

Sustainability Report 2022

Contents

5	Letter from the Chairman
6	Letter from the Sustainability Manager
7	The Sustainability Manifesto
8	US
9	The Everel Group in every home
10	Our story
11	The group
14	Our brands
16	The Everel group: an interconnected organisation
18	Our mission
19	Our values
20	Our processes, products, services and applications
36	The bigger picture
39	Creating shared value
42	E-LAB Laboratory of ideas
44	The governance system
48	Our approach to risk
50	Responsibility and ethics as business drivers
52	Everel creation and distribution of economic value
54	PEOPLE
55	People focussed
58	People management
62	Welfare

Letter from the Chairman

64	Growth and training
70	Promoting employee well-being
76	Engagement tools
78	Worker safety
84	Customer safety
86	Social initiatives and local relationships
90	Ethical and sustainable supply chain

92 ENVIRONMENT

95	Responsible materials management
102	Responsible waste management
106	Responsible process management
106	Energy
109	Emissions
112	Environmental compliance
115	Methodological note
116	Measurement methodologies
117	Stakeholder involvement
125	GRI content index

Dear Reader,

At the Everel Group, we know that true value can only be created and sustained in the long run through effective management and the engagement of all stakeholders. This means not only paying attention to the products and materials used, seeking ever more innovative and sustainable solutions, but also focussing on our employees, the communities in which we operate, our suppliers and of course the needs of our customers.

After the long pandemic, the unexpected rise in inflation that began in the spring of last year and which was exacerbated by the energy crisis at the end of 2021, combined with the shortage in supplies of materials, all contributed to severely impairing the 2022 results.

The outbreak of the Russian-Ukrainian conflict has further exacerbated the problem, as Russia is an important sales market for us and Ukraine is a supply market. We had started the year with a promising order book which, from May onwards, instead of increasing as we quite reasonably expected, came to a standstill and even contracted at the end of the year.

The Everel Group did not give up. In addition to maximising the efficiency of production processes in our factories, summer 2022 saw the opening of lengthy negotiations with a German multinational to acquire part of their shaded pole motor production. We are also working on new products and processes that will enable us to affirm and sustain our market leadership.

Despite the difficult context, we always lead from the front to give continuity and priority to our sustainability journey, with important activities in three areas which embody our plan: the environment, people and the region.

As far as the environment is concerned, I would first of all like to highlight that all of our production sites (EVG, Evro and Dreefs) have achieved ISO 14001 environmental certification.

This important milestone is a starting point which will give further impetus to tackling all environmental issues, both in terms of plant efficiency and in terms of materials and processes. Of the 14 Everel Group Green Team projects, 6 relate specifically to the environment: research into new, more sustainable materials for our products; sustainable

packaging, zero wastage, zero process waste, energy efficiency and carbon neutrality are the goals which we have set for ourselves. In every area we are implementing ever-more stringent research and policies, with a full awareness of how every action has an impact on our future.

People are the most important asset of the company. We seek to look after people at every stage of their time with the company, from recruitment onwards. The company's first concern is to constantly improve the health and safety of its workers. Their well-being is equally important in terms of remuneration, welfare, training, and opportunities for growth.

We also want to consolidate relationships within the regions where we operate. We have established a partnership with the Historie Onlus foundation, with which we have created the company vegetable garden and promoted a volunteer programme for all of our employees. We work with schools in the area, and we want to increase our collaboration with them, through meetings, visits, and training to make our own contribution to new generations. I am also delighted to highlight our collaboration with the Fondazione Arena di Verona with the 67 Colonne project.

Much remains to be done, all the more so since we are currently sailing through stormy seas. The next goals to be pursued concern the expansion of the Green Team and getting other Group sites to join in with the projects, with the option of further confirming our sustainability mission through our conversion into a Benefit Corporation.

Happy reading



Enrico Zobeles
Chairman of the
Everel Group SpA

Letter from the Sustainability Manager

Dear all,

An awareness of climate change and the social and economic impacts of their activities have become a guiding principle in the strategy of many organisations, including the Everel Group.

In this new approach to conducting business, the appointment of a sustainability committee headed by the Sustainability Manager plays a key role.

The Sustainability Manager acts as an interface and, above all, a mediator between the different areas of technical, organisational and human expertise that are the hallmarks of corporate sustainability projects and objectives. The role has many challenges, as there is still a shortage of history and experience to draw on, so it is also a role which is flexible and constantly changing.

The governance of sustainability in our Group considers multiple levels of management on the issue, starting from the more strategic and decision-making management of the senior management, fully structured with the green team committee and applied in the working groups that support the smooth running of operations. In this new organisational structure, the Sustainability Manager has to respond to the expectations of all of its bodies and connect them to the demands and expectations of stakeholders and the outside world.

In this 2022 report I would like to emphasise an important message: achieving sustainability in business is not easy. If we consider the current socio-economic context, characterised by market downturns and sector-specific difficulties, the challenges become even more complex. In this context, we believe that a humble but meaningful approach to sustainability is the only way we can advance our goals.

A sustainable approach to business requires a major cultural and mindset change on the part of everyone involved, something which often comes up against barriers, inconsistencies and disenchantment. Taking on investments of effort, time and money at a time when energy costs are soaring, war is raging in Europe and there are delays with deliveries of materials becomes a very complex challenge.

But it is in these moments when you most need to invest in

your chosen course, testing and creating new formulas of engagement, awareness and ways of working. This is why, for example, we opened our company intranet page and designed the first 'sustainability pills', our internal videos via which we update all our people each month on the reasons why we run sustainability projects and how they are progressing.

Thanks to this ongoing effort and thanks to the many people who, together with me, have continued to believe in the strategic centrality of the sustainability journey, we are finalising a new report that we believe is more accurate than the first one, and we are reporting on the progress of activities and projects in the social and environmental spheres that have become central and fundamental aspects of the business for us.

This sustainability report is drawn up on a voluntary basis, as it does not yet fall under the obligations of the new European CSRD. Everel has monitored the evolution of the regulations and obligations that will soon come into force and, for the past two years, has set itself the goal of anticipating forecasts through virtuous behaviour that can positively affect its entire ecosystem.

The purpose of the document is for Everel to measure its environmental, social and economic impacts in a structured and ongoing manner, but it does not end with the report; instead, it promotes a healthy culture of sustainability beyond the company's borders, showing how Everel puts it into practice, approaching it with the aim of maximising the benefit for as many stakeholders as possible.

As part of the continuous improvement approach which underpins our sustainability journey, we are looking to the future with a commitment to next year report on and extend all of our targets to Group level, including to all intents and purposes the sites in Romania and Germany.

Happy reading



Thomaz Zobeles
Sustainability
Manager,
Everel Group SpA

The Sustainability Manifesto



ENVIRONMENT

Innovating and designing sustainability. Searching for and selecting technologies and materials that turn our transition to sustainability into a reality. We are committed to co-design for our products. We are rethinking the ways resources and materials are extracted and used.

We are committed to changing our impact from a negative one to a positive one, by giving value to the end-of-life of our products and reducing/re-using waste from our processes to close cycles in a circular economy.



SOCIAL

We want to give **people** opportunities for growth, work-life balance, equality and inclusion.

We want to ensure that we are safe, both with our products and for all the people who are part of our production cycle.



GOVERNANCE

We innovate and connect the ecosystems that we are part of. We want to become a valuable interface between leaders in the industry and the local society, acting as incubators for new technologies and opportunities.

We want to plan and measure our sustainability journey.

Us

- 9 The Everel Group in every home
- 10 Our story
- 11 The group
- 14 Our brands
- 16 The Everel group: an interconnected organisation
- 18 Our mission
- 19 Our values
- 20 Our processes, products, services and applications
- 36 The bigger picture
- 39 Creating shared value
- 42 E-LAB Laboratory of ideas
- 44 The governance system
- 48 Our approach to risk
- 50 Responsibility and ethics as business drivers
- 52 Everel creation and distribution of economic value

The Everel Group in every home

Since 1909 Everel Group has been providing its expertise in the design and production of small and large electronic and electromechanical components. Our work meets the needs of such sectors as: household appliances, automotive, HVAC - Heating, Ventilation & Air Conditioning, gardening & outdoor, cleaning & steam and healthcare for international Business To Business markets.

The Everel Group's whole business model is marked by a keen awareness that we are present in people's homes and their everyday lives. Our switch components, selectors, motors and ventilation, sub-assemblies, encoders, automotive switches, mechatronics, and signal lights enter people's homes through the finished products manufactured by our customers. This informs our approach to corporate responsibility as a key element of our way of working.

The quality and safety of our products are the guiding principles for our approach, making Everel Group SpA a company that is renowned for its long-standing experience and high level of know-how that are today delivering new potential for growth thanks to the possibilities offered by technology, social changes and a focus on the environment.

Shared innovation with customers and partners is the way we want to build our **approach to the sustainability** of our products and processes. This is only possible thanks to the **people** of Everel Group SpA and their **human potential**, a crucial interface between our actions and success.



Our story

Since 1903, we have been building trusted relationships by bringing together different areas with the ambition of going beyond the conventional to propose solutions that are based on our ingenuity and our lasting relationship with the organisation.

1903

THE HISTORICAL BRAND OF THE EVEREL GROUP

Our story begins in Germany with Dreefs, a brand that produces electromechanical selectors and switches for household appliances: we started here with the aim of becoming the industry leader in Europe and across the world.

1909

EVEREL IS FOUNDED AS AN ITALIAN COMPANY

Everel started as an Italian company, founded by an entrepreneur from Caprino Veronese, Augusto Cometti, after whom it was named. The history of Everel Group SpA is one of continuous evolution through the stories of numerous companies and brands which, through a gradual process of acquisitions, have contributed to increasing the knowledge base and consolidating the target market.

1998

THE HEADQUARTERS IN VALEGGIO

We finally found a place for our Italian headquarters: in Valeggio sul Mincio, between Verona and Lake Garda, next to the picturesque and historic Parco Sigurtà.

2021

OUR APPROACH TO SUSTAINABILITY

Our approach to strategic sustainability planning begins with the first report on our economic, social and environmental impacts and programmes.

1987

THE EVEREL GROUP IS BORN

We change structure to become a global brand. The Everel Group is born, a company that invests in technology and automation to satisfy a dynamic and increasingly demanding market.

The Group

Everel Group has a long history of business with strong roots in its local area, which was reflected in the 1987 structure of the Everel Group. Our evolution has been characterised by a process of continuous change that has today led us to become the established leader in the market, with a turnover in 2022 of EUR 47.4 million.

The Group operates in the private industry engineering sector and comprises:

Everel Group SpA

the headquarters and production site in Valeggio sul Mincio (Verona)

Dreefs GmbH

the Marktrodach production site in Germany

Everel Group SpA Romania Srl

the Lipova - Arad production site in Romania

The Everel Group includes among its products:

6 established brands

Everel, Dreefs, Molveno, Signal Lux, GIEM

7 product lines

which are, in order of relevance to the business: switches, selectors, motors and ventilation, sub-assemblies, encoders, automotive switches, mechatronics, signal lights.

36 registered trademarks

89 patents

Our ecosystem

530 people

including 156 people at the Italian headquarters in Valeggio; these are the people who make up the Everel Group SpA team, our great wealth of human potential, creativity and experience.

16 commercial branches

connected to the Italian headquarters, providing Everel Group SpA with a global market presence in 55 countries, thanks to the synergistic network of agents and distributors who ensure quick and timely responses to customer requests.

340 customers

who trust our products.

Over 200 suppliers

who share in our value creation process, more than 60% are based in Italy.



TURNOVER BY GEOGRAPHICAL AREA

30% IN ITALY

41% EU COUNTRIES

29% NON-EU COUNTRIES

Our Brands



Founded in the province of Brescia in 1968, GIEM started by producing toasters but soon began to manufacture special motors, called shaded-pole motors. Over time, GIEM also became a leading supplier of fan units: assemblies of motors with fans and heating elements. Today, Everel Group SpA Solutions relies on GIEM's expertise in particular for its shaded pole motors, which are mainly used for bathroom extractor fans and the brushless version installed on MCV (Decentralised Mechanical Controlled Ventilation) units. The fan units (motors with fan and shroud), on the other hand, are used on domestic ovens, in the cooling zone at the top of the cooking chamber.



Molveno is a brand that specialises in mass production of switches and plastic moulding. The brand was founded in 1909 when Agostino Cometti set up the first Italian business making moulded porcelain parts in the province of Verona. In the 1960s, this evolved into the creation of a new product line in the form of switches and controls for small and large household appliances (hairdryers, coffee machines, blenders, cookers, washing machines and refrigerators). To continue the company's growth from this product line, Molveno S.p.a. was founded in 1967. The story of 'Molveno Cometti' merged with ours in 1987. A prestigious brand that we are proud to have incorporated into our offering.



Signal-Lux is an Everel Group brand specialising in the production of switches and signal lights. The brand stands out for its quality and fast delivery times. The company, founded in the 1960s in the province of Milan, began life by designing light bulb production systems, introducing the electrical connection system to supply the household appliance market with the signal light, hence the company name Signal-Lux. Signal-Lux was acquired by Everel Group SpA in 2007.

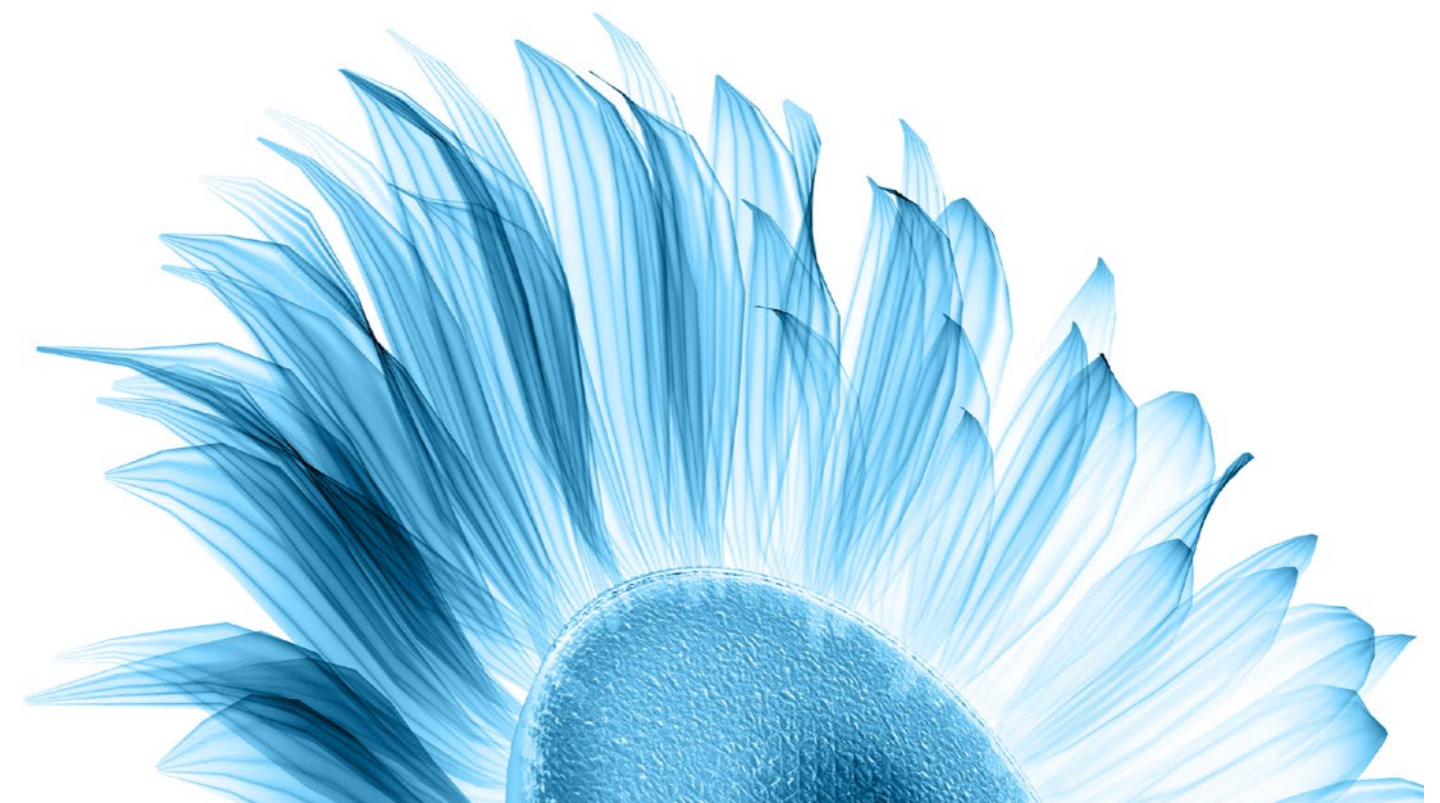


Dreefs, the oldest brand in the Everel group, produces over 440 million moulded and welded parts every year. Dreefs brand products, mainly used for the cooking sector, are electromechanical selectors and encoders.

