development by formalizing several additional ESG targets within the Annex of the Group's Sustainability Policy[4]. This document defines the Company's quantitative objectives regarding its commitment to promoting sustainability within its operational activities. The adoption of these objectives marks a crucial step in the Group's path towards achieving excellence in the management of ESG issues. Said targets, which must be considered as complementary to the commitments formalized within the ESG Action Plan, are divided into thematic areas and can be detailed as follows:

ENVIRONMENT

Target n. 1: *"Direct and indirect greenhouse gas emissions"*

Comelz is committed to reducing its Scope 1 and 2 Greenhouse Gas Emissions by at least 50% by 2030, referring to 2022 total emissions as the baseline year.

Target n.2: *"Renewable energy consumption"*

Comelz is committed to purchasing 100% of its energy from renewable sources for the Italian perimeter by 2030.

Target n.3: *"Materials Monitoring"*

Comelz is committed to defining a structured monitoring system of the materials used - divided by type (hazardous and non-hazardous; renewable and non-renewable) and volume - by 2027.

Target n.4: *"End-of-life monitoring of spare parts"*

Comelz is committed to annually monitoring 100% of the supply chain dedicated to the management of spare parts, ensuring that all suppliers involved in their disposal are certified[5], and promoting continuous improvement of recycling rates.

SOCIAL

Target n.5: *"Annual ESG training for employees"*

Comelz is committed to ensuring that 100% of employees within the Italian perimeter receive ESG-related training by 2026.

Target n.6: *"SA8000 certification"*

Comelz is committed to obtaining the SA8000 certification for the Italian perimeter by 2027.

Target n.7: *"Living wage"*

Comelz is committed to verifying, by 2026, the percentage of employees, at Group level, who receive compensation above the living wage threshold for each geographical area in which the Group operates and according to any relevant collective bargaining agreement (or similar, based on what is available/provided for in each country).

[4] Since 2023, Comelz has formalized and adopted a Sustainability Policy whose principles and guidelines apply to the parent company Comelz S.p.A. as well as to all its subsidiaries. Its contents and their declinations in terms of Environmental, Social and Governance responsibility are further analyzed in the following chapters.

[5] Certified suppliers are qualified and authorized to carry out, in accordance with current regulations, the activities for which they are appointed.

GOVERNANCE

Target n.8: *"Variable remuneration linked to ESG targets for senior management"*

Comelz is committed to defining and maintaining ESG objectives within the Management By Objective (MBO) system for senior leadership by 2026.

Target n.9: *"Annual anti-corruption engagement for employees"*

Comelz is committed to ensuring, on an annual basis and starting from 2026, that 100% of employees within the Italian perimeter receive training and/or specific communications on the following topics: Code of Ethics, Whistleblowing and Anti-Corruption.

Target n.10: *"Corruption Risk Assessment"*

Comelz is committed to annually carrying out periodic assessments of corruption risks in accordance with the provisions of the Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001 and the Company's Code of Ethics.

Target n.11: *"ESG training for strategic suppliers"*

Comelz is committed to ensuring that its top five strategic suppliers[6] receive ESG-related training by 2026.

Target n.12: *"Supplier Code of Conduct"*

Comelz is committed to integrating a request for the formal acceptance of the Supplier Code of Conduct within all suppliers' order confirmation forms by 2027. In cases of non-acceptance, Comelz is committed to implementing corrective measures (e.g., ESG training, engagement activities) for such suppliers.

Target n.13: *"Sustainable Supply Chain Management"*

Comelz is committed to evaluating 100% of its strategic suppliers by submitting an ESG assessment questionnaire by 2028, while also reserving the right to conduct verifications and inspections at their premises if deemed necessary.

[6] Suppliers qualified as "strategic" will be identified based on a set of criteria defined by Comelz such as, for example, amount of expenditure; reference sector; products supplied; supplier' size, etc.

3. Group Governance

Governance at a glance

Summary

During 2024, Comelz institutionalized the responsibilities of the ESG Manager to monitor its impacts on the environment and communities and implement the commitments set in the field of sustainability. In addition, the Board of Directors met its target to meet every 6 months to oversee the performance trend on sustainability issues in a transversal way and address the main critical issues that have emerged.

In order to communicate and disseminate the company's sustainability policy internally, Comelz organised a training activity involving external experts in the sector.

Reconfirming its commitment to monitoring and improving its ESG safeguards, the Group also participated again in the Ecovadis rating program, also improving its score, obtaining the Silver medal.

Highlights

- Ecovadis Rating Improvement: **Silver Medal**
- Development of the responsabilities of the **ESG Manager**

Comelz in numbers

14% Women on the Board

0 confirmed incidents of corruption

0 significant cases of non-compliance with laws and regulations

0 significant cases of ongoing or concluded legal actions relating to anti-competitive behaviour and violations of antitrust and 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.

Comelz's Code of Ethics and Conduct, adopted in 2020 and extended to all Group's subsidiaries in 2023, defines the principles that regulate the functions and responsibilities of all employees. 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 the fundamental elements regarding health and safety, and the terms of the relationship with suppliers (more details in the respective section).

Group Code of Ethics

Since 2023, all subsidiaries of Comelz S.p.A. signed the Code of Ethics, including the sections regarding the "business values", "competition" and "conflict of interest".

In line with its focus on the values of ethics and integrity, Comelz aligned itself with the Principles of the UN Global Compact since 2023 and has introduced among the KPIs subject to monitoring, the number of violations of the OECD Principles and Guidelines for Multinational Companies and the procedures implemented to verify compliance with the two international frameworks.[7]

UN Global Compact alignment

0 violations of the UNGC principles and OECD guidelines

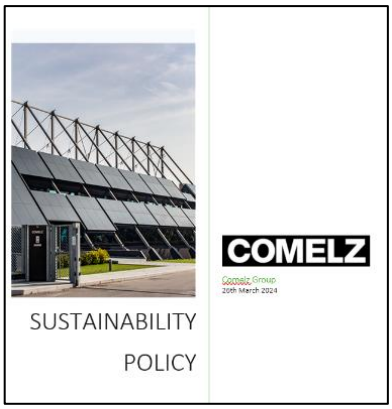
In addition, Comelz S.p.A. has adopted an organisational, management and control model in line with the provisions of Legislative Decree no. 231/2001. The model enables the identification of the areas with the highest exposure's risks and to identify the company activities most exposed to the commission of crimes, thus enabling the identification of preventive measures. Furthermore, an update that led to several additions was carried out in 2024. Specifically, with respect to the "General Section," the whistleblowing system was further enhanced, while in relation to the updates made to the "Special Section" (Part 2 - Specific Controls), risk assessment forms were incorporated into the relevant sections concerning potentially applicable offenses.

Since 2023, Comelz S.p.A. adopted a Sustainability Policy and a Code of Conduct for suppliers; these documents have been read and approved by the Board of Directors and represent a strategic and operational reference to guide the company's activities in line with its sustainability values and commitments.

[7] Here is the link to the UNGC https://unglobalcompact.org/what-is-gc/mission/principles; and here to the OECD Guidelines for Multinational Enterprises: https://pcnitalia.mise.gov.it/index.php/it/linee-guida-ocse-2

Sustainability Policy: section on Governance

Since 2023, Comelz adopted a sustainability policy based on responsibilities in 3 macro-areas: Environmental, Social and Governance. Among the values and commitments declared, Comelz has dedicated a special 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 Reporting system

In the event of a violation of the provisions of the Code of Ethics, the occurrence of crimes referred to 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. The Supervisory Body carried out compliance checks every six months in 2024 as well, covering areas such as corruption prevention and anti-competitive practices. No violations or critical issues were detected

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 case, 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.

ESG Manager

The responsibilities of the ESG manager have been formalized. The tasks of this role are discussed and updated in the meetings of the Board of Directors called specifically for ESG issues.

In 2024, Comelz did not record any cases of non-compliance with laws and regulations.

3.2 The Group's Governance Structure

The Group's Governance system is based on the principles of transparency and responsibility towards all workers, regardless of their rank, 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 referred to as the "Board"), which is entrusted with

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

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

With regard to these issues, an ad hoc course was held at "SDA Bocconi" entitled "Sustainability and ESG criteria in Private Equity" in 2024. The skills of the highest governance body have been further strengthened following further training carried out by external consultants and relating to the Sustainability Policy and the recently drafted Supplier Code of Conduct.

On 25 July 2024, the Board of Directors, responsible for approving the financial statements for the year ended 31/12/2024, was reconfirmed. The Board consists of 7 people, one of whom is a woman, between 30 and 50 years old. The Chairman of the Board of Directors is also a senior executive of the Company. In July 2024, Paolo Riccardi, current Executive Director of the Board of Directors, was also appointed General Manager of the Comelz Group.

Composition of the Board of Directors

Members	Assignment	Executive/non-executive	Data of appointment
Corsico Piccolino Alessandro	Chairman of the Board of Directors	Executive	From 25/07/2024
Zorzolo Bruno	Member	Executive	From 25/07/2024
Canè Fabio Cosmo Domenico	Member	Non-executive	From 25/07/2024
Cerrina Feroni Marco	Member	Non-executive	From 25/07/2024
Camisassi Giovanni	Member	Non-executive	From 25/07/2024
Riccardi Paolo	Member	Executive	From 25/07/2024
Loiacono Alice	Member	Non-executive	From 25/07/2024

Members of the Board of Directors, by gender and age

Gender	2024				2023			
	<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
Total	-	2	5	7	-	2	5	7

With regard to the remuneration of the members of the Board of Directors, a fixed remuneration has been provided for the Board of Directors and a variable remuneration for Directors with operational roles within the company, following a resolution of the Board of Directors in February 2022.

Currently, the Group is evaluating how to integrate procedures to formalize the evaluation of the performance of the highest governance body in the management of the impacts generated.

The Board of Directors is responsible for controlling the impact caused by the organisation on the economy, the environment and people. The latter is also entrusted with the task of examining this document, as well as approving the Financial Statements. During 2023, Comelz also appointed a director responsible for monitoring ESG issues; this figure leads the regular discussions with senior management aimed at managing these issues. Comelz has set itself the goal of formally addressing these issues within the Board of Directors twice a year.

There are no formal committees within the Board of Directors; however, the Directors meet periodically to address key issues such as the health and safety of employees, as well as to address critical issues that have emerged in the performance of 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

Society	Gender	2024				2023			
		<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
	Total	-	**-**	**3**	3	-	**-**	**3**	3

4. Commitment to Comelz's 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 a healthy and safe working environment.

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

Highlights

- Periodic training on occupational health and safety issues has been renewed;
- Continuous monitoring of workers' rights.

Comelz in numbers

62 % reduction in the number of days lost to injury

17h average training per employee

98% of employees covered by collective bargaining

0 complaints about customer privacy violations

4.1 Our Resources

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.

Comelz Group consists of **357 employees** as of December 31, 2024

The Group condemns any form of discrimination based on gender, nationality, sexual orientation, age or political and/or religious opinions with the aim of enhancing the concept of "*diversity*" as an opportunity for growth for the organization. In this regard, there were no episodes of discrimination during 2024.

In compliance with the Conventions of the International Labour Organization and the legislation in force for the protection of working conditions, the Group is committed to respecting fundamental human rights. In particular, Comelz:

- bases its policies for the selection, management, remuneration and training of personnel on criteria of professionalism, competence and merit, in line with the relevant legal requirements, with the Workers' Statute and the applicable National Collective Labour Agreements (CCLN). Comelz rejects any form of discrimination or favouritism aimed at facilitating the recruitment of a candidate by adopting an evaluation process that is as objective as possible of the candidates' professional and psycho-aptitude profiles 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 personnel and requires compliance with current legislation on privacy, prohibiting the dissemination of information relating to sensitive data learned due to one's work function, unless prior authorization of the interested party and specific authorizations from top 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.

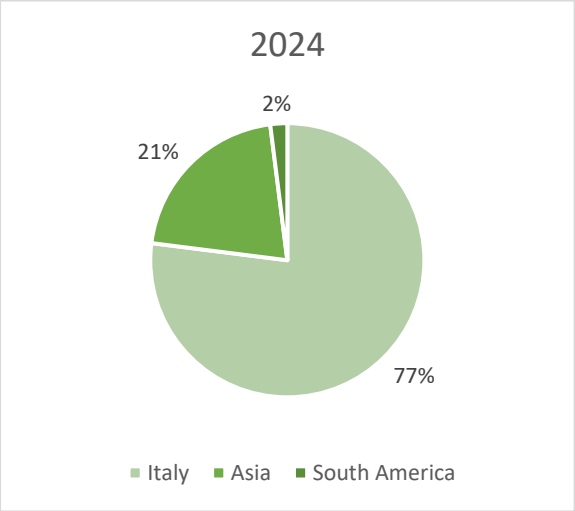
Sustainability Policy: section on social responsibility

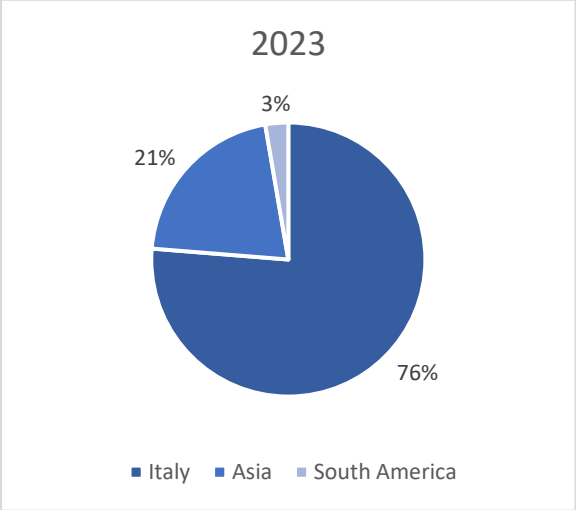
Comelz pays particular attention to its impact in the social sphere. For this reason, within the Sustainability Policy, Comelz is committed to promoting a healthy and safe working environment, in compliance with workers' rights.

The Group had 357 employees and 15 external workers as of December 31, 2024. External workers are hired through a third-party company.

The staff is mainly employed in Italy (77%, which corresponds to 276 employees), while the remaining share is divided between Asia (21%, equal to 74 employees), in particular in China and India and Brazil (2%, equal to 7 employees).

Geographical distribution of employees





Group employees by geographical area and gender

Region	2024			2023		
	Men	Women	Total	Men	Women	Total
Italy	253	23	276	258	21	279
China	48	21	69	48	22	70
Brazil	7	-	7	9	1	10
India	4	1	5	4	2	6
Myanmar	-	-	-	1	-	1
Total	312	45	357	320	46	366

Of the total workforce as of 31st December 2024, 99.7% of the Group's employees are hired with permanent contracts, an increase compared to the previous reporting period. Almost all employees are also employed full-time (96.6%). Finally, the Group did not employ workers on non-guaranteed hours.

Group employees by type of contract and gender

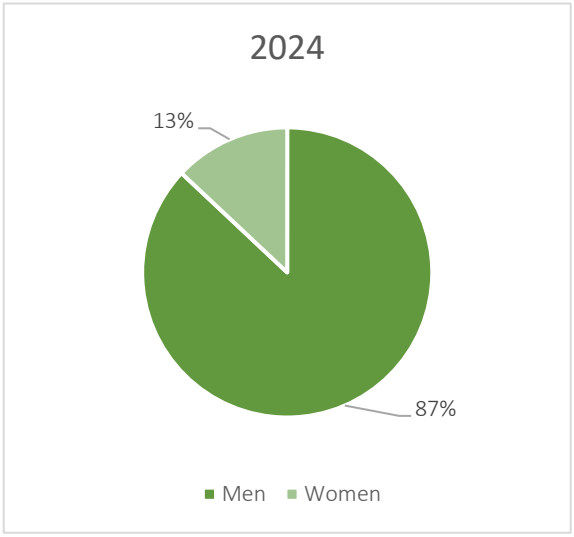
Type of contract	2024			2023		
	Men	Women	Total	Men	Women	Total
Permanent	312	44	356	314	43	357
Fixed-term	-	1	1	6	3	9
Total	312	45	357	320	46	366

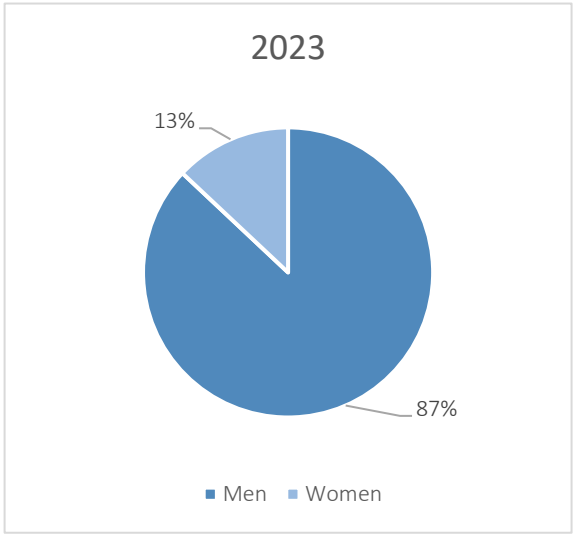
Group employees by type of employment and gender

Type of use	2024			2023		
	Men	Women	Total	Men	Women	Total
Full-time	305	40	**345**	315	42	**357**
Part-time	7	5	**12**	5	4	**9**
Total	**312**	**45**	**357**	**320**	**46**	**366**

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 female presence of 13%, mostly in the white-collar category and in continuity with the previous year. 64% of the Group's staff is between 30 and 50 years old, followed by 27% of employees over 50 years of age and 9% of workers under the age of 30.

Percentage of employees by gender





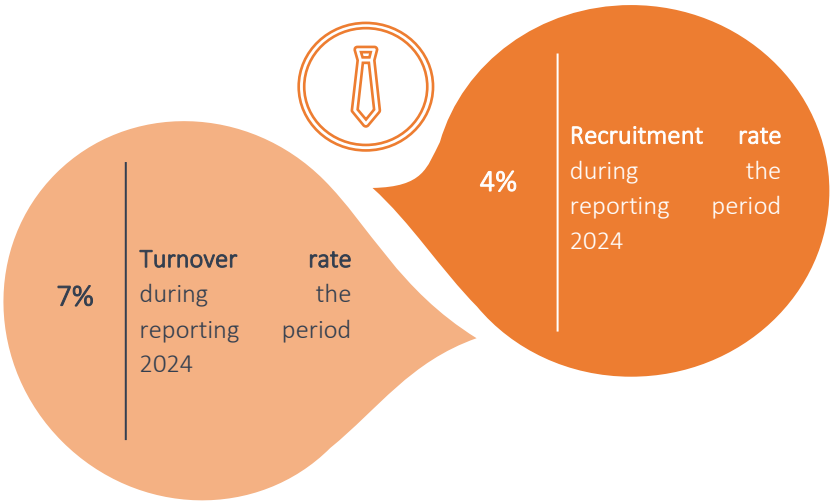
Percentage of employees by job classification and gender

Professional classification	2024		2023	
	Men	Women	Men	Women
Executives	75%	25%	80%	20%
Managers	92%	8%	90%	10%
White collars	74%	26%	72%	28%
Blue collars	97%	3%	98%	2%

Percentage of employees covered by collective bargaining agreements[8]

Percentage	2024	2023
Employees covered by collective bargaining	98%	98%

The hiring rate for 2024 is 4%, down from the previous reporting period (5%); As for outgoing resources, the turnover rate has dropped from 8% for 2023 to 7% for 2024.



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 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[9].

4.2 Training and professional development

Comelz identifies the professional growth and training development of its employees as essential objectives through structured training plans that meet the needs and requirements related 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

[8] With regard to the protection of workers' rights, the national regulations of the various geographical areas in which the Group operates apply. In particular, there are currently no collective agreements in force in India, but workers are protected by national laws, so these employees are considered covered by this regulatory framework.
[9] Local community means 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 Brasil and China for Camoga Leather Machine Manufacturing Nanjing Ltd.

Company Management. The Group guarantees that the training and development of its staff through specific courses, in addition to mandatory training.