Founded by Ernst Dreefs in 1903 in Germany, the company of the same name originally exclusively manufactured for switching lights on and off, later moving from the production of switches for electrical systems to switches for household appliances. In 1996, the Dreefs brand was acquired by the Siber Group and was subsequently merged into the Everel Group SpA. Most of the metal components for our switches are manufactured in the German factory.



Everel brand products include switches, selectors and change-over switches, with a very high level of customisation and flexibility of supply. Everel Solutions branded products, together with Signal Lux, Molveno, Dreefs and GIEM, make up the Everel Group's product division which, thanks to continuous investment in research and development, wants to be the solution of choice for Italian and international companies.



Everel group: an interconnected organisation

The Everel Group's production structure is divided into three sites which are interconnected and interdependent when it comes to the production process:

Everel Group SpA

The Italian factory is located in Valeggio sul Mincio. The 60,000 m² site, of which about 15,000 m² is under cover, is owned by the company and has been the Group's headquarters since 1998.

Group functions and corporate staff, in particular governance, sales, purchasing, quality management, Research & Development, Innovation E-Lab, Finance Administration & Control and Human Resources management are all based at the company headquarters. In addition, the site is also the location for the design and development of new products and the production of electromechanical products not destined for the automotive sector.



Everel Romania Srl

The Romanian factory is located in Lipova. Everel Romania is home to the production of electro-mechanical components and products for the automotive sector. Production focuses mainly on switches, motors (both brushless and shaded pole) and fan units, signal lights, sockets and plugs, sub-assemblies and automotive products such as door locking systems and rotary switches for ventilation control.



DREEFS GmbH

The German plant is located in Marktrodach, Bavaria. The Dreefs plant produces metal components (electrical contacts) for use by the Everel Group SpA and Everel Group SpA Romania Srl plants, for both the electromechanical and automotive markets.

Unless otherwise stated, the information and indicators in this Sustainability Report refer to the Everel Group SpA alone.

We want to create shared value: we do so by being switched on, in every sense, and by embracing change.

Everel Group SpA has always stood out for the clarity and ease of use of its products, the customisation and appearance that feature a unique and identifiable design where care and attention are paid to every single detail.

This is achieved through both the experience we have acquired over time and an open-minded approach focussed on innovation and dialogue with customers, an instrumental part of meeting and anticipating their

future demands. With one eye on the future, Everel Group has embraced the challenge of sustainability and has begun a journey of growth, above all for the staff but also in partnership with the industry, in order to create a culture of 'open innovation'. This approach gave rise to the key pillars of the Everel group's sustainability journey.

Our Values

"Our cornerstones are quality and safety, open innovation, and relationships with customers, employees and the region."

Quality and excellence

Precision in design and execution is an undisputed cornerstone of how we do business. The Everel Group SpA can draw on a wealth of experience and knowledge that is almost unrivalled and engages all of its expertise in defining even the smallest detail of an idea. This allows us to deliver an approach which expresses quality and excellence in both project execution and product realisation.

Innovation

In 2021, the Everel Group SpA took the decision to invest in innovation, reinterpreting this word not only in terms of "devising something new", but above all by redefining its corporate philosophy. For the Everel Group, the innovation process involves searching for solutions that do not yet exist within the organisation, realised by defining a strategy and a conceptual process. Our goal is to become a promoter of innovation by cooperating, anticipating market trends, and promoting research into alternative low environmental impact technologies in order to supply the market with competitive and sustainable products.

Safety

Everel Group SpA develops and manufactures electrical and electronic components and systems. This means marketing products that must be designed and manufactured with the utmost attention to safety requirements, both those imposed by law and others. But product safety cannot exist if it is not supported by occupational health and safety which is of paramount importance at Everel Group SpA.

Cooperation with customers

It is not possible to aspire to true innovation without being open to dialogue and collaboration, and this is particularly evident in our relationship with customers and partners, which has always been central to our way of working. Indeed, it is this ongoing dialogue and interaction which give rise to tangible, sustainable innovations for our processes and products.

People focussed

We believe it is crucial to adopt a human-centred approach that puts people and community relations at the centre, the real driver of the change process.

We believe that people represent the true wealth of a successful, durable company, and that is why we are committed to an organisational evolution that can respond to both social and labour market changes.

Our processes, products, services and applications

At Everel Group SpA, product customisation, quality and safety are the basis on which our entire production process is built. The combination of our know-how, capacity for change and consolidated high levels of quality has established us as a market leader. The new drive for innovation and the constant search for solutions with environmental and social connotations is shaping our future.



RAW MATERIAL DELIVERIES INBOUND CONTROLS

1

DREFFS METAL STAMPING

- Sending materials to production for bending, stamping, welding, deburring and washing processes.
- Outsourced technical treatments such as passivation, silvering, and galvanic treatments.
- Dispatch to the Group's plants.

2

MOULDING

Overmoulding (Everel Romania Srl)

Plastic injection moulding (Everel SpA)

Introduction of metal material

Production of moulded parts

Materials sent to assembly area

3

ASSEMBLY

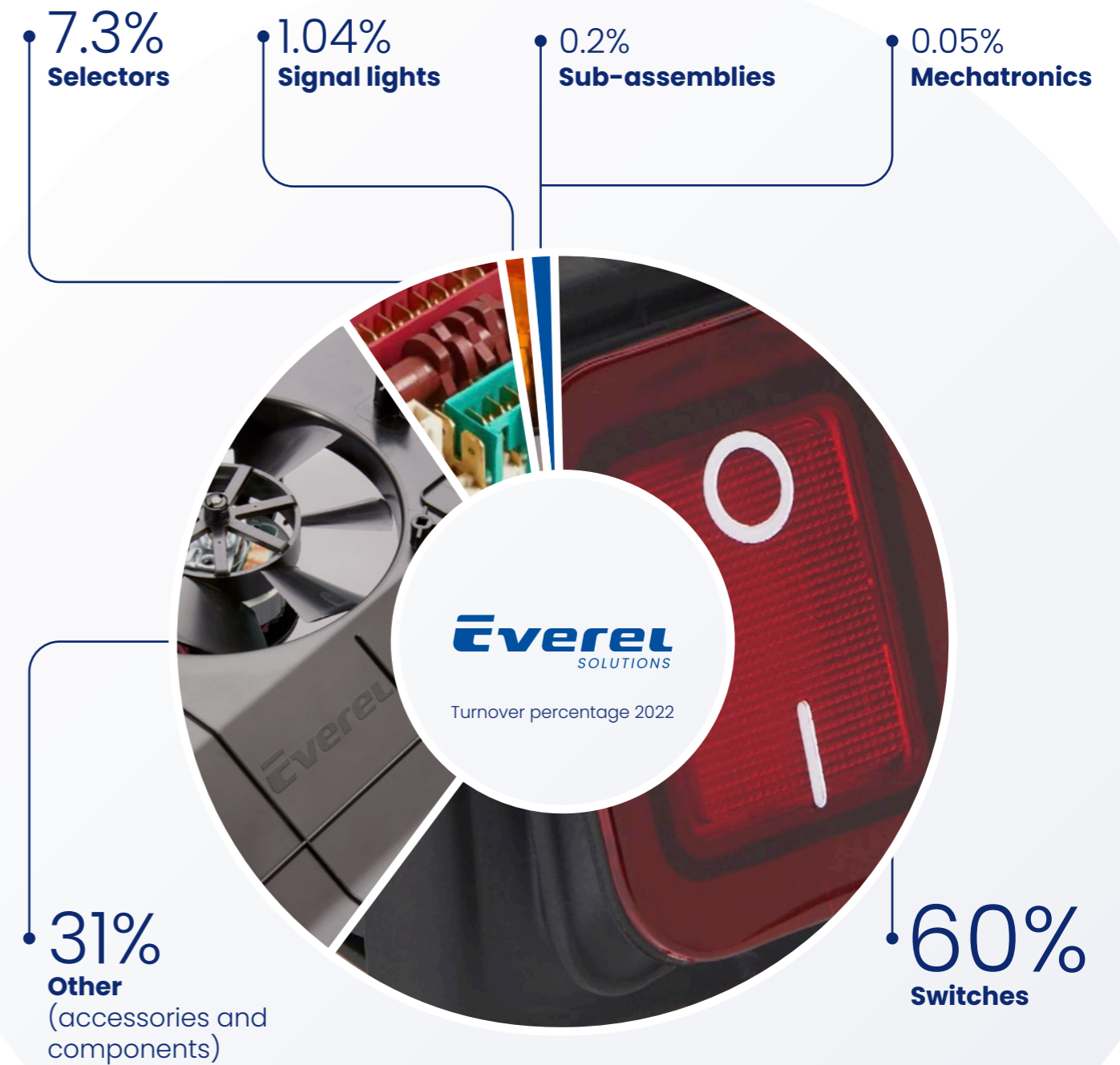
Everel Romania Srl - Everel SpA

- Sending to production - automated and non-automated
- Process and quality controls on the finished product
- Packaging and warehouse management

SHIPPING TO CUSTOMERS

Product lines

Everel Group SpA's products offer a high degree of customisation, a feature that allows the company to be able to meet the different requirements of customers with products which are competitive on the market. The factory in Italy specialises in automated assembly and high-tech moulding, and also produces most of the switches and selectors in our portfolio.



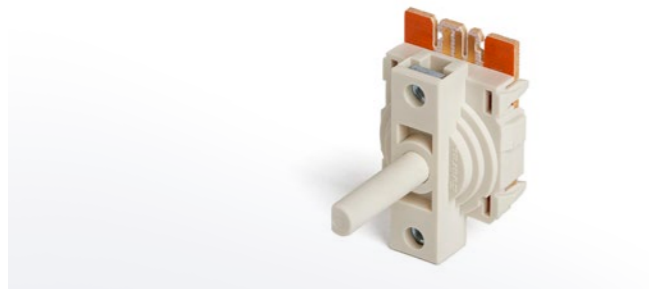
SWITCHES:

electrical control devices that establish or interrupt electrical continuity in a circuit, literally switching on and off the majority of the items that we used in our everyday lives. There are many types, including: rocker, push-button, waterproof, rotary, microswitch, slide, for phones, for the automotive sector.



ENCODERS:

these are rotary signal switches which do not directly interrupt the electrical circuit supplying the load (like "normal" switches); instead they handle low-voltage signals used as inputs for circuit boards (e.g. fully electronic and programmable ovens).



SIGNAL LIGHTS:

illuminated warning lights, consisting of small assemblies that include a light (LED, halogen). They are used to visually indicate the status of a device (e.g. on/off, and more).



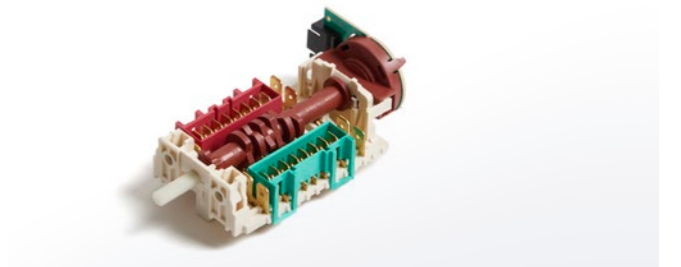
AUTOMOTIVE SWITCHES:

The Everel Group manufactures special versions of rotary switches used to control HVAC (Heating Ventilation and Air Conditioning) systems used on vehicle air conditioning systems. In addition, the Everel Group has developed a custom product series known as door contact modules: these modules are systems used on vehicles with sliding doors and consist of two parts (one fixed located on the vehicle pillar and the other movable mounted on the sliding door) and are used to bring signals and electrical power to the door itself.



ELECTRIC SELECTORS:

rotary switching devices equipped with multiple contacts which allow users to select the various operating conditions of an appliance, such as the different functions of an electric oven and the various cooking modes (conventional, fan, grill, etc.).



MOTORS AND FAN UNITS:

The Everel Group develops and produces small electric motors, both induction (shielded poles) and electronically controlled (BLDC). The typical application for these motors is in domestic ventilation (e.g. extractor fans) or in household appliances (e.g. door cooling on a domestic oven). In addition to the motors themselves, the Everel Group also supplies fan units, i.e. assemblies consisting of motor, fan and shroud/support.



SUB-ASSEMBLIES:

Everel also develops and supplies sub-assemblies, typically developed according to customer specifications, which incorporate different components and functions (switches, motors, circuit boards) into an integrated system (the 'sub-assembly').



MECHATRONIC COMPONENTS:

The Everel Group's solutions are increasingly delivered through the integration of electromechanical components (switches and encoders of various types) with customised circuit boards to expand the functionality of the assembly. Examples might include user interfaces for cooker hoods designed for advanced products (touch controls), rotary switches that integrate displays, or actuators with wireless connectivity for operating switches.



Quality and safety of our products

The Everel Group SpA operates in a dynamic and constantly evolving sector. The additional work to verify the conformity of its articles to the applicable international standards is a duty which Everel Group imposes on itself in order to guarantee to its customers that its products are conformant in all areas and, in particular, in the area of safety, the environment and prohibited substances.

Since 1997, the Everel Group SpA has had a management system which has been certified in accordance with the **ISO 9001 quality standard**, an automotive quality system which is IATF 16949 certified, and an **environmental management system** which was certified in accordance with **ISO 14001** in 2022.

All Everel Group SpA switches are tested and approved in accordance with the highest industry standards: EN61058-1, UL61058-1, some switches use materials that meet the EN60335 GWT NO FLAME (<2sec) standard. Signal lights are approved according to the VDE0710 standard, most encoders and selectors comply with the EN61058 standard and motorised and fan units are approved to the EN60335-1 standard.

In addition to product safety regulations in the strict sense, regulations concerning the environmental conformity of products and raw materials have played a key role for many years, with particular reference to those for hazardous and prohibited substances such as the **REACH and RoHS directives** which are also important for supply chain monitoring and management.

An increasing number of customers, especially multinational manufacturers of household appliances, are adding customised lists of Prohibited Substances (SVHC) to REACH and RoHS, which Everel Group SpA applies in order to be able to supply its products.

All of our certifications are available at www.everelgroup.com



Target markets and product applications

Our customers are leading international manufacturers of large and small household appliances, heating and ventilation equipment, and gardening, automotive and health equipment.

We collaborate and co-design electronic and electromechanical components to create products in the following fields of application.



LARGE HOUSEHOLD APPLIANCES

Through our supply of switches, signal lights, selectors, encoders and more, we are a partner that guarantees customisation. Thanks above all to our long-standing expertise, Everel Solutions is on hand when you need to run a program on the washing machine or dishwasher, press "start" on the oven display or switch on the fridge, use the hob or the extractor hood.



SMALL HOUSEHOLD APPLIANCES

At Everel Group SpA Solutions we design and manufacture switches, encoders, sub-assemblies and mechatronic products for creating coffee machines, hairdryers, irons and vacuum cleaners and other small household appliances, developed to make life easy in domestic and professional settings.



HEALTHCARE

Everel products such as switches (in all their guises), signal lights and other user interfaces are also used on electrical medical equipment.