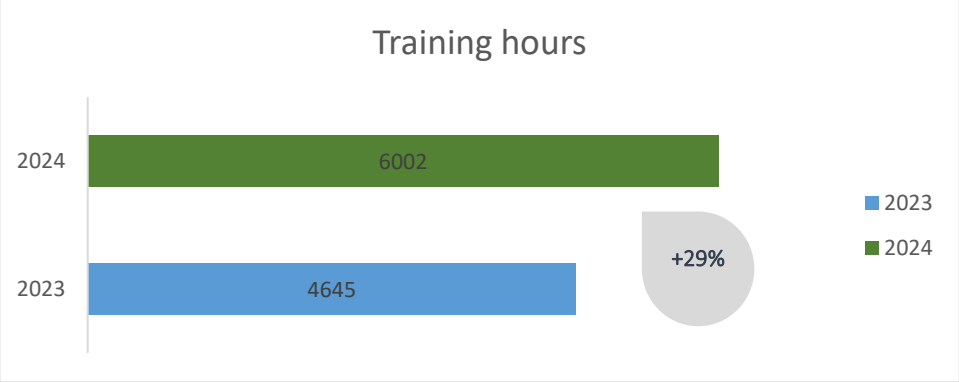
During 2020, Comelz developed the Education and Training Procedure, in line with the requirements of Legislative Decree 81/08 relating to Safety and the standards of ISO 45001:2018. The procedure applies to all business functions to ensure that:

- for each function/task present, 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 company functions.

With the aim of disseminating knowledge about health and safety regulations and to ensure compliance with laws, but also in order to support the growth of its employees through voluntary training courses, 6,002 hours of training were delivered in 2024, recording a positive increase of 29% compared to 2023. The average training hours for women increased by 118% amounting to 18, while men's amounts to 17, also up 30%.

Number of hours of training provided



4.3 The well-being of workers

Employees are the true asset of every company, especially in today's volatile 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 related to the intensity and flexibility of the presence of the individual employee in the company. The second is related to business productivity as a whole.

In addition, Comelz has set up a variable remuneration system for some key employees that can be obtained upon achieving personal objectives. Moreover, as a result of a trade union agreement, the Company has set in place a company welfare program and tax benefits for all employees and the company itself. If in previous years the majority of employees had opted for the monetization of this part of remuneration in the form of shopping vouchers, starting from 2024 Comelz has introduced a differentiation in the ways in which its employees can take advantage of corporate welfare. In fact, a company platform has been integrated within which, and within a given sum, this welfare remains

exempt from taxation. In addition, the platform allows a greater articulation of spending options and use of the same, offering options such as holiday vouchers, support for the payment of school fees, support for the payment of bills, etc. Comelz's corporate welfare combines corporate social responsibility with workforce incentive plans, directly associating benefits with the topic of compensation.

Finally, Comelz provides for a defined MBO incentive system for certain managers who own shares in Comelz.

Comelz's total annual compensation rate for 2024 is 14[10], an increase of 14%. This value represents the ratio of the annual salary of the highest-paid individual to the median compensation of employees (excluding the highest-paid person).

4.4 The 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 behaviour on behalf of all the 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, text coordinated with Legislative Decree 106/2009. The assessment describes the measures to be taken, the objectives and the timing for their implementation. In addition, the frequency of renewal of certifications and inspections is indicated therein. In order to monitor the protection measures in place and to ensure their development, specific figures have been appointed to manage and safeguard work activities and to comply with the rules concerning the working environment, health and training of workers. The roles of RLS (Workers' Safety Representative), RSPP (Head of the Prevention and Protection Service) and those in charge of the departments are therefore defined. The latter receive special training in first aid and firefighting, dealing with prevention directly in the workplace. As part of the continuous strengthening of security measures, Comelz plans to update the Risk Assessment Document (DVR) in 2025, in order to ensure full compliance with organisational and regulatory developments.

Comelz has also drawn up a Procedure for the Management of Accidents, aimed at formalising the methods for managing adverse events that may occur and implementing preventive or corrective actions that cancel or reduce the probability of them occurring. This document also collects "near miss" reports, there were no such cases in 2024, and asking the whistleblower about the factors that may have contributed to the occurrence of the event and which factors can reduce the harmful consequences. Reports are managed by the head of department, the RSPP and, for acknowledgement, by the RLS.

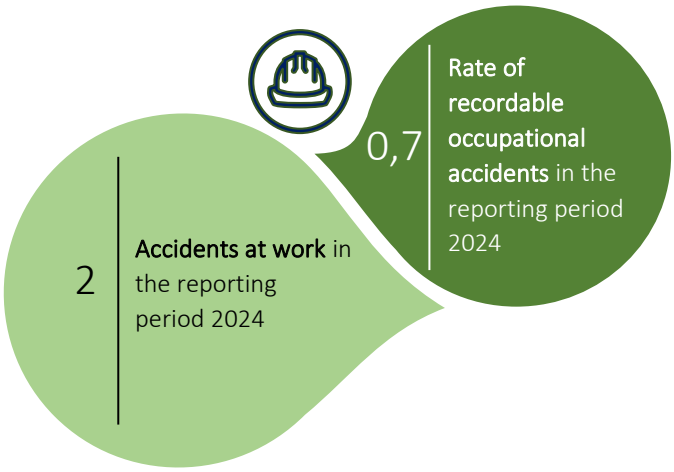
To encourage communication aimed at the continuous improvement of the working environment, meetings are scheduled every year involving all the company figures who deal with health and safety management and workers' representatives, who have the opportunity to periodically discuss with the

[10] The annual compensation of the highest-paid individual includes fixed and variable pay (bonuses, incentives, MBO). For the median of employees (excluding the highest-paid individual), fixed and variable elements of remuneration (overtime, bonuses, incentives, MBOs, welfare vouchers) were always considered.

company RSPP and consult the risk assessment document. In addition, to keep the RLS constantly updated, Comelz encourages non-formalized meetings between the different figures.

As mentioned above, 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, for roles that include the use of overhead cranes and trolleys, specific training is provided with periodic updates.

To ensure the health of its workers in the workplace, Comelz S.p.A. also organizes annual and bi-annual visits, with elements 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. by contractual relationships, through the adoption of specific contractual clauses.

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

In 2024, there were 2 work-related accidents, an increase compared to 2023 when only one accident was recorded. The rate of recordable accidents at work[11] is 0.7, up compared to the previous year also as a result of the 11% reduction in hours worked during the reporting period (564,195 hours in 2024 and 635,721 hours in 2023). In addition, starting from 2023, Comelz reports on the days lost due to recorded accidents, recording a decrease of 62% (from 21 to 8 days).[12]

[11] The accident rate was calculated as the ratio of the total number of accidents to the total hours worked, using a multiplication factor of 200,000.

[12] The figure for days lost due to accidents in 2023 has been reworked following a revision and correction of the data previously collected.

5. Our commitment to reducing our environmental impact

Our environmental responsibility at a glance

Summary

Comelz maintained its commitment to promoting responsible production, drafting new policies and defining a long-term path to reduce Scope 1 and Scope 2 emissions. In addition, it continued on the path of reporting on two categories of Scope 3 emissions.

Highlights

- **Develer S.r.l. Guarantees of Origin**: 52% of the electricity purchased covered by GO
- Progressive implementation of the **Decarbonization Plan**, based on reducing emissions in line with SBTi.

SCIENCE BASED TARGETS

Comelz in numbers

23% increase in the share of renewable energy self-produced through **photovoltaic systems**

50% of total energy consumption comes from **renewable sources**

3% reduction in Scope 1 **emissions**

98% recycled waste

5.1 Commitment to the energy transition: towards renewable energy[13]

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

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 employees asking them to:

- contribute to the fulfilment of environmental protection obligations;
- always assess the effects of their conduct in relation to potential damage to the environment;
- avoid imprudent behaviours that could harm the environment.

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

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

In 2024, Comelz S.p.A. invested its resources in the construction of a photovoltaic system for the headquarters in Brazil, whose power reaches approx. 42 kWp for the electricity supply of the entire plant.

Sustainability Policy: section on environmental responsibility

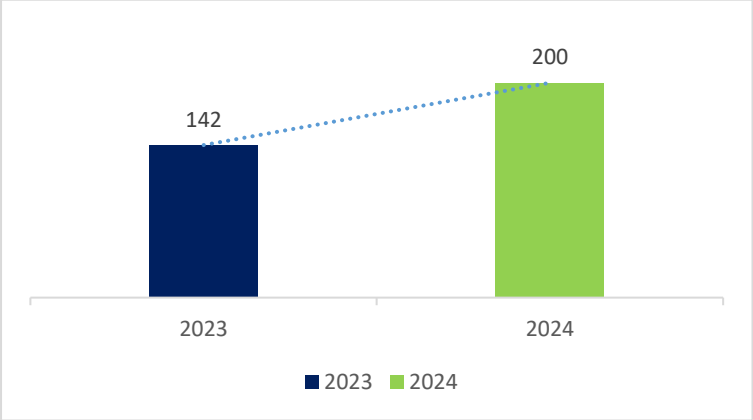
In the Sustainability Policy, Comelz has indicated the role of its operations in the path towards the energy transition through:

- 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 2024 the Group consumed a total of over 10,836 GJ of energy (-7% compared to 2023), the main share of which is electricity, equal to 64% of total energy demand, up 1% compared to last year. The decrease in energy consumption can be explained if we consider the reorganization of production activity compared to the previous year. Energy intensity increased by 41% due to the Group's 34% turnover reduction in 2024.

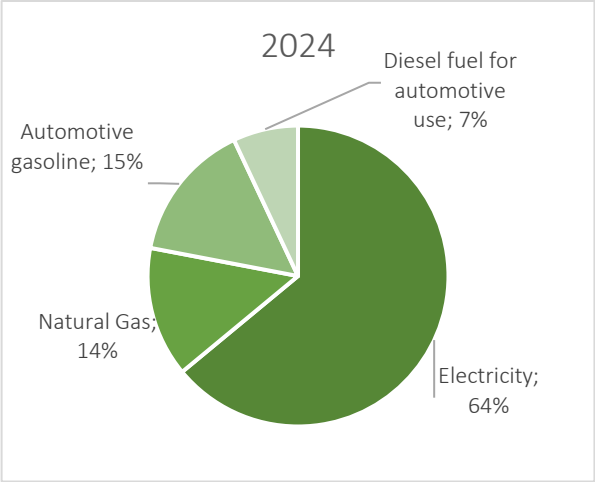
[13] Following an improvement in data collection methodologies, environmental metrics have been restated compared to what was published in the 2023 Report.

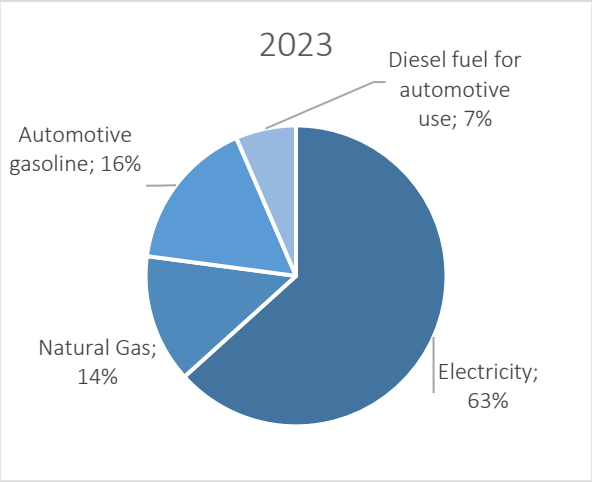
Energy intensity (GJ/M€)



With respect to fuel consumption, the Group recorded a decrease of 2% between 2023 and 2024, mainly due to the decrease in diesel consumption for transport. In particular, compared to 2023, Comelz India is the only company that has recorded a significant increase (+109%) in the consumption of gasoline, having expanded its car fleet.

Energy consumed within the organization (GJ)[14]





50% of the Group's total energy consumption comes from renewable energy, in continuity with the figure recorded in 2023.

Compared to the total electricity consumed by the organization (64% of total 2024 consumption), 19% comes from self-production using solar panels, whose share increased by 23% compared to 2023 thanks

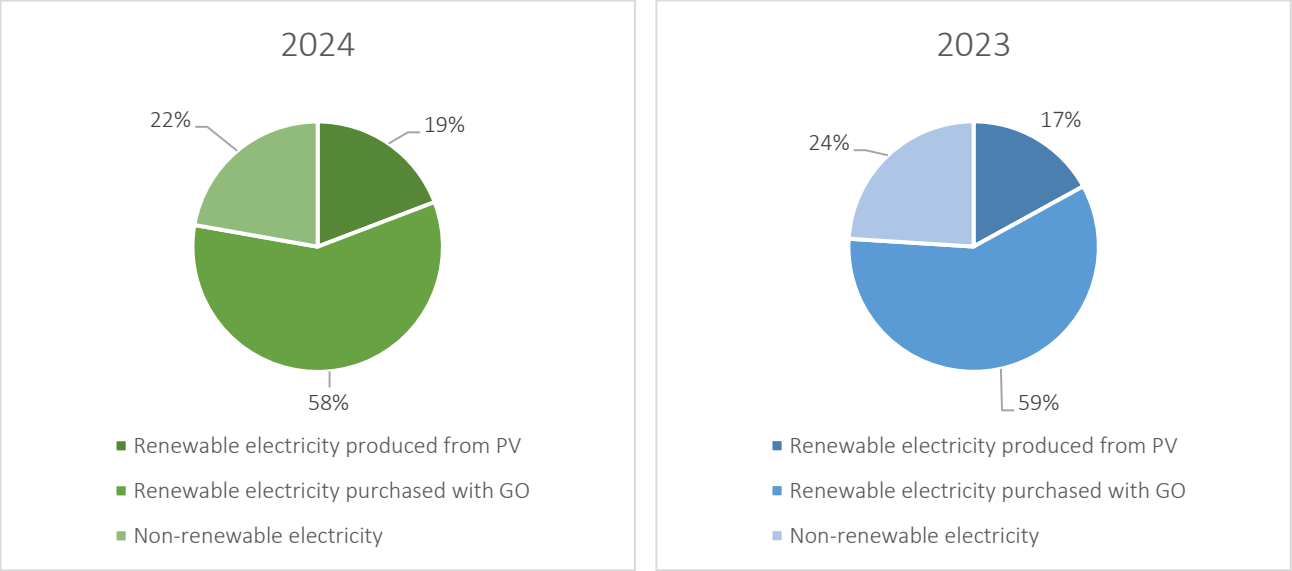
[14]The data for 2023 have been restated following corrections and additions to the items of LPG energy consumption for Develer S.r.l. and electricity consumption for Camoga Nanjing LTD.

[14] 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 2024 it is equal to 0.0402 GJ/kWh (source: DEFRA 2024); for 2023 it is equal to 0.0401 GJ/kWh (source: DEFRA 2023);
- Diesel fuel for transport: for 2024 it is 0.0378 GJ/litres (source: DEFRA 2024); and for 2023 it is equal to 0.0378GJ/litres (source: DEFRA 2023);
- Petrol for transport: for 2024 it is equal to 0.0341 GJ/litres (source DEFRA 2024); for 2023 it is 0.0341 GJ/litres (source: DEFRA 2023);

to a technical improvement of the Develer S.r.l. plant. In addition, 58% of the electricity consumed was purchased through Guarantees of Origin (GO).

Electricity consumed by type of source (GJ) at Group level



Comelz is also committed to monitoring its emissions and carries out this analysis in accordance with the GHG Protocol Corporate Standard, which classifies emissions as:

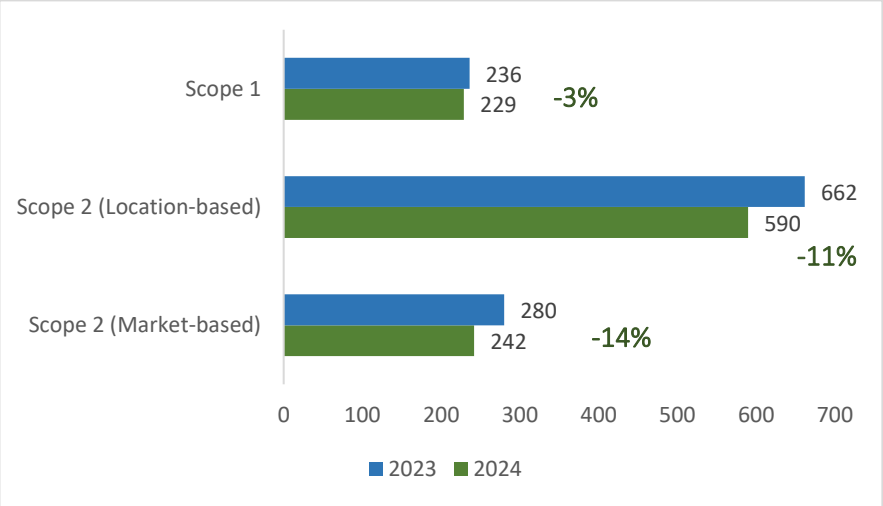
- Direct Scope 1
- Indirect Scope 2
- Indirect Scope 3.

Direct Scope 1 emissions are emissions from combustion sources owned or controlled by the organization, while indirect Scope 2 emissions are emissions from the production of electricity, heat, or steam imported and consumed by the organization.

With regard to the calculation of Scope 2 emissions, two distinct calculation methods are used, defined as "location-based" and "market-based". The first type is based on average emission factors, related to energy production for well-defined geographical boundaries, including local, sub-national or national boundaries; while the second method involves the use of emission factors contractually defined with the electricity supplier, in the absence of specific agreements such as the presence of certificates of guarantees of origin.

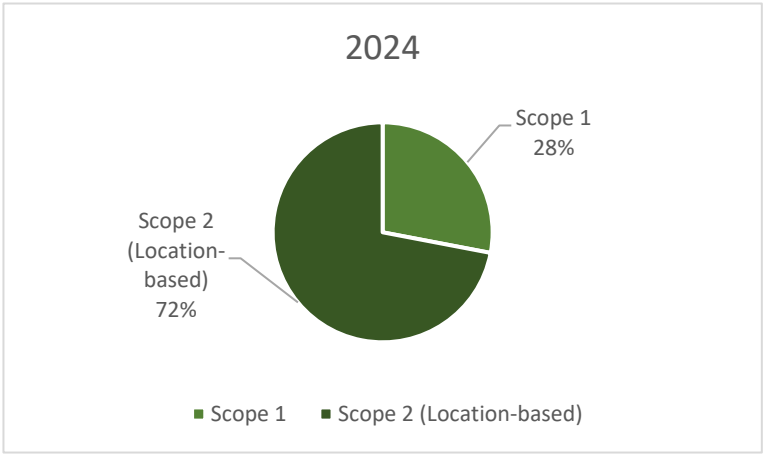
Scope 3 indirect emissions include all other indirect emissions that are generated along the organization's value chain, both upstream and downstream of its activities.

GHG Emissions Scope 1, Scope 2 (Location & Market-based) at Group level



In 2024, the Group emitted 229 tCO_2eq of direct Scope 1 emissions, and 590 tCO_2eq of indirect Scope 2 emissions (calculated using the *location-based* method) in relation to the purchase of electricity, for a total of 819 tCO_2eq. With regards to the purchase of electricity from renewable sources, Scope 2 emissions, calculated using the *market-based method*, are equal to 242 tCO_2eq.