HEATING AND VENTILATION

At Everel Group SpA Solutions, we create heating and ventilation solutions for indoor use, two crucial aspects for ensuring comfort in home, work and leisure environments thanks to the temperature and air quality. For example, Everel electric motors are used in wall fans, smoke extractors, and widely in the mechanical ventilation of domestic, working and community environments.



GARDENING & OUTDOOR

The expertise we have developed over time has led us to devise solutions which are ideal not only for domestic usage but also for industrial and outdoor settings.

We design solutions which are intended to be waterproof and weatherproof, with the aim of ensuring that products such as pressure washers, garden care equipment (e.g. lawn mowers) and similar applications function as best as possible.



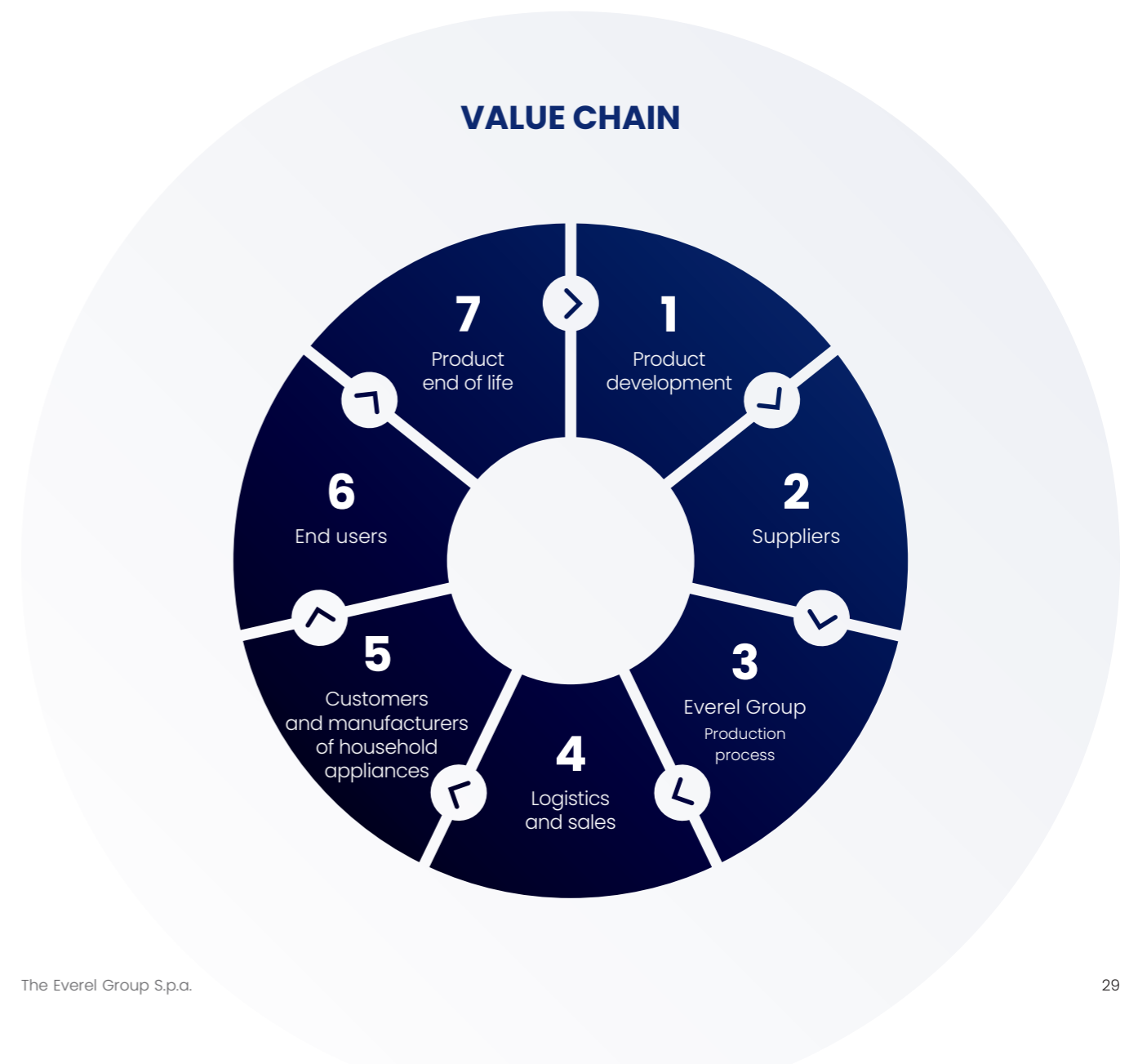
AUTOMOTIVE

Our components are also used in the automotive sector. In particular, Everel is a market leader for contract modules for sliding doors, typically used on light commercial vehicles for transporting goods and/or people. These systems are supplied to major car manufacturers.



MACHINERY

Wherever there is a need for a contact point or to activate machinery, Everel Group SpA Solutions offers solutions to meet different requirements, either through the use of switches or its customised user interface systems. A typical application includes the switches on the control panel of industrial pumps.



Customers

The customer has always been at the centre of the Everel Group SpA's business strategy.

We directly serve customers which are leaders in the world of home and house appliances, automotive, HVAC with customised solutions. These are managed by a sales team, supported by the R&D department, which gathers the customer requirements and proposes the most suitable technological solutions. The day-to-day management of administrative and operations activities is taken care of by a dedicated international customer service department, which manages shipments and provides constant customer support.

Through a well-established network of agents and a global distributor network, we also support customers which are smaller than our key accounts by assisting them to identify the most suitable product solution for their target application and supplying it to different geographical areas.

The markets in which we operate are undergoing a phase of profound transformation, with the shift towards increasingly efficient smart technologies and solutions, and, at the same time, there is a need to address numerous challenges such as the environmental effects of industrial activities and complying with increasingly stringent national and international regulations.

Our main customers are international manufacturers which have begun a sustainability journey by introducing environmental, social and governance strategies to deliver a more sustainable business model and aspiring to produce increasingly more efficient products with a circular approach, viewing this not only as a benefit for society but also as a competitive advantage for the business. This involves greater involvement of all stakeholders in the supply chain of which Everel Group SpA is a part in order to achieve sustainability goals.

We have received important inputs from our customers on the changes made necessary by environmental and social sustainability issues, such as questionnaires, audits, assessments and requests to adhere to new regulations. We want to be proactive partners and collaborators, distinguished by our ability to innovate and act in the face of change through continuous dialogue and co-planning.

In this context, along with management activities, the sales team is responsible for developing existing relationships with customers, supporting them with new projects and the development of new ideas. Our customers and their target markets are a source of continuous inspiration and innovation.



Suppliers

The wide and complex range of products on sale (switches, selectors, signal lights, power connectors, encoders, motors and fans) translates into an equally wide variety of purchased goods.

The Everel Group mainly purchases raw materials (brass, copper and special alloy strips, copper and silver wire, plastic polymers) for the manufacture of its products, as well as various components, especially electronics, for the functional control of its products.

The Group's supplier base is extremely diverse, a direct consequence of the complexity of the finished product and business processes, and can be grouped into two broad macro-categories:

- **SUPPLIERS OF MATERIALS**
- **SERVICE PROVIDERS**

The former relate to the raw materials required for the operation of processes, the latter include contract work, outsourced processes and "auxiliary" suppliers which are necessary for the maintenance of business processes and legislative compliance, but not directly related to the quality or characteristics of the finished product.

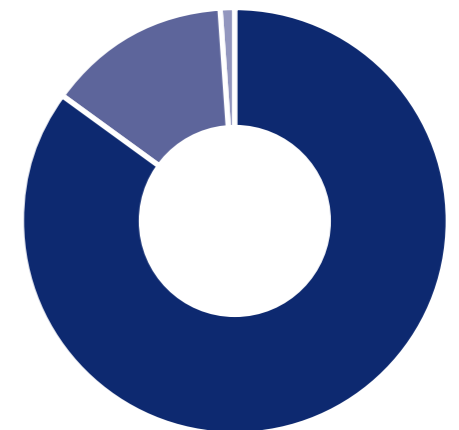
CONFLICT MINERALS

At Everel Group SpA we use a risk-based analysis to verify if procured products may involve risks relating to the issue of Conflict Minerals, which is regulated by the European Union to promote responsible procurement practices for minerals from high-risk areas or affected by armed conflicts. We know, for example, that many alloys used in Everel Group SpA products may contain tin and that certain components have a gold coating.

For supplies where we have certainty or concerns about the presence of Conflict Minerals, we ask suppliers to complete a CMRT - Conflict Minerals Reporting Template (a template attesting the origin of the minerals used) and/or a statement in which the supplier declares that it monitors its supply chain on this issue. We include our conflict minerals statement in our declaration of conformity and, if the customer expressly requests it, we also provide the CMRT template for the product categories we supply.

DISTRIBUTION OF PURCHASES BY GEOGRAPHICAL AREA

- **85%** EMEA - Europe Middle East Africa
- **14%** APAC - Australia Pacific
- **1%** NAFTA - North America



The main sourcing markets are located in Europe, the Middle East and the Far East. In particular, looking at the turnover data, in 2022 85% of the goods purchased were invoiced in EMEA countries (Europe, Africa and the Middle East), of which more than 63% were in Italy, while almost all of the remaining purchases, 14%, were made in APAC countries (Australia and the Pacific Area).

SUPPLIERS OF MATERIALS

These are all materials procured by Everel Group SpA for use in its production processes (granules, masters/dyes, metals and alloys, PCBs – Printed Circuit Boards, electronics, packaging, semi-finished products – rotors, shafts, springs).

These suppliers send the materials directly to the relevant plants, with the exception of electronic materials which are sent to Everel Group SpA for inbound checks before subsequent shipment to other Group plants or subcontractors.



SERVICE PROVIDERS

Service providers include:

- Contract work/outsourcing (selection, assembly, moulding)
- Suppliers of galvanic treatments

Lastly, there are auxiliary service providers, specific to each plant, who take care of activities unrelated to the production process such as pest control, plant inspections, infrastructure maintenance or cleaning activities.

The organisation of the supply chain and purchasing is managed centrally within Everel Group SpA through operational processes ranging from the receipt of orders and/or requests from customers to product delivery.

The alignment of the logistics processes for Group's three plants is also handled centrally within Everel Group SpA, in pursuit of standardisation and continuous improvement.

The operational processes managed in the Supply Chain are:

- Customer Service for approx **340** customers in Europe, Asia and America
- Production Planning for the **3** plants
- Materials planning for production components with the assistance of the purchasing department
- Stock levels and storage of materials and inbound & outbound process

These processes operationally support production at the different plants, which allows for specialised management based on the Business Line, as follows:

- **DREEFS GmbH:** produces the majority of the metal components that are used for the switches, selectors and automotive components and required for production in our plants in Romania and Italy.
- **Everel Romania Srl:** mainly manufactures motors and fans (fan units), encoders, sub-assemblies, signallers and components for the automotive sector.
- **Everel Group SpA:** specialising in automated assembly and high-tech moulding, also producing the majority of the switches and selectors in our portfolio.

Approach to a sustainable supply chain



In 2022, the Everel Group launched a mapping exercise in order to gain a better understanding of the dynamics of the materials used in its industrial process. This initiative is an important first step in our sustainable supply chain management strategy.

One of the key objectives of this mapping process is to rationalise our supply chain by introducing efficiency and sustainability criteria in the selection of new suppliers. The new evaluation procedure will include minimum requirements to be met by suppliers, but will also give more importance to suppliers who demonstrate greater adherence to sustainability criteria.

In particular, for issues related to the management of environmental impacts, the following criteria are considered to be the most significant:

- **possession of an environmental certification** (ISO14001, ISO50001, EMAS);
- declaration of **Carbon Footprints of Organisations and Products**;
- **web pages or newsletters** dedicated to environmental issues;
- **activities for the environment** made public by organisations;
- **long-term objectives** aimed at **reducing the organisation's environmental impacts**.

By 2023, Everel Group aims to implement a Group-wide supply chain assessment procedure involving 100% of the materials directly used in production processes. This initiative is an integral part of our approach to risk management, as it allows us to effectively manage the sustainability risks associated with the supply chain.

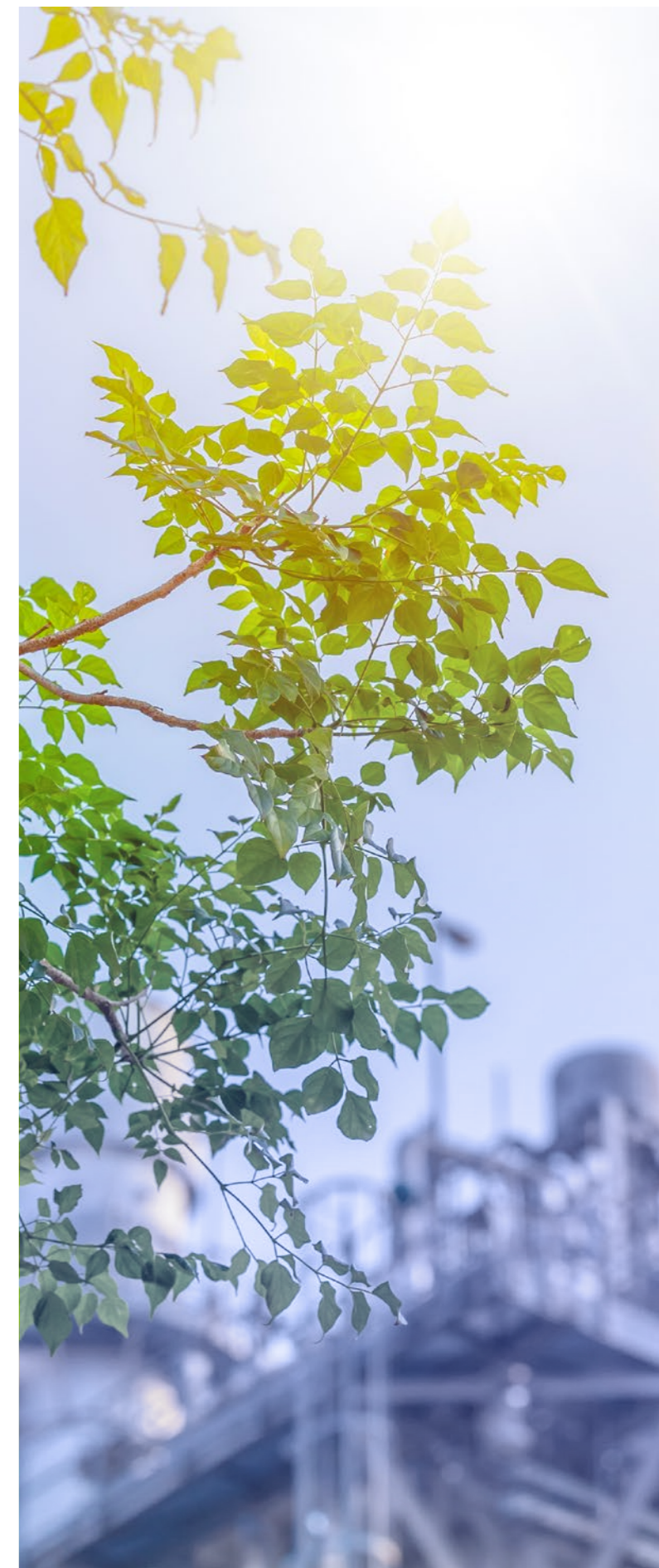
For issues relating to the management of social impacts, the following are taken into account:

- adoption of a **Code of Ethics** or organisational model in accordance with Italian Legislative Decree 231 or equivalent European/national legislation;
- social certifications (Legality Rating, SA8000, ISO45001);
- web pages or newsletters dedicated to corporate sustainability and volunteering;
- initiatives undertaken (activities carried out, welfare programmes, collaborations with non-profit organisations, etc.);
- long-term objectives in the social sphere.

Other practices, such as sustainability reporting or signing up to questionnaires (CDP, Ecovadis), were considered to be cross-discipline activities, denoting a commitment to both social and environmental aspects.