Scope 1 (tCO2eq) and 2 Location-based (tCO_2) emissions at Group level[15]

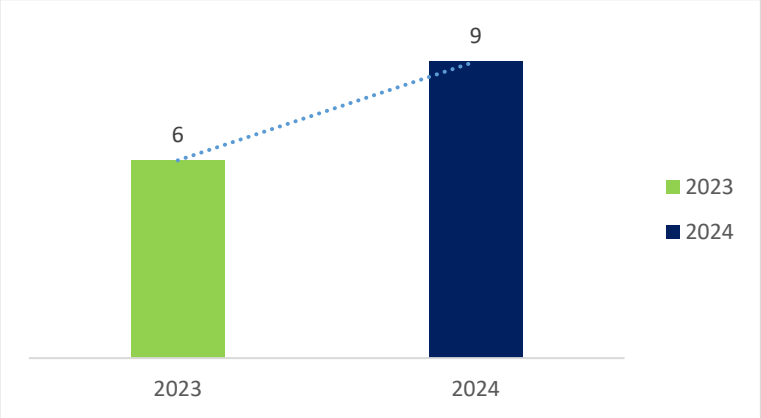


[15] The emission factors used for the calculation of Scope 1 are:
- Natural Gas: for 2024 2.76 kgCO2eq/m3 (Source DEFRA 2024); and for 2023 2.04 kgCO2eq/m3 (Source DEFRA 2023);
- Diesel fuel for transport: and for 2024 it is equal to 2.512 kgCO2eq/liters (Source DEFRA 2024); for 2023 2.5121 kgCO2eq/liters (Source DEFRA 2023);
- Petrol for transport: for 2024 it is equal to 2.0844 kgCO2eq/litres (Source: DEFRA 2024); for 2023 2.0975 kgCO2eq/liters (Source DEFRA 2023);
The GRI Sustainability Reporting Standards provide for 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 boundaries (methodology used, with 2024 emission factor: *315 gCO2/kWh - Source: TERNA 2019;* China: *609 gCO2/kWh – Source: TERNA 2019; Brazil: 139 gCO2/kWh - source TERNA 2019; India: 0.72 tCO2/MWh Ministry of Energy (India)*and for 2023: *315 gCO2/kWh - Source: TERNA 2019;* China: *609 gCO2/kWh – Source: TERNA 2019; Brazil: 139 gCO2/kWh - source TERNA 2019; India: 0.82 tCO2/MWh*)

Scope 1 emissions represent approximately 28% of aggregate Scope 1 and Scope 2 emissions, and are mainly caused by the consumption of natural gas by Comelz S.p.A. and the diesel used for the car fleet of Comelz S.p.A. and Develer S.r.l.

Emission intensity (calculated considering *market-based Scope 2 emissions*) increased by 38% compared to the previous year, due to the decrease in turnover (-34%).

Emission intensity 2023 and 2024 (Scope 1 + Scope 2 Market-based) (tCO_{2e}/M€) at Group level

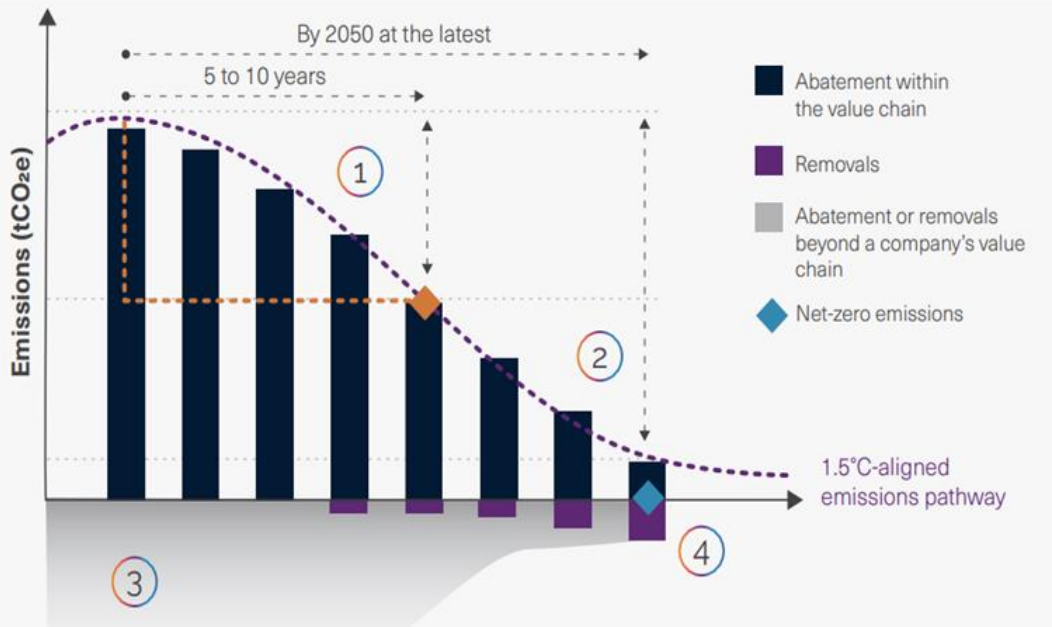


The "Market-based" is based on the CO2 emissions emitted by the energy suppliers from which the organization purchases, through a contract, electricity and can be calculated by considering: Energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors relating to the "*residual mix*", i.e. energy and emissions not monitored or unclaimed (methodology used, with emission factor Italy 2023: 457 gCO2/kWh - *Source: AIB - European Residual Mixes 2023; China: 609.00 gCO2/kWh source TERNA 2019; Brazil: 139.00 gCO2/kWh_ source TERNA 2019; India: 0.82 tCO2/MWh* and for 2023: 457 gCO2/kWh - *Source: AIB - European Residual Mixes 2022; China: 609.00 gCO2/kWh source TERNA 2019; Brazil: 139.00 gCO2/kWh_ source TERNA 2019; India: 0.81 tCO2/MWh,). Comelz purchases Guarantee of Origin certificates for the Vigevano site.*

Scope 2 emissions are expressed in tons of CO2; however, the proportion of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO2 equivalents) as can be inferred from the relevant technical literature

Decarbonization plan

In 2023, Comelz formalised its commitment to a decarbonisation path in line with the SBTi targets. The path provides for the achievement of a quantitative target for the reduction of Scope 1 and 2 emissions emitted by Italian sites, compared to the 2022 baseline. The goal provides for a 42% reduction in emissions and is divided into 3 macro-phases.

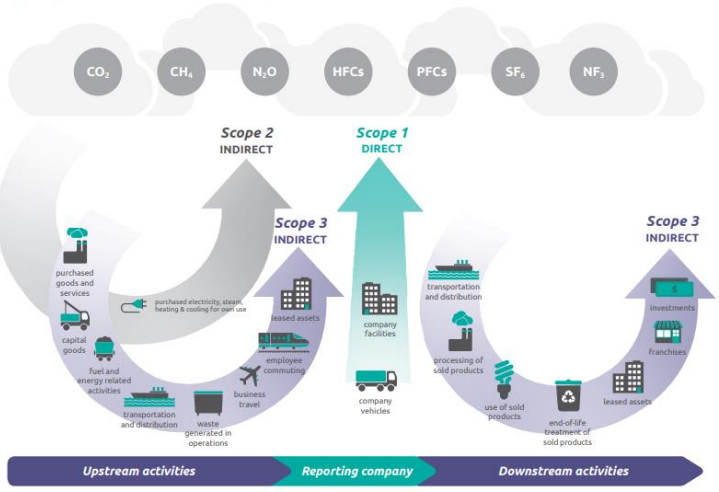


In 2024, Comelz was able to continue on the path of reducing its emissions as set out in the Plan. In particular, the Italian sites kept their Scope 1 emissions unchanged, but recorded a 11% reduction in Scope 2 (Location-based) emissions and a 14% reduction in Scope 2 (Market-based) emissions.

Scope 3 GHG emissions' monitoring

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

Figure [1] Overview of GHG Protocol scopes and emissions across the value chain



Source: Figure 1.1 of *Scope 3 Standard*.

Since 2023, Comelz has started monitoring two categories of Scope 3 GHG emissions generated along the value chain. The monitoring program continued in 2024, focusing on Categories 4 "*Upstream Transportation & Distribution*" and 9 "*Downstream Transportation & Distribution*" of the GHG Protocol as during the previous reporting year. In line with 2023, the data collected for both categories are limited to the parent company Comelz S.p.A. only.

Category 4 of the GHG Protocol refers to emissions generated during the transportation and distribution of purchased products, and therefore conceptually placed upstream of company operations ("*Upstream Transportation & Distribution*"). The distance-based method was used to calculate the emissions, which involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used. Emissions from Category 4 "*Upstream Transportation & Distribution*" for 2024 thus amount to 306 tCO_2eq, a 54% reduction compared to 2023 (672 tCO_2eq).

Category 9 of the GHG Protocol, on the other hand, focuses on emissions generated by the transportation and distribution of products sold, and therefore conceptually placed downstream of company activities ("*Downstream Transportation & Distribution*"). As with Category 4, the calculation of emissions was based on the distance-based method. In 2024, emissions from Category 9 "*Downstream Transportation & Distribution*" thus amounted to 876 tCO_2eq, in continuity with 2023.

Overall, the total Scope 3 emissions relating to the above categories amounts to 1,182 tCO_2eq, down 24% compared to 2023 (1,549 tCO_2eq).

Scope 3 GHG Emissions tCO_2eq[16]			
Category	UoM	2024	2023
Category 4: Upstream T&D	tCO_2eq	306	672
Category 9: Downstream T&D	tCO_2eq	876	876
Total	tCO_2eq	1,182	1,549

[16] Factors used to calculate emissions relating to Categories 4 and 9 of the GHG Protocol are:

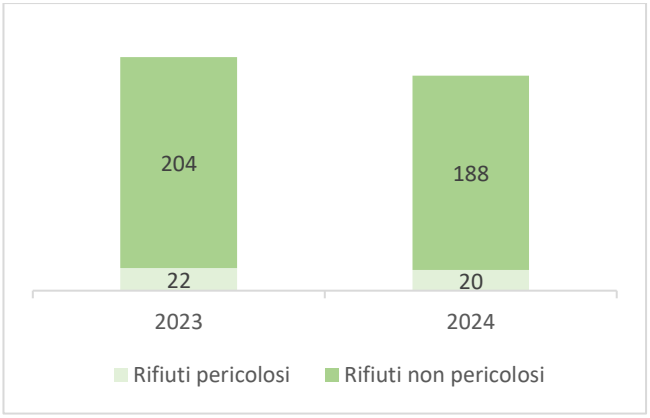
- For road freight with Diesel vehicles (Vans): 0,616 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
- For air freight:
    - Domestic flights: 2,760 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
    - Short flights: 0,985 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
    - Long flights: 0,649 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
    - International flights: 0,649 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
    - For sea freight with Container Ship: 0,0161 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*

5.2 Responsible waste and material management

The Group is committed to managing and disposing its waste correctly, as required by current environmental regulations, aware of the considerable impact on public health and ecosystems of this practice. This commitment is formalised within the Waste Management Procedure, which specifies the phases and responsibilities relating to waste management within Comelz S.p.A. The guidelines specify the management of municipal waste, hazardous and non-hazardous waste, the use of temporary storage, guidelines for the choice of transporter, disposer, reclaimer and reporting obligations.

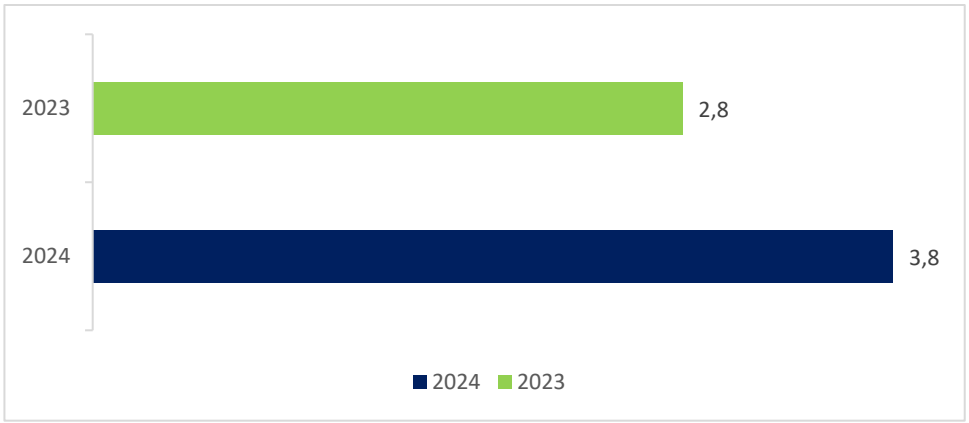
In 2024, Comelz produced about 208 tons of waste, down by 8% compared to 2023. Most of the waste (90%) is non-hazardous.

Waste generated(t) at Group level



The intensity of waste generated increased by 39%, between 2023 and 2024, i.e. from 2.8 (t/M€) to 3.8 (t/M€). The change is due to the 34% reduction in Group turnover recorded in 2024.

Waste intensity (t/M€) at Group level



In 2024, Comelz carried out an initial reporting exercise on the materials used. In particular, about 100 tons of renewable material were recorded, of which 97% from wooden packaging, and 5 tons of non-renewable materials, the majority of which refers to the category “mixed material packaging”. Comelz aims to develop a data collection system in this regard to give disclosure of the material issue by the next reporting year.

6. Commitment to the value chain

Summary

Comelz also promotes the principles of sustainability of the Business along the supply chain. Renewing its commitment to the spread the Made in Italy brand, the Group has continued to maintain high quality standards at all stages of its operations.

Highlights

- Begun sharing the **Supplier Code of Conduct**;
- Developed a **collaboration** with **U-Power** for the development of a new automated die-cutting machines;

Comelz in numbers

- **89%** of spending on **local suppliers**
- **12 patents** obtained in the last 10 years
- **4,8 €M** spent on **research and development**
- **57%** of **procurement expenditure** coming from suppliers who have signed the **Code of Conduct**

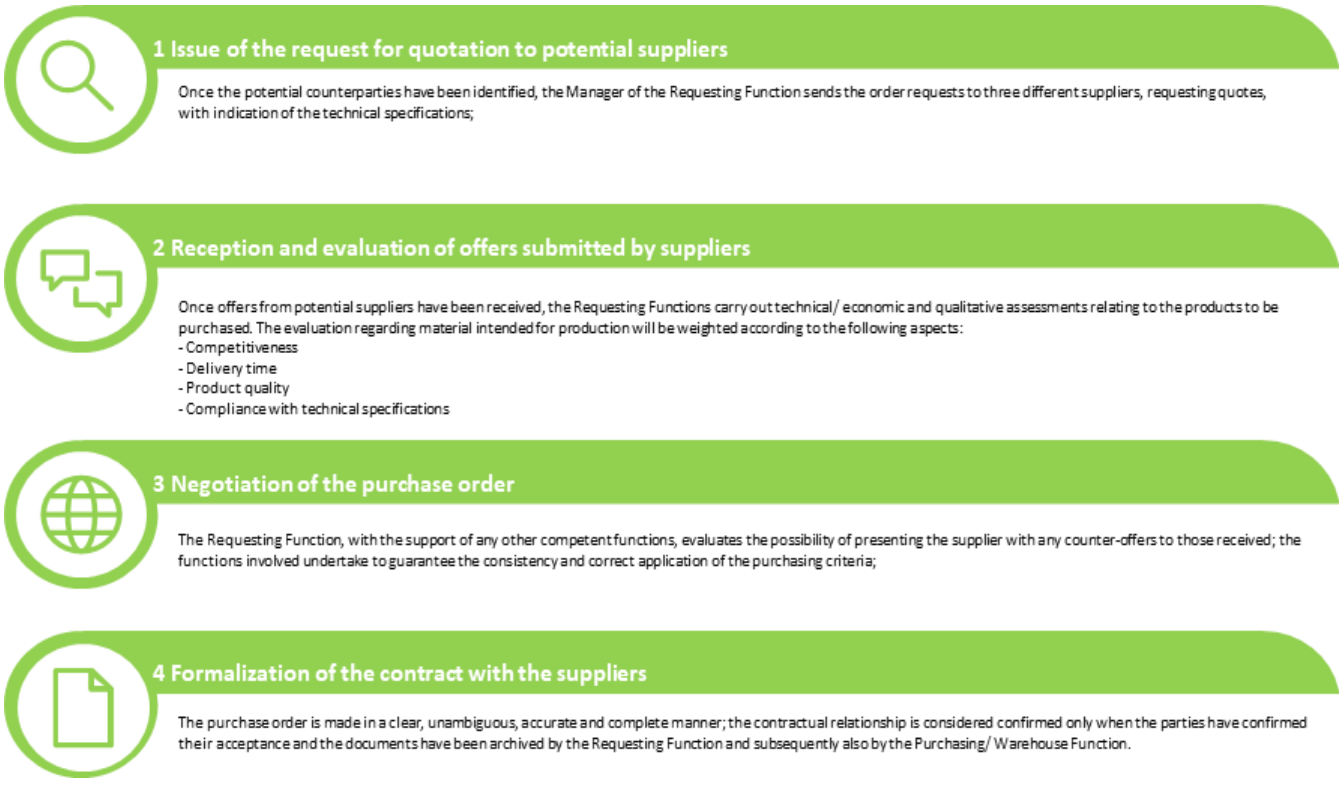
6.1 The Made in Comelz spirit

At the heart of the *Made in Comelz* spirit remains the combination of skill and experience developed through a long tradition based on the continuous improvement of working technique and skills 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 from the local territory in which the Group operates, ensuring high product quality and production standards. In 2024, there were no incidents of non-compliance recorded regarding product safety.

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.

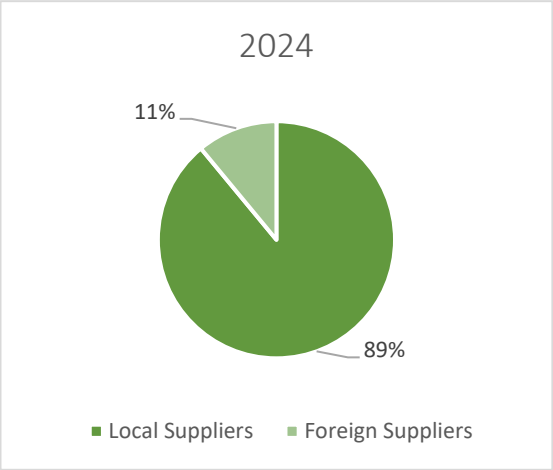
The assignment of the purchase order to the supplier is divided into four phases:



Given the international nature of the Group, the procedure also specifies the measures for customs compliance and the monitoring of the material from dispatch to delivery at the recipient's premises, ensuring the traceability of the products.

The total expenditure on local suppliers[17] in the reporting period in terms of percentage volume is shown below. As can be seen, Comelz is committed to preferring local production, where possible, in order to preserve product quality and production standards.

Proportion of spending on local suppliers[18]



During 2024, at Group level, Comelz recorded a total amount of expenditure towards its suppliers of €16.127.921 million (decreased by 46% compared to 2023), of which 89% to local suppliers, and 11% to foreign suppliers, in alignment with the previous reporting year.

Supplier Code of Conduct

During 2024, Comelz consolidated its commitment to responsible supply chain management, formalizing the Supplier Code of Conduct. This docuemnt allows the Company to pursue a clear understanding and alignment on its sustainability objectives with suppliers and business partners. In fact, the Code requires an alignment with the Group's values as well as the respect of its principles of ethics and business integrity. In this way, Comelz encourages attention to human and labour rights, and invites suppliers to ensure a responsible use of resources when carrying out their activities.

During 2024, the Group monitored the alignment level of its supply chain with the principles of sustainable development set out in the Suppliers Code of Conduct. Overall, within a reporting perimeter of 355 suppliers, 48 of them have signed the Code (14%), thus committing to the respect of its values and principles of ethics and business integrity.

[17] Expenditure to local suppliers is identified as any expenditure made in the country in which the Group company that makes it is located.
[18] The data refer 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. Local suppliers are 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 Group has then identified three macro-categories of suppliers: 1) suppliers of raw materials; 2) service providers and 3) processing providers. Out of a total of 276 suppliers of raw materials, 43 have signed the Code of Conduct (16%). It should also be noted that these 43 suppliers represent 60% of the Group's expenditure on raw materials in 2024. As for service providers (40 in 2024), only one signed the Code of Conduct in the reporting period (3%), while it significantly represents 33% of the expenditure made towards this supplier category. Finally, out of 39 processing suppliers, 4 have signed the Code (10%), representing 16% of the expenditure made during 2024 towards this category.

From this analysis, Comelz was able to ascertain that, despite having started sharing the Suppliers Code of Conduct only recently, 57% of its procurement expenditure already comes from suppliers who are signatories of the Code and therefore assessed against ESG criteria.