The Everel Group is aware of the importance of a balanced approach that considers both cost and price. In fact, in addition to considering the price of materials, the company aims, thanks to a new approach launched in 2022, to take account of hidden costs, such as the environmental and social impact of the production and use of certain materials.

The Everel Group also recognises that suppliers can be valuable allies in our journey towards sustainability. We want to learn from our suppliers and we want to work together to develop innovative solutions that further improve our sustainable practices.



The bigger picture

Global megatrends

We operate in a constantly changing context due to the influence of global megatrends, such as:

- **population growth and urbanisation**
- **growth of the middle class**
- **exploitation of natural resources**
- **climate change**
- **digitisation**
- **geopolitical context**

In general terms, megatrends describe processes which can bring about global changes over the long term (multiple generations), often linked to structural factors such as demography, environment, energy, scientific and technological innovation. Megatrends therefore have a significant influence on the future in terms of impacts and constitute both opportunities and threats for society and companies. Any strategy is only effective in the long run if it can handle the major changes generated by the various megatrends.

In this context, the national and international regulations are also continuously evolving in terms of environmental and social sustainability policies and practices.

Our major customers have therefore embarked on a sustainability journey by introducing environmental, social and governance strategies in order to achieve a more sustainable and at the same time more competitive business model. All along the value chain there is a growing demand for solutions that reduce the environmental impact of products, services and processes. In addition, consumers increasingly prefer sustainable products.

In this context, the Everel Group has remained faithful to its growth and development philosophy in accordance with principles of ethics and social responsibility, with a growing awareness of its role thanks to the initiatives which were launched in 2021 on environmental, social and governance sustainability.

In particular, as far as the geopolitical context is concerned, there can be no ignoring the Russian-Ukrainian war and the knock-on effect of the conflict on the global economy, also affecting production by numerous suppliers in the sector with production stoppages in the first half of the year and supply slowdowns throughout the year.



Sector megatrends

SMART HOUSEHOLD APPLIANCES:

The future of domestic appliances is being shaped by several key trends that are transforming the way we interact with and how we use these essential devices in our everyday lives. The integration of IoT and AI technologies into smart appliances delivers improved energy management, remote control and customised experiences for users. Voice-activated and gesture-controlled appliances are broadening accessibility, while sustainable and energy-efficient devices reflect a growing awareness of environmental issues.

Retro and vintage designs offer an aspect that is appreciated by many consumers who opt for appliances that combine modern functionality with design elements that evoke a sense of comfort and familiarity.

As connectivity and integration with other devices continue to develop, home automation becomes more seamless, enhancing the user experience with better control and customisation of household appliances.

There is an increase in touch-free and gesture-controlled appliances and integration with interactive displays for a better user experience and engagement, providing feedback and real-time visualisations of appliance performance.

SUSTAINABLE AND ENERGY-EFFICIENT HOUSEHOLD APPLIANCES:

There is a growing trend towards environmentally friendly appliances that help save energy, reduce waste and minimise environmental impact. These may include solar-powered devices, energy-efficient technologies and environmentally friendly materials. The future of domestic appliances is being shaped by several key trends that are transforming the way we interact with and how we use these essential devices in our everyday lives.

NEW BUSINESS MODELS:

New business models such as subscriptions and rental services are emerging, offering consumers more flexibility in their choice of appliances, with a view to servitisation.

SUSTAINABLE VENTILATION SYSTEMS:

With the increasing importance of sustainability in building design and management, several trends are also emerging for internal ventilation systems. These trends focus on optimising energy efficiency, improving air quality and integrating smart technologies to optimise system performance.

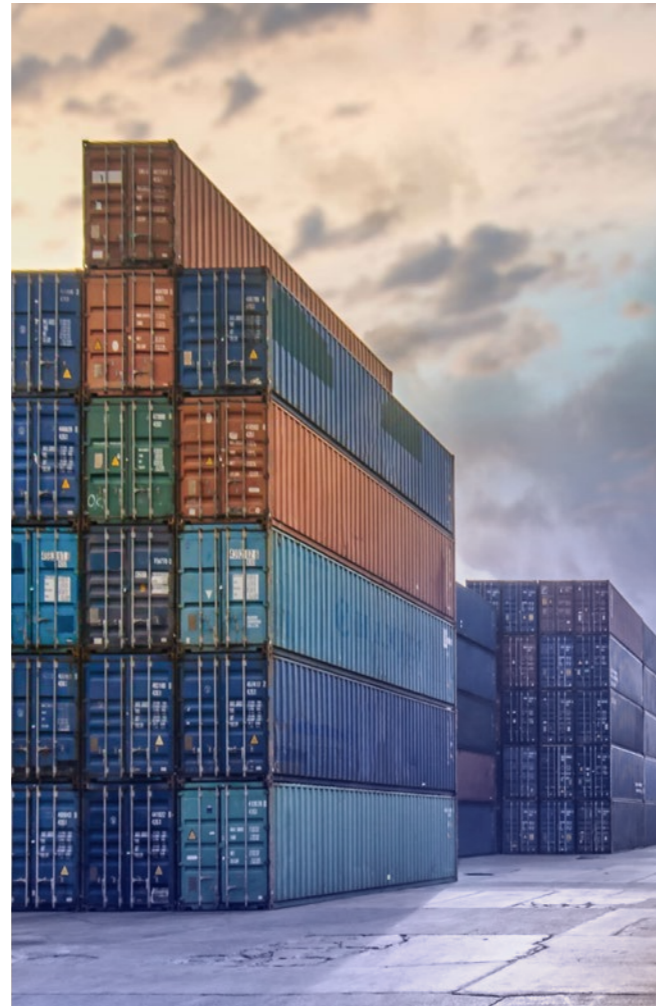
It is increasingly common to find that these systems are equipped with IoT and data analysis capabilities which provide real-time monitoring, remote control and predictive maintenance. Smart sensors can detect changes in air quality and adjust fan speeds accordingly, increasing their efficiency and effectiveness.

Significant events in 2022

In the medium term, consideration must be given to the events that have characterised the last few years and which have impacted business activities and may continue to do so. For 2022, the following should be considered:

- In the *major appliances* market demand remained strong in the first part of the year, while, from the second half of the year onwards, there was a significant drop in demand caused by multiple factors, including:
 - the geopolitical situation in Eastern Europe with numerous clients impacted
 - increased energy costs
 - an increase in material prices
 - increased logistics costs

In 2022, a widespread shortage in the supply of electronic components continued, with delays in production and cancellation of orders in other sectors, especially household appliances.



Creation of shared value

The household appliance and automotive sector in 2022 faced a major challenge due to shrinking market demand. However, despite the downturn seen in our target market, at Everel sustainability is an added value that distinguishes us from our competitors. Sustainability is not just a marketing tactic, it is an integral part of our corporate identity.

Since 2021, Everel has been involved in a process of revising its operations, starting with its own production processes. At Everel, a holistic approach has been adopted with the aim of encompassing the entire

value chain, and reducing the environmental impact and optimising the use of resources, focusing on the creation of shared value.

Everel Group SpA is convinced that only a long-term strategic approach that focuses on sustainable innovation can offer a successful solution for the current challenges, so we continue to be convinced of the importance of incorporating social and environmental aspects into our economic decision, key aspects for creating long-term shared value.

ENVIRONMENT:

- Minimising the environmental impact of Everel's products
- Minimising the environmental impact of the packaging
- Zero process waste
- Zero wastage
- Energy efficiency

SOCIAL:

- Promoting the continuous improvement of worker health and safety
- Promoting the continuous improvement of product safety
- Promoting the well-being of workers
- Ensuring a fair working environment
- Promoting opportunities for growth

GOVERNANCE:

- Building an ecosystem for sustainable innovation
- Promoting an ethical and sustainable value chain with suppliers and customers
- Reporting of impacts
- Signing up to the carbon neutrality programme
- Becoming a Benefit Company



A partnership for sustainable innovation

By analysing the needs and trends of its main customers and partners, Everel Group SpA has redefined its approach to product development and innovation, building on an awareness of the importance of co-design in partnership with customers and partners to develop new solutions and deliver environmental sustainability. This has given the Everel Group the opportunity to be an active player in the change process for the supply chain and the target sector for the electronic components produced by the company.

The focus of Everel Group SpA's innovation strategy has shifted from an approach that responds to the needs of the customer to one of proposal and co-design, broadening the opportunities for collaboration to include different types of stakeholders, such as universities and research centres, and on different topics, such as the environmental impacts of materials and processes.

Everel Group SpA's development is a structured process made possible by the variety of products and types of innovation projects that are run. Everel Group SpA is able to develop fully customised solutions involving standard components and dedicated electromechanical design, integrating in-house circuit board design and development. This capability allows Everel Group SpA to move from being an electromechanical supplier to a mechatronic solution provider. Increasingly, these solutions are defined based on close interaction with customers, analysis of their needs and - where possible - co-design with the customer's R&D department.

In the course of 2022, Everel Group began an initial analysis of the sustainability strategies of its main customers, which helps to define future channels for dialogue, collaboration and co-design with a view to sustainable innovation. From this initial analysis, we have identified the main medium- to long-term objectives that Everel Group will carefully consider to align our sustainability approach with one of sharing and alignment.

We have identified three types of sustainability focus among our main customers, corresponding to three key areas to be considered:

1. Product sustainability

- Product carbon footprint
- Materials (in particular the reduction of "high impact" materials and increase in 'recycled' materials)

2. Process sustainability

- Reduction of the process carbon footprint
- Energy efficiency
- Water resource efficiency
- Social programmes

3. Supply chain sustainability

- Reduction of the carbon footprint (Scope 3)
- Definition of supply chain sustainability standards and audit systems
- Social programmes



E-LAB

Workshop of ideas

Everel Group SpA intends to pursue an open innovation approach, a new model that emphasises the need to respond to current and future challenges by drawing on ideas and knowledge within and outside the company. For this, Everel Group SpA cooperates with other stakeholders such as start-ups, universities, research centres and other industrial partners. This provides access to shared internal approaches that advance technological and sustainability skills.

The focus of the innovation therefore expands to the relationship, the partnership and sustainability.

E-Lab, the Everel Group SpA's laboratory for redefining innovation processes, was set up in 2021. E-Lab's activities, in conjunction with R&D and other company departments, include research into alternative and environmentally friendly plastic materials, the search for new product functionalities and the study of new forms of interaction with sensors.

E-Lab also acts as an observatory, promoting and supporting the "culture of innovation" across the whole company. This happens through:

- research activity and the circulation of news, scientific articles, images, videos, events and creating themed reports which help to create new ways of approaching issues. This circulation takes the form of weekly newsletters posted on the company intranet
- project activities with specific aims through the development of new partnerships.
- monthly and bi-monthly update and alignment meetings with the Board of Directors, the Green Team and representatives from different areas of the company.

E-LAB Activities 2022

PLANNING

- 5 Number of projects realised
- 14 Number of people involved in projects
- 2 Number of concepts realised

OPEN INNOVATION

- 16 Number of business incubators contacted
- 1 Number of business incubators with affiliation
- 600 Number of start-ups identified by scouting activity
- 12 Number of start-ups encountered in EVG
- 2 Number of start-up projects

RESEARCH ACTIVITIES

- 20 Number of trade shows which we have attended
- 35 Number of research reports (for internal communication) produced
- 1 Number of publications (for external communication) produced

CULTURE OF INNOVATION

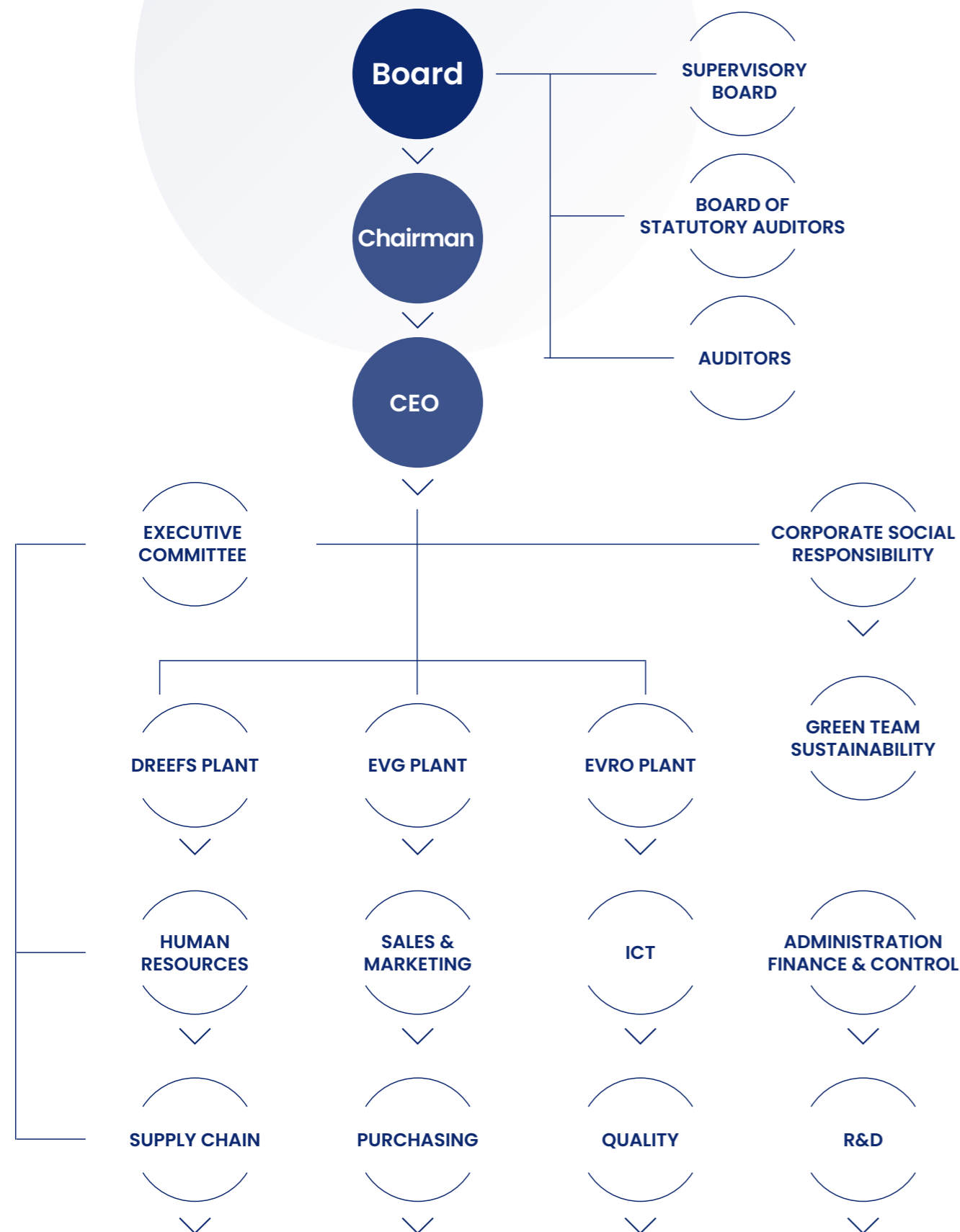
- 10 Number of meetings with the innovation team
- 6 Number of meetings with second lines and production
- 2 Number of external workshops held
- 2 Number of internal workshops held

NETWORKING AND INTERNAL & EXTERNAL COMMUNICATION

- 50 Number of newsletters sent (trends and innovation topics)
- 6 Number of communication concepts realised
- 6 Number of active communication channels



The governance system



Everel Group SpA is a public limited company. The main governing bodies are:

- The shareholders' meeting
- The board of directors
- The board of statutory auditors
- The supervisory board
- The auditors
- The steering committee (first line)
- The sustainability committee

The shareholders' meeting appoints the members of the board of directors for a 3-year term. The current composition of the board of directors was approved by the shareholders' meeting of 26 April 2022. The opinions, responsibilities and independence of shareholders are taken into account as criteria for the nomination and selection of board members.