With a view to strengthening the relationship with suppliers and at the same time improving its environmental impact, starting from 2022 Comelz has begun a process of offsetting GHG emissions relating to shipments made through the international transport company GLS and with the support of Climate Partner, a company that makes it possible to contribute financially to climate projects certified by recognized standards. These standards apply to different categories (ie. reforestation, renewable energy infrastructure development) and aim to reduce and avoid the emission of climate-altering gases, thus contributing to the achievement of several United Nations Sustainable Development Goals.

Supporting a conservation project in the Brazilian Amazon, by 2024 Comelz has participated in the compensation of 4.373 kg of CO_2 equivalent related to its shipping activities.

The values of Comelz products

INNOVATION

Comelz aspires to innovation. With a focus on the sustainability of its production chain, it seeks and develops solutions that meet the main needs of demand with the aim of building long-lasting relationships.

PRODUCTIVITY

Comelz technology is at the service of any type of company, increasing the productivity of processes to an wider pool of customers.

FLEXIBILITY

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

TAILOR-MADE SOLUTIONS

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

Since its foundation, Comelz's innovative spirit has been reflected in the continuous development of technological solutions and the obtainment of numerous patents. In addition to the twelve existing patents, in 2024 the Group began the work necessary to submit the request for the recognition of a new patent in 2025.

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

Product Innovation Partnerships

During 2024, Comelz entered into a **partnership** with **U-Power** (a leading European group in the field of safety footwear safety equipment) to develop **automated die-cutting machines**. The project was structured as follows:

- Identification of sector limitations given by the manual operation of die-cutting machines, in particular in nesting processes;
- Introduction of automated technologies for nesting and blade cutting in order to minimize cutting waste;
- Monitoring of leather used: for each piece the system assigns templates, minimizing the amount of unused leather.

The project has led to the identification of several advantages related to the use of such automated machinery:

- Great flexibility in terms of quantities: the machines can work the equivalent of three shifts a day, with high and improved levels of production compared to the completely manual die-cutting process;
- Possibility of making complex cuts of various kinds;
- Rapid production organization;
- Possibility of employing less specialized figures than what is required by die-cutting;
- Operational simplicity.

ESG benefits identified:

- Up to 12-15% savings on synthetic and cutting waste
- Up to 8% savings on leather and cutting waste

- Reduced noise pollution and better working conditions

- 8 months payback

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 contract type, geographical area and gender:

Type of contract and region	At 31/12/2024			At 31/12/2023		
	Men	Women	Total	Men	Women	Total
Italy						
Permanent	253	23	**276**	252	20	**272**
Temporary	-	-	**-**	6	1	**7**
Total Italy	**253**	**23**	**276**	**258**	**21**	**279**
Permanent	52	21	**73**	53	22	**75**
Temporary		1	**1**	-	2	**2**
Total Asia	**52**	**22**	**74**	**53**	**24**	**77**
Permanent	7	-	**7**	9	1	**10**
Temporary	-	-	**-**	-	-	**-**
Total South America	**7**	**-**	**7**	**9**	**1**	**10**
Permanent	**312**	**44**	**356**	**314**	**43**	**357**
Temporary	**-**	**1**	**1**	**6**	**3**	**9**
Total Group	**312**	**45**	**357**	**320**	**46**	**366**

GRI STANDARDS 2-8

Number of external collaborators by geographical area and gender:

External workers	At 31/12/2024			At 31/12/2023		
	Men	Women	Total	Men	Women	Total
Italy						
Administered workers	-	-	-	8	-	2
Self-employed	2	-	2	2	-	8
External Staff	3	-		-	-	
Total Italy	5	-	5	10	-	10
Asia						
External staff	-	1	1	-	1	1
Other	1	-	1	1	-	1
Total Asia	-	-	2	1	1	2
South America						
Temporary workers	-	-	-	-	-	-
Self-employed	5	3	8	4	2	6
Total South America	5	3	8	4	2	6
Group						
Administered workers	-	-	-	8	-	8
Self-employed	7	3	10	6	2	8
External staff	3	1	4	-	-	-
Other	1		1	1	-	1
Total Group	11	4	15	15	3	18

GRI STANDARDS 401-1

Total number and hiring rate by age group, gender, and region:

	At 31/12/2024			At 31/12/2023		
	Men	Women	Total	Men	Women	Total
Italy						
Italy	5%	17%	4%	4%	14%	5%
<30 years	6	1	24%	1	1	7%
30-50 years	4	2	4%	9	2	7%
>50 years	2	1	3%	1	-	1%
Asia						
Asia	-	-	-	-	4%	3%
<30 years	-	-	-	-	-	0%
30-50 years	-	-	-	1	1	3%
>50 years	-	-	-	-	-	-
South America						
South America	-	-	-	22%	-	20%
<30 years	-	-	-	1	-	33%

30-50 years	-	-	-	1	-	14%
>50 years	-	-	-	-	-	-
Total Group	4%	9%	5%	4%	9%	5%
<30 years	6	1	21%	2	1	9%
30-50 years	4	2	3%	11	3	6%
>50 years	2	1	3%	1	-	1%

Total number and outbound turnover rate by age group, gender, and geography:

	At 31/12/2024			At 31/12/2023		
	Men	Women	Total	Men	Women	Total
Italy						
Italy	7%	9%	7%	7%	19%	7%
<30 years	1	-	3%	3	-	11%
30-50 years	12	1	8%	9	3	7%
>50 years	4	1	5%	7	1	9%
Asia						
Asia	2%	9%	4%	9%	-	6%
<30 years	-	1	33%	-	-	-
30-50 years	1	-	1%	5	-	7%
>50 years	-	1	50%	-	-	0%
South America						
South America	29%	-	43%	22%	100%	30%
<30 years	1	-	100%	2	-	67%
30-50 years	1	1	33%	-	1	14%
>50 years	-	-	-	-	-	-
Total Group	6%	11%	7%	8%	11%	8%
<30 years	2	1	9%	5	14	15%
30-50 years	14	2	7%	-	4	7%
>50 years	4	2	6%	7	1	9%

GRI STANDARDS 403-9[19,20]

Health and safety indicators – employees:

Work-injuries (employees)	2024	2023
Total number of hours worked	564,195	635,721
Number of fatalities as a result of work-related injury	-	-
Number of accidents at work with serious consequences (excluding fatalities)	-	-
Number of recorded work-related injuries	**2**	**1**
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	0.7	0.3

It should be noted that in 2024 there were no accidents or deaths among external workers, compared to a total of 29,328 hours worked.

GRI STANDARDS 404-1

Average hours of training (compulsory and non-compulsory) per capita by gender and employee category:

Category	2024			2023		
	Men	Women	Total	Men	Women	Total
Executives	1	2	1	-	2	0.4
Management	7	-	7	1	-	1

[19] The calculation of the accident indices was based on 200,000 hours worked, according to the following formulas:
- Rate of deaths resulting from accidents at work: number of deaths resulting from accidents at work/number of hours worked*200,000
- Rate of accidents at work with serious consequences (excluding fatalities): (number of accidents at work with serious consequences (excluding fatalities) / number of hours worked *200,000
- Rate of recordable occupational accidents: number of recordable occupational accidents / number of hours worked *200,000;

[20] Recordable accidents: all accidents (whether or not resulting in death), days off work, restriction of work duties or transfer to another job, medical treatment beyond first aid or unconsciousness, major injury or diagnostic illness by a physician or other licensed health care professional, even if it does not cause death, days off work, restriction of work duties or transfer to another job, medical treatment beyond first aid, or unconsciousness.
Recordable accidents with serious consequences: Accidents that lead to damage from which the worker (employee) cannot recover, does not recover or it is unrealistic to expect him or her to fully recover by returning to the state of health before the accident within 6 months (excluding deaths).

White collars	35	20	**31**	31	9	**25**
Blue collars	7	6	**7**	5	8	**5**
Total	**17**	**18**	**17**	**13**	**8**	**13**

GRI STANDARDS 405-1

Percentage of employees by employee category and age group:

Category	At 31/12/2024				At 31/12/2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	0%	50%	50%	**1%**	-	40%	60%	**1%**
Management	0%	42%	58%	**3%**	-	42%	58%	**3%**
White collars	14%	67%	19%	**41%**	12%	72%	16%	**40%**
Blue collars	6%	64%	30%	**55%**	8%	66%	26%	**55%**
Total	9%	64%	27%		9%	67%	24%	

Percentage of employees belonging to protected categories by professional classification and gender:

Category	At 31/12/2024			At 31/12/2023		
	Men	Women	Total	Men	Women	Total
Executives	-	-	**-**	-	-	**-**
Management	-	-	**-**	-	-	**-**
White collars	3%	1%	**5%**	3%	1%	**4%**
Blue collars	4%	1%	**5%**	4%	-	**4%**
Total	**4%**	**7%**	**4%**	**4%**	**4%**	**4%**

Our commitment to reducing our impact on the environment

GRI STANDARDS 302-1[21]

Energy consumption within the organization:

Energy consumption within the organization (GJ)[22]	2024	2023
Natural gas	1,475	1,484
Diesel for automotive use	1,605	1,770
Automotive gasoline	774	699
LPG	-	-
Total fuels consumed	**3,854**	**3,953**
Electricity[23]	**6,982**	**7,676**
of which renewable (self-produced)	2,060	1,848
of which renewable (certified purchase)	4,064	4,540
of which non-renewable	1,568	1,854
Electricity sold on the grid	710	566
Total	**10,836**	**11,629**

[21] The data for 2023 have been restated following corrections and additions to the items of LPG energy consumption for Develer S.r.l. and electricity consumption for Camoga Nanjing LTD.

[22] 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 2024 it is equal to 0.0402 GJ/kWh (source: DEFRA 2024); for 2023 it is equal to 0.0401 GJ/kWh (source: DEFRA 2023);
- Diesel fuel for transport: for 2024 it is equal to 0.0378 GJ/liters (source: DEFRA 2024); and for 2023 it is equal to 0.0378GJ/liters (source: DEFRA 2023);
- Petrol for transport: for 2024 it is equal to 0.0341 GJ/litres (source DEFRA 2024); for 2023 it is 0.0341 GJ/litres (source: DEFRA 2023);

[23] 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.