The administration and control system is composed as follows:

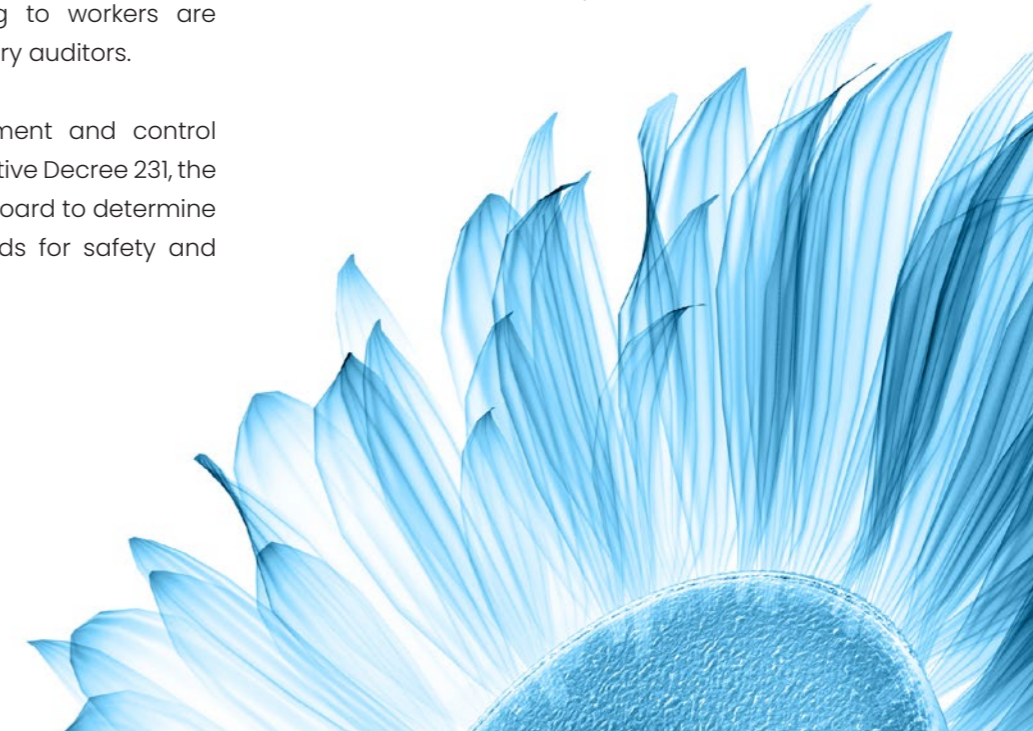
- The business is managed by the board of directors.
- The statutory audit and control of the accounts are carried out by an auditing company appointed by the board of directors.
- The supervisory duties relating to workers are performed by a board of statutory auditors.

In accordance with the management and control system required under Italian Legislative Decree 231, the company has set up a supervisory board to determine the risks and management methods for safety and environmental issues.

The board of directors elected in 2022 comprises five members: Enrico Zobele (Chairman), Andrea Caserta (CEO), Thomaz Zobele (CSR Manager), Carlo Bagnoli (board member) and Massimo Forlani (board member). The board of directors is vested with all necessary powers for the ordinary and extraordinary management of the company and has the authority to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those reserved by the articles of association for the shareholders' meeting.

The chairperson of the board represents the company in legal proceedings with the power to take judicial and administrative actions and claims at all levels of jurisdiction, revocation and appeal, and to appoint lawyers and solicitors for this purpose.

The board of directors defines the Group's strategic guidelines, business plans, and the objectives of the company and the management. The CEO implements tools and methods to address, coordinate and monitor targets both in terms of timings and their results, which are reviewed and updated on a quarterly basis or as needed. The board of directors may appoint from among its members one or more managing directors or confer special duties to individual directors, also with the power to delegate, fixing their powers and remuneration in accordance with the law, as well as any securities.



Over the years, Everel Group SpA Group has implemented an integrated organisational model that ensures effective management of the business and, at the same time, oversight of all issues relevant to the Group, including the approach to ethics and responsibility:

- **the Everel Group SpA Code of Ethics** enshrines the general principles and rules of conduct that are binding for all parties interacting with the company, supplementing the requirements set out by law;
- **the Organisation, Management and Control Model** pursuant to Italian Legislative Decree 231/2001, which aims to prevent and manage the risks and offences provided for in the decree. For example, it deals with corporate offences, offences against the public administration, murder or grievous bodily harm, environmental offences and computer-related crimes, and corruption. The management model was implemented at Group level in 2005;
- **the Sustainability Plan** formulated through 2021 and continued in 2022, contains the initial guidelines for promoting the incorporation of sustainability into the company's strategy and operations.

In 2021, the board of directors planned a global sustainability programme aimed at identifying the company's main economic, environmental and social impacts. The programme identified improvement and mitigation objectives and set operational targets and projects.

The delegation of responsibility for and management of the organisation's impacts on the economy, the environment and people occurs with the appointment of the Everel Group SpA CSR manager, who in turn sets up an operating committee consisting of members of the management committee and other employees.

The CSR manager is responsible for:

- identifying and reporting to the senior management the sustainability-related risks, areas and improvement projects;
- drawing up the Sustainability Report;
- proposing the sustainability strategy and its annual target plan to the steering committee;
- coordinating and monitoring the progress of the many projects.

Updates between the CSR manager and the Steering Committee take place weekly, and with the shareholders' meeting twice a year.

A sustainability committee called the Green Team was set up in 2021 to propose and monitor the delivery of Everel's sustainability strategy. The team is composed of figures from a range of different decision-making levels and duties from across the company. The sustainability committee discusses and makes decisions on the organisation's impacts, socio-economic aspects, the environment and people, defining programmes and objectives to mitigate negative impacts and continuously improve positive impacts, and, finally, collects the necessary data and information for the reporting process.

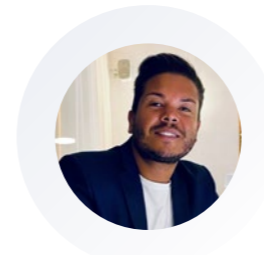
Committee members also have the role of ambassadors, i.e. the task of raising awareness of social and environmental issues and the company's new approach to sustainability.

Their role also includes supporting the CSR function in collecting and monitoring the data and information required for reporting.

In 2022, the Everel Sustainability Committee continued to expand its skills and knowledge in the field of strategic sustainability planning, including through the support of specialised external partners, for a total of 58 hours.

THE GREEN TEAM is an interdepartmental group of 12 people with cross-functional roles in the company that aims to connect the business, the environment and society

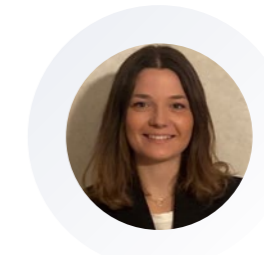
THERE IS NO PLANET B!



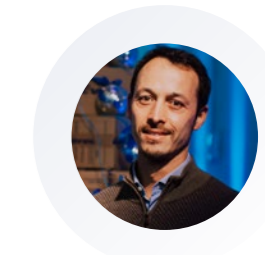
Thomaz Zobele
Sustainability Manager



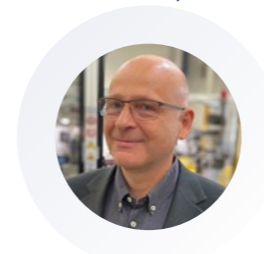
Valeria Zampieri
HR & Communication Director



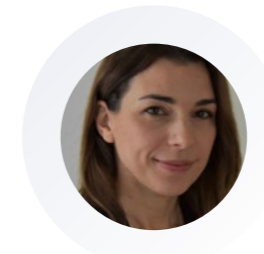
Matilde Caserta
HR Business Partner



Francesco Stegagno
Project Manager



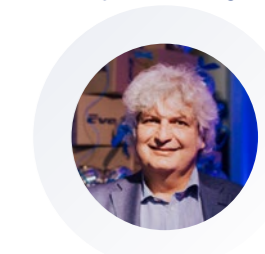
Paolo Carasi
Plant Manager



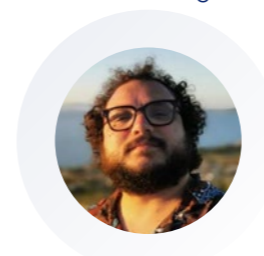
Elena Tregnaghi
Sales Manager



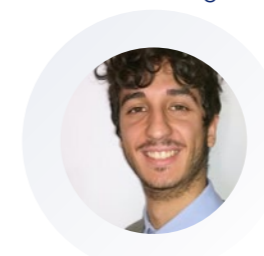
Antonio Alosi
Environment Specialist



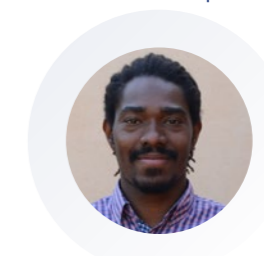
Giuseppe Dominici
Group R&D Director



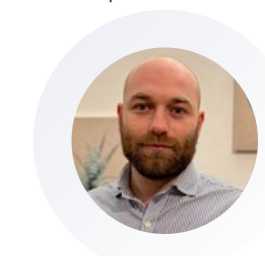
Emanuele Vinco
Samples Specialist



Marco Moderna
Innovation Process Engineer



Edwing Mosquera
Design Innovation Analyst



Nicola Ciolli
HSE Manager & RSPP

Our approach to risk

Everel's structured risk management process maps and takes account of the following risks:

- **Risks relating to borrowing, any lack of liquidity, and the obtaining of financial resources**
The Group pays the utmost attention to cash flow and debt management, maximising the positive cash flows expected from operations and constantly managing relations with creditor banks.
- **Risks associated with product quality**
The sectors in which the Group operates are characterised by particularly stringent requirements for product quality. To cover the risk of third-party liability, the Group has taken out appropriate insurance coverage.
- **Credit risks**
As far as the household appliances business area is concerned, there is a very large number of customers, some of whom have made substantial commitments in percentage terms. The company's management has implemented a credit policy that provides for regular monitoring of risk exposure.
- **Risks associated with interest rate fluctuations**
- **Risks associated with exchange rate fluctuations**
- **Risks associated with competition in the sectors in which the Group operates**
The markets in which the Group operates are highly competitive in terms of product quality, innovation, economic conditions and service.
- **Risks related to changes in raw material prices**
Raw materials represent a significant share of the Group's product costs, in particular copper, zinc, brass, silver and plastic. One of the strategies adopted in the Group's purchasing policies is to mitigate extreme volatility through financial hedging transactions.

Everel's approach to risk goes beyond economic and financial risks, which are well managed.

Indeed, Everel Group SpA has analysed its main economic, social and environmental impacts considering several factors: first and foremost, an analysis of direct and indirect impacts inherent in the business activity, including:

The consumption of raw materials is a source of risk, both in terms of its availability, the contribution made to the systematic extraction of substances from the earth's crust, and the contribution to the physical degradation of ecosystems (The Natural Step, 2012). The materials used by Everel Group SpA in its industrial processes consist of raw materials.

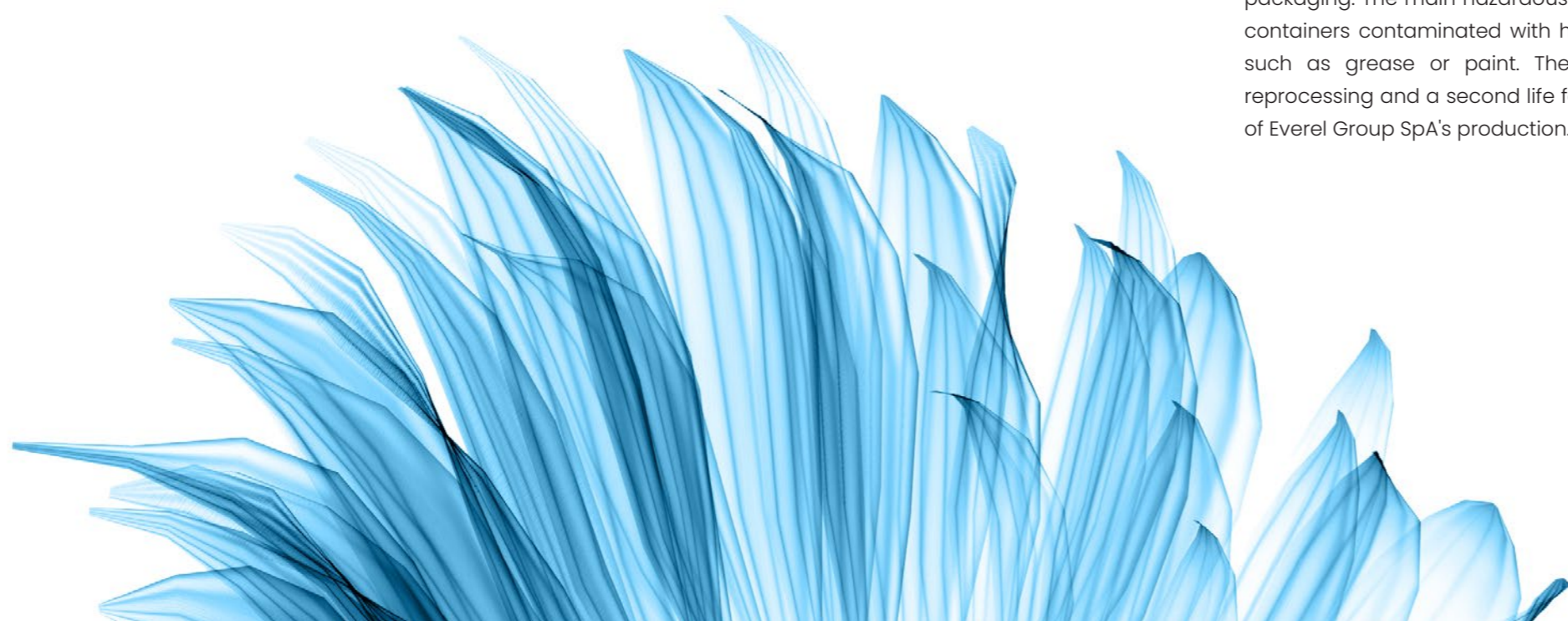
The production of rubbish and process waste which have an impact for local management. The company produces hazardous and non-hazardous refuse. The production of refuse and process waste with a high impact for local management. The company produces hazardous and non-hazardous refuse. The main refuse is non-hazardous waste, mainly plastic waste and packaging. The main hazardous waste is used oil and containers contaminated with hazardous substances such as grease or paint. The potential for reuse, reprocessing and a second life for rubbish is a feature of Everel Group SpA's production.

Energy consumption: the main form of energy used by Everel Group SpA is electricity. Electricity is used to power machinery, the lighting systems, mainly LED lights, and the air conditioning system. Methane gas is used exclusively for heating during the winter in the Valeggio and Markrodach plants. In Lipova, heating is powered by fuel oil. The current cost trends in terms of emissions are leading the Everel Group to embrace the requirements of energy transition, changing from the current energy generation, relying principally on non-renewable sources, to a more efficient and less polluting mix of renewable sources.

Risks relating to **Occupational Health and Safety** which, due to the nature of the industry and its relative long-standing, require constant attention and a continuous improvement approach. This topic also incorporates the well-being of workers as a potential driver of positive impacts for people directly and indirectly affected by the business and for the local community.

The constant and necessary drive for innovation and **product safety**. As Everel Group SpA continuously keeps up-to-date with technological and regulatory developments, it takes into account the sustainable development programmes of its customers and of others in its value chain.

Supply chain risks, in terms of monitoring the ever-changing geopolitical and economic situations, accelerated considerably with the outbreak of first the global pandemic and then the war in Ukraine. The Group buys raw materials and components from a large number of suppliers and depends on the services and products provided to it by other companies outside the Group. Since 2020, Everel has demonstrated a capacity to cope with high-impact events without interruptions, due to our proven ability to accelerate double sourcing on certain product categories.



Responsibility and ethics as business drivers

The main objective of Everel Group SpA is to create value for all stakeholders, since the company is aware that it is only through the organisation's responsible and ethical behaviour that the business can continue and thrive. The Everel Group manages this issue carefully and has set the goal of implementing a continuous improvement approach, which can include entering into new agreements and creating ad hoc policies.

The main tool for managing business ethics is the Code of Ethics which has been in place at the Everel Group SpA Group since 2013, updated in 2018, and drawn up pursuant to the Italian Legislative Decree 231/2001 model.

At the Everel Group SpA we begin and end with our people: the company's employees who act in accordance with the formal shared Code of Ethics, as well as our customers and suppliers, with whom we develop lasting ongoing relationships. Lastly, there are the institutional and non-institutional stakeholders, with intersecting relationships at multiple levels of the company.

In this way, the company responds to the social needs of the region and tackles environmental problems.

Social Responsibility therefore permeates the company, with ethical implications closely linked to the strategic business vision. The Code of Ethics defines the fundamental principles of the company and the rules of conduct to be followed to ensure compliance. They are built on the following themes:

- fairness, equality, protection of the individual, impartiality and moral legitimacy;
- correct corporate governance, accounting transparency and internal controls;
- confidentiality and processing of data and information;
- honesty and diligence;
- environmental and health protection; health and safety of personnel.

In internal management, respect for and adherence to these principles are promoted through specific training plans, an integral part of onboarding procedures, reserved for all new employees and designed as internal refresher courses. At the external level, the Everel Group SpA Code of Ethics is shared with all suppliers at the beginning of each business relationship and is published on the organisation's website, www.everelgroup.com.

To allow all Group personnel to report any behaviours that are not in line with the Code of Ethics, Policies and Procedures or applicable regulations, the Code provides for a Group-wide reporting system, managed by the supervisory board, which meets regularly every three months to monitor any situations reported and the management performance, in line with the rules of the Code and Model.

Conflicts of interest

Everel Group SpA Group has implemented principles of behaviour and control to avoid potential conflicts of interest through the implementation of Model 231 and the Company Code of Ethics.

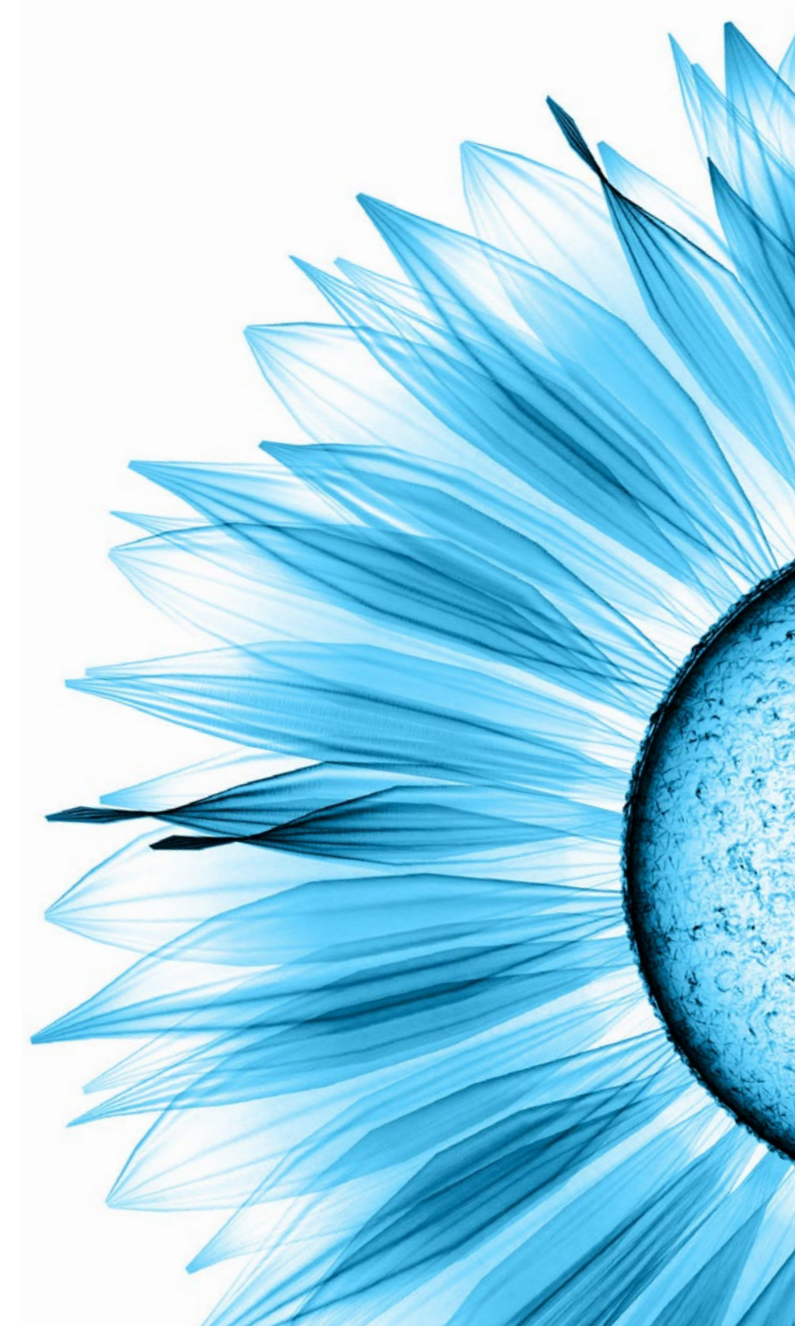
All employees must therefore avoid any conflict of interest between their personal or family economic activities and their duties with Everel Group SpA which could affect their independence of judgement and choice. If an employee finds him/herself in a situation that may constitute a conflict of interest, he/she must promptly report it to his/her superior, who will inform the CEO for the relevant function. In the event that the conflict directly concerns the CEO, the latter shall promptly inform the Company's board of directors so that assessments may be carried out and appropriate measures taken.

Conflicts of interest may include, but are not limited to:

- having economic and financial interests (ownership of shares, professional appointments, etc.), including those held by family members, in customers, suppliers or competitors;
- accepting money, gifts or favours of any kind from persons, companies or entities wishing to enter into business relations with Everel Group SpA;
- performing work, including via family members, for customers, suppliers or competitors.

Violations

For the current year, no violations of active and passive corruption, anti-competitive behaviour, discrimination and non-compliance with socio-economic laws and regulations were identified at Everel. Therefore, there are no actions taken by the company to deal with potential violations to report.



Everel's economic value generated and distributed

The reclassification of the income statement, which shows the value generated and distributed by the company, is intended to provide a complete overview of the economic value created by Everel and its distribution among internal and external stakeholders.

In 2022, Everel's revenue was EUR 47.404 million, a decrease of 18.1% versus the previous year.

The motor and encoder business lines are still dominant, although the market is increasingly oriented towards digital transformation. This situation calls for a careful strategy to correctly allocate available resources and avoid bottlenecks in production. Commodities are suffering from rising prices, especially metals. Everel is focused on mitigating the effect of this situation as much as possible by directed technical resources to finding possible alternatives that would enable the company to free itself from the frenzied price trends.

The economic value generated by Everel in 2022 totalled EUR 49.6 million, a decrease compared to the previous year despite the fact that the company's operational efficiency has enabled it to contain production costs, mainly due to the market slowdown and sourcing challenges and the consequent increase in the cost of raw materials for the supply chains of which Everel is a part.

The economic value generated by Everel was distributed in a manner which met the needs of all of the company's stakeholders. The distribution to external stakeholders supported the supply of raw materials to the company and the investments made. The distribution among internal stakeholders supported the company's future growth and improved working conditions for employees.

The economic value directly generated and distributed by the organisation (EVG&D) helps to highlight the sharing of value generated with the company's main stakeholders.

- Suppliers of raw materials, semi-finished products and services
- Personnel (salaries and benefits);
- Lenders, mainly credit institutions;
- Public authorities (in the form of taxes and duties due);
- Investments in the community (NGOs, donations, etc.).

In 2022, Everel generated a total value of EUR 49.6 million. Of this, some EUR 38.9 million was used to cover operating costs, which include expenses associated with the procurement of raw materials and the provision of services to our markets. It should be noted that this category of expenditure also plays a fundamental role for our local community, as Everel, in line with its corporate mission, is rigorous in its selection of suppliers, promoting sustainability and contributing to the well-being of the region in which it operates.

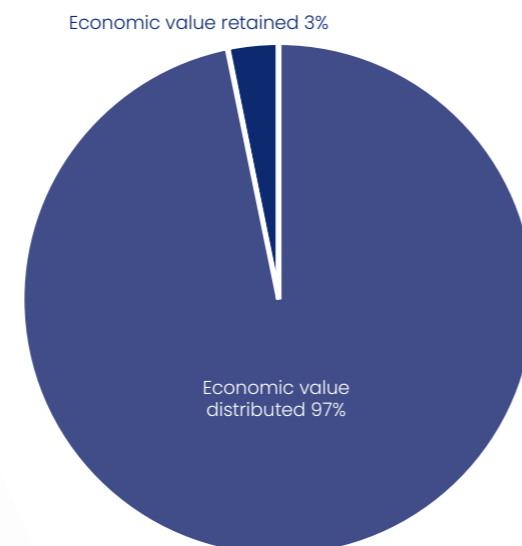
A significant proportion of the value generated, amounting to EUR 8.1 million, was distributed to our employees in the form of salaries and additional benefits, representing more than 17% of the total economic value distributed.

Also worthy of note are the financial costs of EUR 352k incurred for the use of debt financing for development projects in the production area. Shareholders and lenders received EUR 327k, which is equivalent to 1% of the distributed value. In addition, EUR 186k was allocated directly to the local community as part of the distributed economic value.

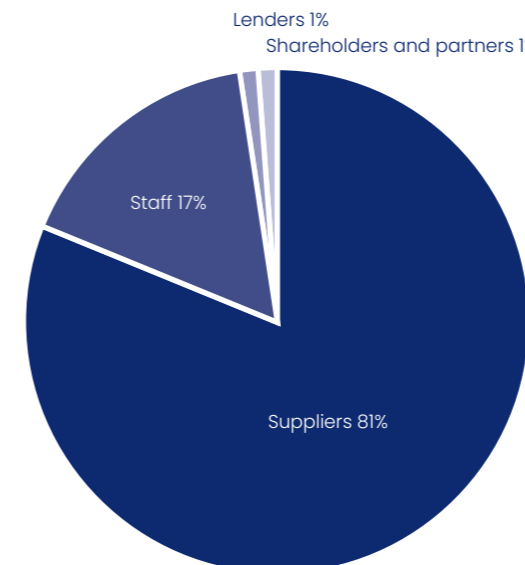
Finally, it should be noted that EUR 67k was paid in taxes and other fiscal obligations.

Overall, the economic value distributed in 2022 by Everel is EUR 48 million, with a residual EUR 1.6 million of economic value retained to fuel future growth. The distribution of the economic value generated by Everel is consistent with its sustainability goals and its commitment to creating value for all its stakeholders.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED 2022



ECONOMIC VALUE DISTRIBUTED 2022¹



1. The values expressed refer to the major stakeholders to whom the value generated is distributed.

People

55	People focussed
58	People management
62	Welfare
64	Growth and training
70	Promoting employee well-being
76	Engagement tools
78	Worker safety
84	Customer safety
86	Social initiatives and local relationships
90	Ethical and sustainable supply chain

People focussed

A focus on people and the development of their potential: looking after our people is the greatest asset.

We believe that people should be at the centre, to maximise their potential, creativity and experience.

We are convinced that people represent the true wealth of a successful, lasting company. The performance and quality of the products, innovation and the ability to deliver efficient, properly functioning processes are simply the natural result of a positive organisation that develops the potential of its people. Each person's potential expresses itself through specific characteristics, personal lives and histories, and diverse competences and skills. These are the variables that at Everel we regard as being the real human wealth and generators of value.

At Everel, the focus on people has historically taken more traditional forms, such as health, safety and economic/contractual relations.

For some years now, the human resources management function has been laying the foundations for an **important organisational change** that could respond to, and where possible anticipate, social changes, especially those in the labour market. In this new approach, Everel has also turned its attention to other aspects such as well-being, welfare, career development, personal and professional growth, and internal communication towards engagement and shared responsibility. A gradual and systematic process of change in the way people relate to each other within the company.



We are aware that this is a journey which requires time and perseverance, which will often have to proceed by trial and error and that change always meets with resistance and problems; but we believe that this is the route to success and we will persevere with commitment, guided each day by our values. Starting in 2021, as part of our new approach to sustainability, we further systematised the way we deal with these issues, defining and planning objectives and activities to be implemented in the near future.

The events that have characterised the last few years, in particular the pandemic, as well as certain megatrends that are rapidly transforming society such as the ever-faster progress of technology, increasing innovations in various fields and digitalisation, which are profoundly changing people's habits and their approach to work. As a company, **Everel monitors socio-economic changes** which impact the world of work and the positive impacts generated by investing in growth in professional contexts.

In this regard, Everel wants to be an actor of change.

Everel's objective is to lay the necessary foundations for **the lasting success of the business** and to **support people in their personal and professional journey within the company**, which has indirect impacts on the entire community.

At Everel, personnel management considers all stages of an employee's journey, from the initial search, to recruitment, and the development and growth programme.

The objective is to ensure a pathway that is inclusive, ethical and which generates well-being, based on the fact that to create a strong level of engagement and empowerment companies have to draw on the unique characteristics of individuals. When employees are hired, they enter a position of psychological *safety* that allows them to experience the organisation in an authentic way, while also being more efficient and innovative.

Let us consider the factors that generate well-being for people:

Value of diversity and equal opportunities

Recruitment conditions

Welfare

Personnel management

Engagement

Training and growth pathways

WELL-BEING OF INDIVIDUALS

The Group HR & Communication Director function is part of the corporate management and is formed of a team consisting of **a personnel administration specialist, two HR business partners, a general service specialist and the prevention and protection officer** who oversee and are responsible for all tasks that have an impact on Everel's people.

Valeria Zampieri
Head of department

Vanessa Marchesini
General services & prevention and protection officer

Matilde Caserta
Personnel selection

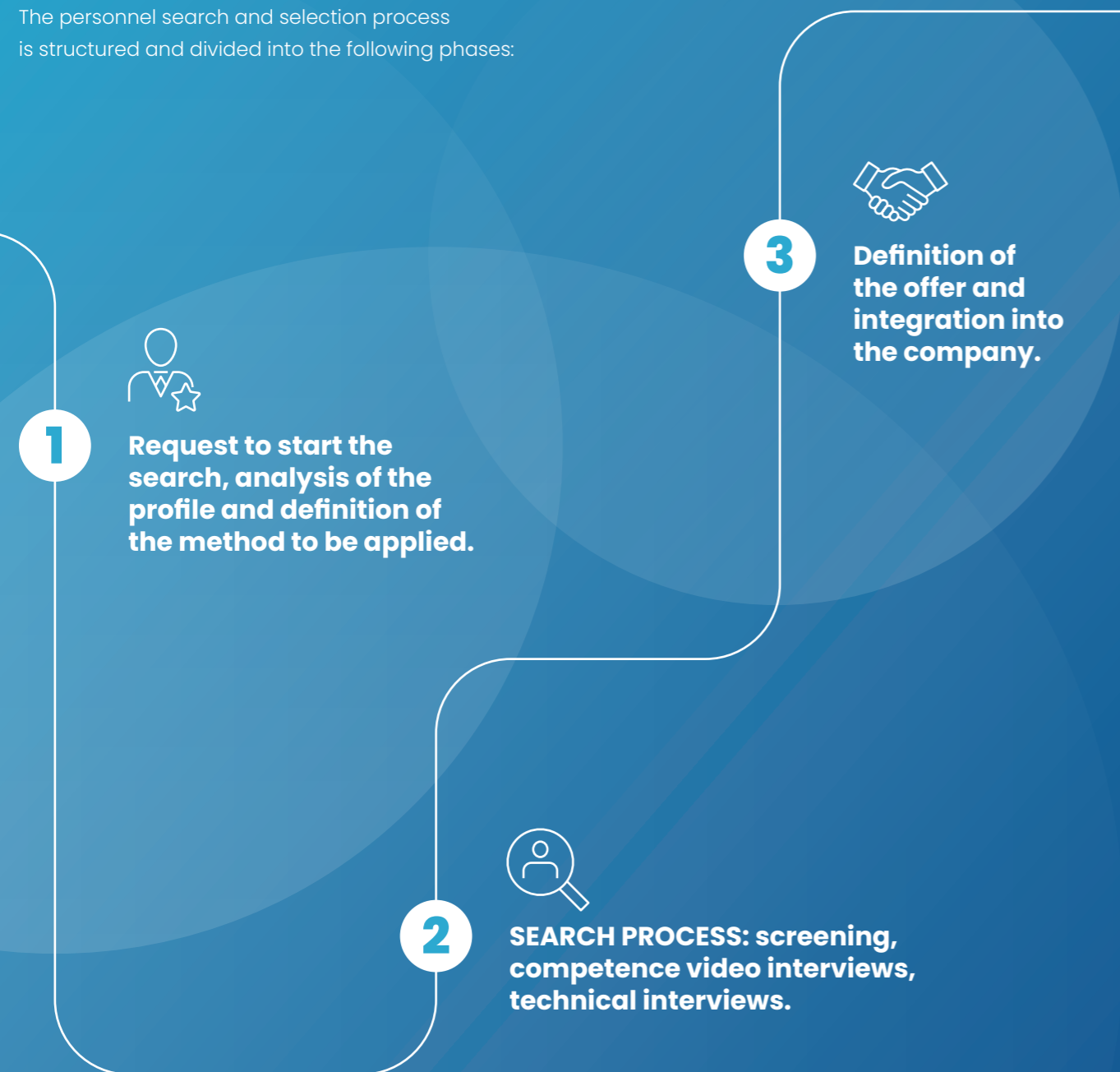
Teresa Valenti
Personnel administration

Giada Leorato
Training and communications

RESOURCES & COMMUNICATION

People management

The personnel search and selection process is structured and divided into the following phases:



The selection process starts after the official request from the representative of the function is made to the HR team, specifically the selection specialist. The next step is to organise a meeting with the head

of the function to define the profile for the search and to jointly construct the analysis of the position (attributes, skills and key & preferential knowledge for the candidate).