GRI STANDARDS 302-3

Energy intensity within the organization:

Energy intensity (GJ/ M€)	2024	2023
Total	200	142

GRI STANDARDS 305-1 and 305-2

Direct and indirect emissions generated by the organization:

Direct (tCO2e) and indirect GHG (tCO2) emissions[24,25]	2024	2023
Scope 1	229	236
Scope 2 - Location Based	590	662
Scope 2 - Market based	242	279
Total Scope 1 and Scope 2 (Location based)	819	898
Total Scope 1 and Scope 2 (Market based)	470	516

[24] The emission factors used for the calculation of Scope 1 are:
- Natural Gas: for 2024 2.76 kgCO2eq/m3 (Source DEFRA 2024); and for 2023 2.04 kgCO2eq/m3 (Source DEFRA 2023);
- Diesel fuel for transport: and for 2024 it is equal to 2.512 kgCO2eq/liters (Source DEFRA 2024); for 2023 2.5121 kgCO2eq/liters (Source DEFRA 2023);
- Petrol for transport: for 2024 it is equal to 2.0844 kgCO2eq/litres (Source: DEFRA 2024); for 2023 2.0975 kgCO2eq/liters (Source DEFRA 2023);

The GRI Sustainability Reporting Standards provide for 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 boundaries (methodology used, with 2024 emission factor: *315 gCO2/kWh - Source: TERNA 2019;* China: *609 gCO2/kWh – Source: TERNA 2019; Brazil: 139 gCO2/kWh - source TERNA 2019; India: 0.72 tCO2/MWh Ministry of Energy (India)*and for 2023: *315 gCO2/kWh - Source: TERNA 2019;* China: *609 gCO2/kWh – Source: TERNA 2019; Brazil: 139 gCO2/kWh - source TERNA 2019; India: 0.82 tCO2/MWh (e*)

The "Market-based" is based on the CO2 emissions emitted by the energy suppliers from which the organization purchases, through a contract, electricity and can be calculated by 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 emissions not monitored or unclaimed (methodology used, with emission factor Italy 2023: 457 gCO2/kWh - *Source: AIB - European Residual Mixes 2023; China: 609.00 gCO2/kWh source TERNA 2019; Brazil: 139.00 gCO2/kWh_ source TERNA 2019; India: 0.82 tCO2/MWh* and for 2023: 457 gCO2/kWh - *Source: AIB - European Residual Mixes 2022; China: 609.00 gCO2/kWh source TERNA 2019; Brazil: 139.00 gCO2/kWh_ source TERNA 2019; India: 0.81 tCO2/MWh,). Comelz purchases Guarantee of Origin certificates for the Vigevano site.*

Scope 2 emissions are expressed in tons of CO2; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO2 equivalents) as can be inferred from the relevant technical literature.

[25] The data regarding 2023 have been restated following the update of conversion factors in favour of greater accuracy.

GRI STANDARDS 305-3[26]

Other indirect emissions generated by the organization:

Other indirect emissions (tCO2e)	2024	2023
Total Scope 3	1,182	1,549

GRI STANDARDS 305-4

GHG intensity (tCO2eq/M€), with reference to Scope 1 and Scope 2 Location-based emissions:

Emission intensity (tCO2eq/M€)	2024	2023
Total	15	10

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

Waste generated within the organization:

Waste produced (tons)	2024	2023
Waste destined for disposal	**3.4**	**1.5**
of which hazardous waste	-	-
of which non-hazardous waste	3.4	1.5
Waste not intended for disposal	**204**	**225**
of which hazardous waste	*20*	*22*
of which non-hazardous waste	*184*	*203*

Waste diverted from disposal by recovery operation:

Waste diverted from disposal	2024			2023		
	On-site	At an external site	Total	On-site	At an external site	Total
Hazardous waste	-	20	20	-	22	22

[26] For the calculation of Scope 3 GHG emissions, categories 4 and 9 of the GHG Protocol ("Upstream Transportation and Distribution" and "Downstream Transportation and Distribution") were considered; In the event that difficulties were found in the data, estimates were used. Factors used to calculate emissions relating to Categories 4 and 9 of the GHG Protocol are:

- For road freight with Diesel vehicles (Vans): 0,616 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
- For air freight:
  - Domestic flights: 2,760 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
  - Short flights: 0,985 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
  - Long flights: 0,649 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
  - International flights: 0,649 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*
  - For sea freight with Container Ship: 0,0161 kg/CO2e (tonne.km) (*Source: DEFRA 2024 for 2024 data, DEFRA 2023 for 2023 data)*

Preparation for reuse	-	-	-	-	-	-
Recycling	-	20	-	-	22	22
Other recovery operations	-	-	-	-	-	-
Non-hazardous waste	**-**	**184**	**184**	**-**	**203**	**203**
Preparation for reuse	-	-		-	-	-
Recycling	-	184	184	-	203	203
Other recovery operations	-	-	-	-	-	-
Total	**-**	**204**	**204**	**-**	**225**	**225**

Material Topics and related impacts

Material topic	Relative impact	Impact description
Cybersecurity & Data Protection and sensitive information	**Negative impact:** Failure to respect stakeholder privacy	Incorrect management of stakeholder data and non-compliance with applicable legislation and information management procedures
	Negative impact: Loss of sensitive organization information	Incidents of information breaches caused by failure to implement cyber security systems and consequent vulnerability to cyber attacks
Sustainable management of the supply chain	**Positive impact:** Improved supplier ESG performance	Inclusion of ESG policies and criteria for the selection of suppliers in order to improve its procurement practices
	Positive impact: Business activities aimed at local suppliers	Support for the local community and greater environmental sustainability thanks to the selection of local suppliers
	Negative impact: Inefficient supply chain management	Indirect reputational risk for the Group due to the failure of suppliers to comply with social and environmental regulations, with indirect disadvantages for workers and business partners
Ethics & business integrity and anti-corruption	**Negative impact:** Failure to comply 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 rules and procedures

	Negative impact: Communication practices that are not aligned with the Company's values	Communication activities and campaigns that are not in line with business values and objectives that are detrimental to reputational behavior
	Negative impact: Failure to comply with laws, regulations and standards and poor adoption of virtuous behaviors	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	**Negative impact:** 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
Made in Italy, uniqueness and versatility of the product	**Positive impact:** Increased customer satisfaction	Promotion of unique and versatile products that meet customer expectations
	Positive impact: Promotion of *Made in Italy* and Italian excellence in design and technologies	Products with a high Made *in Italy* quality and excellence in technologies and design
Quality, reliability, and safety of the product	**Positive Impact:** Production of safe and high-quality products	Manufacture of products with high quality standards and highly customized based on customer needs
Developing a positive work environment	**Positive impact:** Implementing benefits for employees	Promotion of an inclusive, equal and impartial work environment that protects all employees through the use of best practices training activities
	Positive Impact: Implementing Employee Benefits	Promotion of well-being in the workplace, through the incentive of benefits aimed at all employees of the company
	Positive impact: Promotion of employee health and *well-being activities*	Promotion of employee health and well-being activities, including through a dedicated training path
	Negative impact: 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
	Negative impact: 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	**Positive impact:** 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
	Positive impact: 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	**Positive impact:** Hiring workers from the local community	Recruitment of workers from the territory, favoring a higher rate of local employment
	Positive impact: 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	**Positive impact:** Promoting a circular economy	Reuse and re-entry of waste in the production cycle following recovery and recycling operations
	Negative impact: Soil pollution	Soil contamination as a result of incorrect waste management, in particular hazardous chemical waste
	Negative impact: Production of hazardous and non-hazardous waste	Production activities generate hazardous and non-hazardous waste which, if not managed properly, can cause the deterioration of the surrounding territory
	Negative impact: Use of Raw materials and depletion of natural resources	Continuous supply of raw materials which causes the depletion of natural resources
	Positive impact: Promotion of sustainable waste disposal techniques	The company uses sustainable practices for the disposal of waste from its business
Innovation and R&D	**Positive impact:** Promotion of R&D activities for industrial development	Investments in Research and development activities aimed at promoting industrial development in the relative market
	Positive impact: Sustainable applications	Promotion of activities and investments in Research and development for possible new sustainable applications of the company's products and services
	Positive impact: 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	**Positive impact:** Prevention and mitigation of risks related to the health and safety of workers	Activities and policies aimed at preventing and protecting the health and safety of workers carrying out any activity in the business process
	Negative Impact: Occupational Diseases of Employees	Long-term illness in employees due to unhealthy or risky manufacturing processes
	Negative Impact: Employee Injuries	Increased risk of accidents during work activities due to risky or incorrectly managed production processes
Professional development[27]	**Positive impact:** 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	**Negative impact:** Discrimination incidents between employees	Incidents of discrimination between workers that do not allow the creation of an inclusive and respectful working environment
	Negative impact: Discrimination in remuneration between men and women	Cases of discrimination in remuneration between men and women which do not allow the creation of a fair and inclusive working environment
	Positive impact: 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

[27] Following the evaluation, the topics of "professional development" and "diversity and inclusion" were merged for the list of material topics on p.13.

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
Made in Italy, 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 Table of Contents

This material refers to the following GRI Disclosures:

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GRI Standards	**Information**	**Page Number**	**Omissions**		
			Requirements omitted	**Reason**	**Omissions**
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2-17	Collective knowledge of the highest governance body	23			
2-18	Evaluation of the performance of the highest governance body	24			
2-19	Remuneration policies	24			
2-20	Process to determine remuneration	24			
2-21	Annual total compensation ratio	32	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 due to current difficulties in obtaining data.	Comelz intends to cover this indicator starting form the next reporting period (2025).

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GRI 3: MATERIAL TOPICS (2021)					
Information on material topics					
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GRI 3: MATERIAL TOPICS (2021)					
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GRI 201: Economic performance (2016)					

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306-3	Waste generated	44; 60-61			
306-4	Waste diverted from disposal	44; 60-61			
306-5	Waste directed to disposal	44; 60-61			
GRI 301: Materials (2016)					
301-1	Materials used by weight or volume	\	GRI 301-1: 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: i. non-renewable materials used; ii. renewable materials used.	Incomplete information 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 by 2027

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Health and safety of employees					
GRI 3: MATERIAL TOPICS (2021)					
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