The HR team has defined a preliminary set of indicators for monitoring selection activity and quantifying the number of CVs assessed, the number of competence and skills interviews conducted, the type of channels

used for the selection process, the average duration of the selection process than the number of closed and open selections.

143 total interviews

91 competence interviews

44.7 days average annual selection time

52 technical interviews

2022	
Open selections	Closed selections
25	17

CLOSED SELECTION PROCESSES	
External search	Internal role change
25	5

Contractual conditions, welfare, monitoring of work performance and employee characteristics are crucial for ensuring the well-being of staff. The management of staff operating in the company is supported by the management system which records attendance and produces structured personnel reports. A report containing all employee data (gender, age, nationality, date of recruitment and termination, cost centre) is prepared and updated monthly to provide **continuous monitoring of the organisational structure**. From this document, the company is able to obtain the annual recruitment rate, turnover rate, length of service and diversity of the workforce and analyse the progress of strengths and weaknesses in order to implement improvement initiatives.

The employment statistics for 2022 show changes that may be due to physiological reasons – retirement or resignation – or related to the changes in the production capacity, normally handled by the temporary recruitment of staff on agency contracts.

The overall turnover rate for 2022 was 43.59%, with a total of 33 new recruits and 40 departures.

TURNOVER

	OVERALL TURNOVER	NEGATIVE TURNOVER	POSITIVE TURNOVER
Average 2022	3.59%	2.02%	1.67%
Total 2022	43.59%	24.22%	20.09%

The average number of employees during Everel's reporting period in 2022 was 156, with a total of **total of 98 men and 58 women**¹. The breakdown by contract is as follows: 152 permanent contracts, 4 fixed-term contracts and no temporary contracts. 6 Everel employees work part-time and there were 7 internship contracts, of which 4 were converted into employment contracts (3 permanent and 1 fixed-term). Everel internalised all agency contracts as of 1 January 2022, turning them into direct contracts. There were also 17 conversions of fixed-term and permanent contracts.

1. Identified as FTE (Full Time Employees)

PERFORMANCE INDICATORS

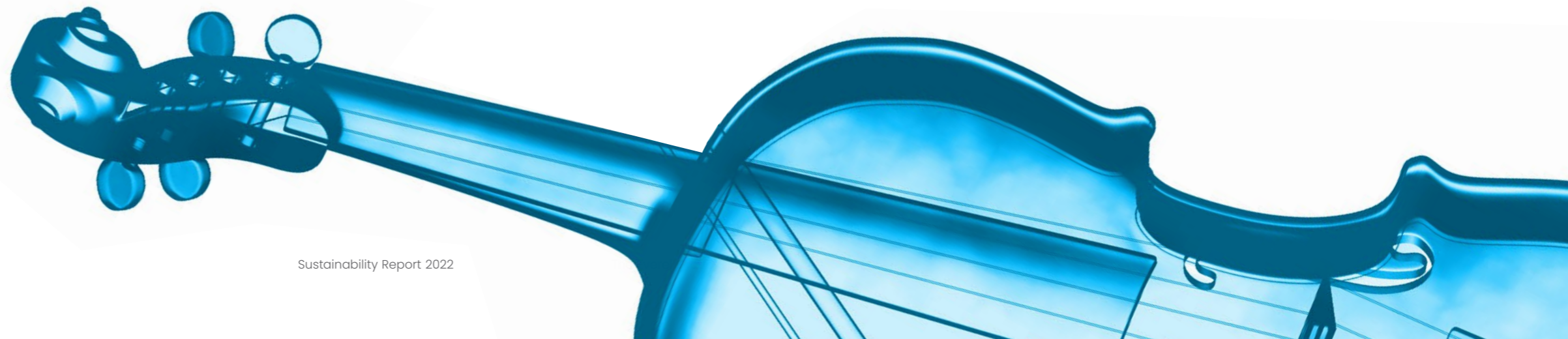
ARRIVALS	2022		
By type	Office workers	Manual workers	Total
	17	16	33
By gender	Males	Females	Total
	20	13	33
By geographical origin	Italy	Abroad	Total
	26	7	33
By age group	18-30	30-50	Over 50
	13	16	4

PERFORMANCE INDICATORS

DEPARTURES	2022		
By type	Office workers	Manual workers	Total
	17	23	40
By gender	Males	Females	Total
	23	17	40
By geographical origin	Italy	Abroad	Total
	30	10	40
By age group	18-30	30-50	Over 50
	18	19	3

PERFORMANCE INDICATORS

EMPLOYEES BY CONTRACT TYPE	2022		
	MEN	WOMEN	TOTAL
Permanent employees	96	56	152
Fixed-term employees	2	2	4
Full-time employees	98	52	150
Part-time employees	0	6	6
Internships	3	4	7
Temporary employees	0	0	0



Welfare

All Everel personnel are classified according to the **National Collective Labour Agreement (CCNL)** for workers employed in the private metalworking and mechanical engineering industry. Thanks to a relationship of constant dialogue and discussion with the board of statutory auditors, who meet monthly, the company has in recent years promoted a continuous approach of enhancing the benefits and welfare in the national contract by drawing up second level contracts which specify:



ENHANCING YOUTH EMPLOYMENT



MULTI-TASKING

Monthly bonus at a reduced sum for the first 6 months, moving up to a higher amount from the seventh month



ADDITIONAL PAID BREAKS

In summer whenever the temperature in the production department exceeds 30 degrees



NIGHT SHIFT ALLOWANCE

increased by 10 percentage points compared to what is defined by the national regulations



PERFORMANCE BONUS

introduction of the performance bonus on an annual basis



HEALTH INSURANCE FOR EXECUTIVES



Other benefits offered to Everel's workers in the last two years related to healthcare, thanks to a Covid insurance policy.

As part of the goal of **constantly improve the working environment**, Everel staff are also offered: **a relaxation area, free drinking water, a pool car service, Everel Station** (a service offering **access to computers and internet** for production colleagues), a **company restaurant** which takes into account the dietary and allergy-related needs of employees; in addition, a fresh meal vending machine was installed in 2022, with 24-hour availability for employees working night shifts.

In addition, five **free charging stations** for electric cars and bikes have been installed.



Relaxation area
Free drinking water
Everel Station
Company restaurant
24-hour fresh meal vending machine
Charging stations



Growth and training

The growth and training of people contribute to generating value, aimed at ensuring the welfare of workers and the success of the company itself.

Every person working at Everel has a **training plan** based on their role and duties within the company, structured and managed by the HR team. The management of the skills of individuals, teams and the organisation as a whole requires a complex structure and continuous improvement that the company is gradually organising.

The development and training process gets underway each year with a thorough **analysis of requirements carried out by the HR team** in cooperation with the

head of the functions and also with direct employees. This method allows us to simultaneously detect the requirements of the manager for the development of their employees, and the training requirements identified by the employees themselves. This information then flows into the training catalogue broken down by corporate identity, social innovation, personal development, organisation, the role, digital, language, the environment, and health & safety.

Growth pathways at Everel are also supported by a feedback and evaluation system. In 2022, an **MBO system** was set up, based on company and personal objectives, involving **19% of employees**.



SOCIAL INNOVATION

"Training innovation professionals, familiarising them with the tools for real strategic innovation, including the concept of corporate social responsibility."

In the Sustainability area, the members of the company's 'Green Team' committee took part in an in-depth training programme on management and technical skills in this field for a total of 642 hours. Sustainability skills will inevitably involve more and more people until they cover all Everel employees. In the Innovation area, several cross-company groups were involved, representing all company departments, from both the offices and production.



CORPORATE IDENTITY

"Why does Everel exist? For profit alone?"
Corporate identity training courses will give you the answer to these questions.

This category includes induction courses, training on the code of ethics and organisational model, training on privacy and, more generally, any course that can be replicated for new recruits that is related to the company organisation.

ORGANISATIONAL DEVELOPMENT

"80% of a company's value comes from the intangible component of human capital."

As always, people make the difference. These courses work on change management, people behaviour, leadership, interpersonal relationship management.



PERSONAL DEVELOPMENT

"What are emotions? How can we recognise them and understand their many aspects?"

This category includes highly sophisticated, tailor-made programmes and pathways designed in-house with the aim of developing the potential of each employee.




DIGITAL DEVELOPMENT

"Soft skills and technological know-how drive digital transformation."

This category focuses on the implementation of all actions for computer literacy and digitisation of processes and people.



ROLE DEVELOPMENT

"Have a clear understanding of the goals to be achieved, how to focus on achieving them, and analyse the environmental and organisational context."

These are some topics for reflection on the necessary skills to be trained or developed. This category contains all of the pathways aimed at improving, developing and creating very specific skills with technical content specific to the role. This category includes highly sophisticated, tailored programmes and pathways designed in-house aimed at developing the potential of each employee.

LANGUAGE DEVELOPMENT

"Linguistic soft skills are part of our internationalisation journey."

This category includes the provision of courses in English, German, Romanian and Italian for foreigners.



ENVIRONMENT HEALTH AND SAFETY

"Always ensuring that the culture around the environment and safety means that our workplace is an environment where 'Safety is No Accident'."

This category includes all courses which are mandated by Italian decree 81 and courses to reinforce the 'Safety is No Accident' ("Sono Sicuro di Essere Sicuro") programme.

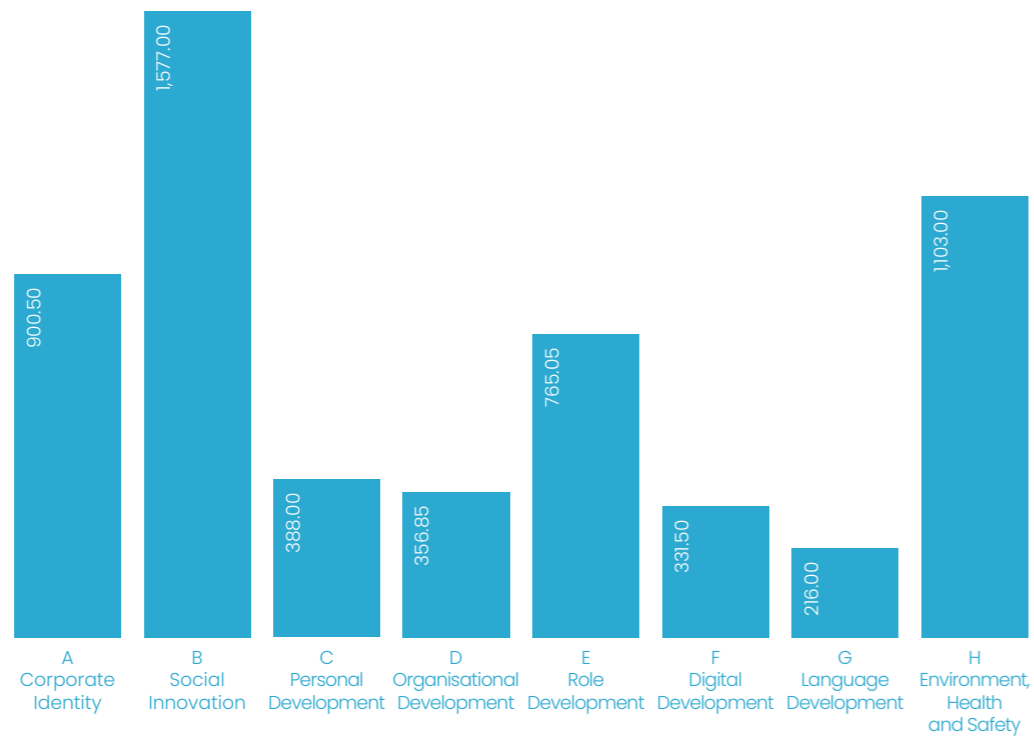
THE FOLLOWING WERE DELIVERED IN 2022:

5,600 hours of training

30 hours of training per employee

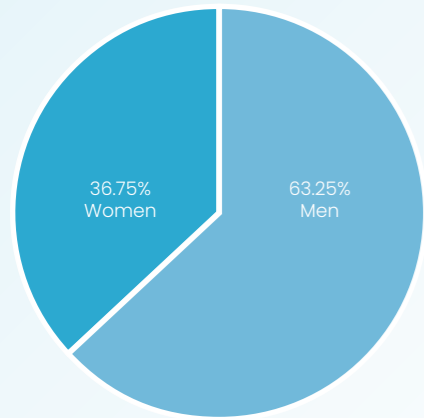
65 hours dedicated to the Green Team for training activities on sustainability issues

5,637.9
TOTAL TRAINING
HOURS

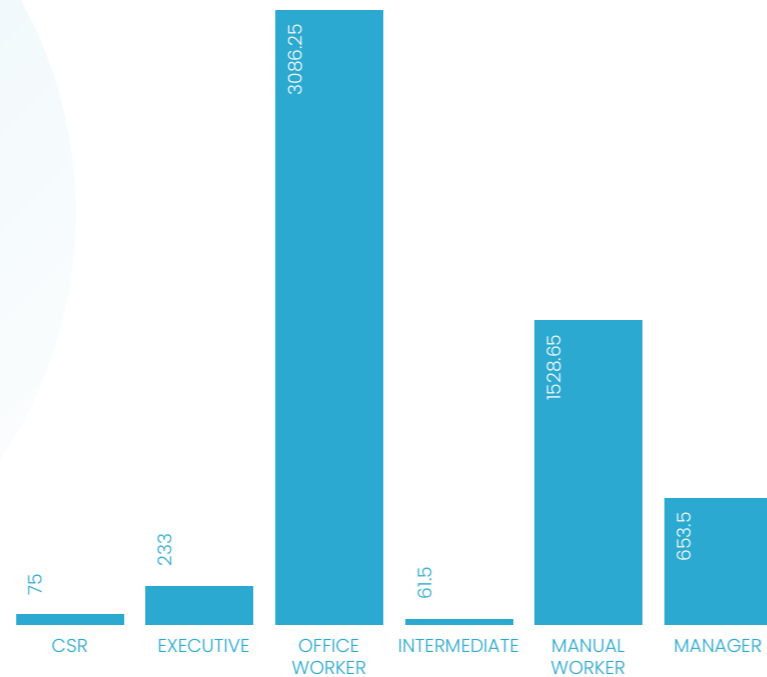


BY CATEGORY

PERCENTAGE
BY GENDER



TOTAL HOURS
BY POSITION



AVERAGE HOURS OF TRAINING PER EMPLOYEE PER YEAR

HOURS OF TRAINING BY GENDER	2022		
	WOMEN	MEN	TOTAL
Total hours of training per year	2,072.3	3,565.6	5,638
Total participants	60	110	170
Average hours of training per year	34.5	32.4	33.16

TRAINING HOURS BY EMPLOYEE CATEGORY	EXECU-TIVES	MANAGERS	OFFICE WORKERS	MANUAL WORKERS	TOTAL
Total hours of training per year	308	653.5	3,086.25	1,590.15	5,638
Total participants	5	13	60	92	170
Average hours of training per year	62	50.2	51.4	17.28	33.16

TRAINING BY GENDER AS A PERCENTAGE

Percentage by gender	Women	Men		
	36.75%	63.25%		
Percentage per employee category	Executives	Managers	Office workers	Manual workers
	5.46%	11.5%	54.74%	28.2%
Percentage by age group	< 30 (30)	30-50 (78)	> 50 (62)	
	17.6%	45.9%	36.5%	



Promoting employee well-being

The promotion and fostering of employee well-being are two central aspects of the strategies for promoting better jobs and an improved working life.

This is helped by the fact that Everel is a young company, where more than 57% of the workforce are aged under 50 years. An effective workplace welfare programme can offer mutual benefits for individuals, organisations, communities and the economy.

OBJECTIVES AND TARGETS

Everel has set itself three medium- to long-term macro-objectives in this area to help deliver tangible and measurable projects.

PILLAR	TOPIC	OBJECTIVES	YEAR	INITIATIVE/TARGET
PEOPLE	Employee well-being	 Promoting the well-being of employees	2025	Promoting a plan for continuous improvement of the working environment
		 Promoting opportunities for growth	2030	Increasing the number of hours and the content of annual training content
		 Ensuring a fair working environment	2025	Implementing the diversity and inclusion management policy



The **promotion of employee well-being** takes the form of a **plan for the continuous improvement of the working environment**.

The activities carried out for 2022 in this area relate to increasing employee engagement through a dedicated plan that involves the constant monitoring of satisfaction in the working environment and welfare in a wider sense through dedicated surveys and tools.



The **Talent Workshop** is a **free training and selection project, dedicated to those who are looking to pursue a career in the engineering sector** and has the simultaneous objective for the company of integrating local people into the company workforce. The initiative, which has already been in place for several years, is aimed at young people and people in the local area with a diploma or qualification in the mechanical or technical field, who are interested in learning a practical vocational skill in the plastic component production sector. In 2022, the project was suspended and rescheduled for 2023.



Ensuring a fair working environment through the implementation of a diversity and inclusion management policy, which from 2022 onwards involves key figures to ensure alignment with the equal opportunities charter and the study of practical initiatives on the subject.

Everel regards inclusion as an indispensable value and promotes diversity as an opportunity to improve the working climate, well-being and to allow all talents to express themselves. Everel is particularly committed to **protecting diversity of gender, origin and age, developing inclusive actions and strategies with the aim of guaranteeing equality in the workplace for employees and equal opportunities for professional growth**.

The themes of diversity, equal opportunities and the rejection of any form of discrimination and xenophobia are set out in the Code of Ethics and the management model pursuant to Legislative Decree 23. These documents state that the organisation is also committed to **guaranteeing fundamental human rights**, implementing measures to prevent child exploitation, forced labour and harassment. A procedure for communicating and reporting incidents of discrimination in the work environment is provided for within the model.

At Everel, the appreciation of cultural diversity is ingrained in the management of the company and the company is proud to communicate that people of 16 different nationalities are part of our ecosystem and that cultural diversity is considered to be a very high added value and never a limitation or a barrier. Furthermore, around 37% of the company population is female, with percentages close to 50% in the management and office worker categories.

Everel has decided to further strengthen the theme within in the dynamics of the company through the development of a programme to:

- identify the context-specific meaning of diversity
- addressing the issue in terms of sensitivity and corporate culture, considering that discrimination is a widespread practice in the relevant social context.



Equal Opportunities and Equality at Work Charter

Beginning this year, Everel has signed up to the **Equal Opportunities and Equality at Work Charter** to validate in a declared and shared way our commitment to protect a working environment where everyone can express their own identity. This commitment allows the company, on the one hand, to compare its efforts with other similar organisations, thereby having an up-to-date benchmark and, on the other hand, to have a useful monitoring tool to improve internal management. In 2022, the Company achieved an overall rating of 94.5%, which is higher than the average achieved by similar organisations.



Carta per le pari opportunità e l'uguaglianza sul lavoro

- 1 Define and implement equal opportunities policies, starting from the top.
- 2 Attribute clear responsibilities related to Equal opportunities and persons or functions within the company.
- 3 Overcome gender stereotypes.
- 4 Integrate the principle into personnel management processes.
- 5 Raise awareness and provide training at all levels of the organisation.
- 6 Monitor progress and evaluate the impact of practices.
- 7 Provide staff with assurance tools.
- 8 Provide practical tools to facilitate the work-life balance.
- 9 Communicate the commitment, project and results to staff.
- 10 Promote external visibility of the commitment, giving examples.

BOARD OF DIRECTORS:

Zobebe Thomaz, Zobebe Enrico, Forlani Massimo, Bagnoli Carlo

EXECUTIVES 4

BOARD OF STATUTORY AUDITORS:

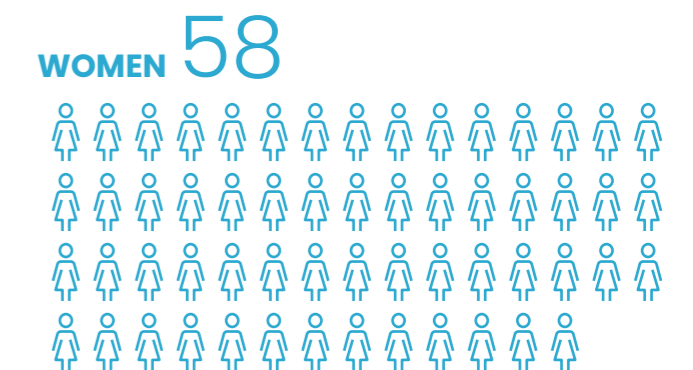
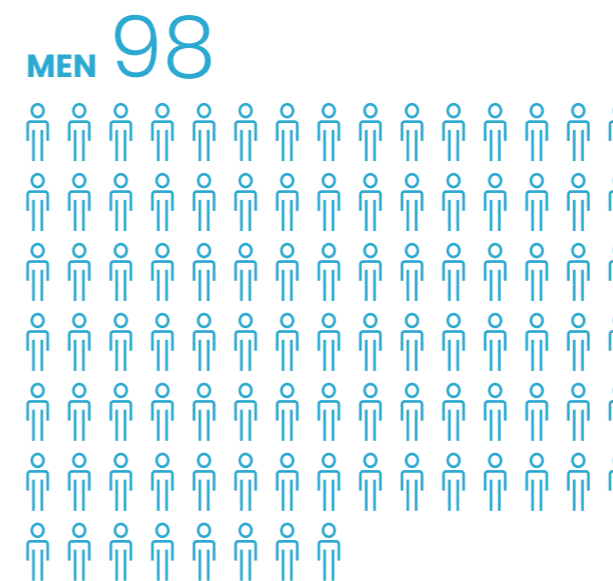
Sartori Matteo, Baso Adriano and Borga Fabrizio

FEMALE MANAGERS 5

MALE MANAGERS 8

PERFORMANCE INDICATORS

EMPLOYEES BY GENDER



TOTAL 156

	WOMEN	MEN	TOTAL
Board of Directors and Executives	1	7	8
Managers	5	8	13
Office workers	24	30	54
Manual workers	27	55	82

	UNDER 30	30-50	OVER 50
Board of Directors and Executives	0	2	6
Managers	0	8	5
Office workers	8	31	15
Manual workers	10	31	41

Pink Plant Project and Cross Ageing

DIVERSITY IN GOVERNING BODIES AND AMONG EMPLOYEES

	2022		
	Women	Men	
Board of Directors and Executives	10%	90%	
	< 30	30-50	> 50
	0%	20%	80%
Managers	41%	59%	
	< 30	30-50	> 50
	0%	61%	39%
Office workers	44%	56%	
	< 30	30-50	> 50
	15%	57%	28%
Manual workers	33%	67%	
	< 30	30-50	> 50
	12%	38%	50%

One of Everel's main objectives is to promote **opportunities for growth** through an increase in training opportunities and content in the company, targeting for 2022 the launch of the training and development project for female staff called the **"Pink Plant Project"** and the company's cross-generational training and exchange scheme **"Cross Ageing Project"**.

The **"Cross Ageing"** project aims to promote intergenerational exchange and cooperation between different generations of workers. The last few decades have seen a demographic revolution, with the population of Italy ageing dramatically.

The consequence of this phenomenon is that the labour force is, and will increasingly be, made up of workers of different ages. This means that young and old people with different cognitive profiles, capabilities and professional skills find themselves working in the same organisation. The training project financed by the Veneto Region involved about **30 employees of different ages from different functions** and was **structured into 4 meetings** with different tools and working methods but all aimed at facilitating exchange and communication. To support the exchanges in the classroom, colleagues completed a dedicated questionnaire called the MAUT, designed specifically for junior and senior workers, divided into six specific survey areas (transferability and decline of skills, age-related beliefs within the work environment, willingness to exchange, preference for exchanges between young & old, general age-related beliefs, emotions). The questionnaires provided a range of useful information for participants and the company in order to identify useful levers for developing intergenerational exchange.

The **"Pink Plant"** project, on the other hand, consists of a training course **dedicated to Everel's female population** to develop the skills of female workers. In 2022, a total of **142 hours of training** were delivered, **involving 21 employees**. The result is the creation of a specific training course to help women employees working in production to be more autonomous in certain activities.

The promotion and fostering of employee well-being are two central aspects of the strategies for promoting better jobs and an improved working life.



Engagement tools

Everel promotes a work organisation based on **involvement and shared responsibility**: we believe that this approach is part of a company's growth journey. Internal communication is a central theme for improving **engagement, sharing and transparency**, elements that contribute to generating well-being. Previously in 2021, **the company intranet** was altered to include sections that were updated daily in order to ensure people are better informed about objectives, changes and relevant communications.

In 2022, employees received occasional information via **7 digital newsletters** and only one edition of the paper version, printed on recycled paper. Unlike in previous years, only one paper edition was produced, as the digital newsletter has a lower environmental impact and is more effective because it is easier to read.

The contents of the newsletter are also available on the company intranet; we have also provided more communication channels such as:

E-Lab Channel

Everel social media

Shared photo albums

SharePoint

This tool has enabled us to convey communications with surveys and data collection.

To assess employee well-being and engagement over the past year, **two surveys** were sent out on the subject of Health & Well-Being and Communication.

In the first months of 2022 a questionnaire was issued to the company's workforce with the aim of assessing the importance associated with the theme of physical and

mental well-being and gathering useful information for the company to boost the importance of health through the potential inclusion within the welfare system of certain activities and dedicated paths/projects. Three areas were surveyed: **Nutrition, physical activity and medical check-ups**.

HEALTH AND WELL-BEING SURVEY RESULTS

DIET



Interested in receiving advice from an **expert nutritionist**.



Would like to see a **"healthy" line of meals** available in the company restaurant.

MEDICAL CHECK-UPS



Interested in days dedicated to **medical check-ups** at work.

PHYSICAL ACTIVITY



Fitness/cardio classes



Posture course



Pilates



Yoga/Meditation

The communication survey was conducted in spring 2022 with the aim of identifying potential areas of improvement in internal communication in the eyes of employees, in order to promote an increasingly innovative approach to communication tools.

85 responses were received and, on the basis of the information gathered, we were able to evaluate useful ideas for implementing more effective communication in 2023.

Based on these results, communication based on short videos (sustainability pills) was planned for 2023, while the company intranet was used for the digital e-newsletter.

Worker safety

Everel's production process entails risks to the health and safety of workers, something which has always been an area given the utmost attention in the company, with a view to continuous mitigation and in faithful application of Italian health and safety regulations (Legislative Decree 81/2008).

Everel recognises the centrality of the issue both because it is a long-standing one within the sector and because of the expectations of its stakeholders. Therefore, a few years ago the company decided to embark on a process that voluntarily and gradually exceeds the requirements of industry regulations, with the goal of achieving the so-called **Zero Accident Mindset**.

Occupational health and safety issues are managed as follows at Everel: the role of employer is held by the CEO, while the role of designated officer is held by the Plant Manager. The prevention and protection service also consists of the company doctor and an external prevention and protection service manager. Operational activities within the plant are carried out by the HSE Specialist function. Worker cooperation and engagement processes are supported by the Workers' Safety Officer, appointed in 2021.

Internal and/or external audits are regularly carried out to identify non-conformities and consequent corrective actions. These activities have the dual purpose of increasing awareness of safety and a safety culture, as well as serving as a basis for constant updating of the DVR (Risk Assessment Document), the document that tracks all the risks associated with the various activities and tasks of employees.

Regular audits also define any training and information needs that are implemented in detailed operational procedures accompanied by targeted training.

Also in 2022, Everel focused on training and awareness-raising, continuing to provide workers with innovative training through **virtual reality** in order to increase risk perception. Using this innovative method, in 2022 **63 hours of training** were delivered, involving **42 employees**. This initially involved supervisors, the training was then extended to employees from different company functions (moulding, maintenance, tooling, AFC, e-lab, ICT, assembly, operations, logistics, quality, process QC, product QC, commercial, R&D). In total in 2022 Everel delivered **1,040 hours** of safety training to our employees.

A series of performance indicators have been defined and are monitored to track the impact of the corrective actions introduced.

The internal audits carried out are aimed at assessing any points for improvement arising from the workers. Health and safety communication processes are conducted via an internal platform to which all employees have access, while worker participation takes place through the regularly held meetings with a view to continuous improvement.

In 2020, following the outbreak of the pandemic, a company regulation named "Safety is No Accident" was instituted, relating to behaviour in the company and compliance with Covid regulations, which also remained in force for the entirety of 2022; the regulation is also issued to all new employees.

1,040 HOURS OF SAFETY TRAINING

63 HOURS OF TRAINING

42 EMPLOYEES



OBJECTIVES AND TARGETS

PILLAR	TOPIC	OBJECTIVES	YEAR	INITIATIVE/TARGET
PEOPLE	Worker safety	Zero injury mindset	2025	Continuous improvement of safety culture

Everel 4 you

In 2020, Everel set up a support desk called “**Everel4you**”; the service provides assistance from a clinical expert who is available on site one day a week, offering the chance to try out psychological support in 4 sessions paid for by the company and with the option of continuing privately.

Everel4you is designed for people who are looking for the chance to talk and to listen, with the aim of helping to find practical solutions for personal and professional improvement. In 2022, 14 people used the service, for a total of 32 hours.

The company also organises eye tests for employees based on the findings of the company doctor. In 2022, hearing tests were carried out for all production workers, having been halted since 2020 due to the pandemic.

The role of the company doctor is crucial for identifying potential illnesses arising from work activities and in recommending the best preventive measures.

Historically, and until 2022, there were no occupational illnesses reported in Everel. The situation is therefore also under control thanks to the very close relationship with the company doctor.

Two minor accidents occurred during 2022. There have been no accidents at sites under Everel's control involving workers who are not employees. The occupational accident rate was 8.03.

In accordance with our intention to achieve a zero injury mindset, we have set our medium-term goal and planned improvement actions.



The improvement of the safety culture across our sites involves a series of highly interconnected activities. One activity which we have carried out over the past year concerns raising awareness among workers and implementing a **reporting** system for **near misses**. This methodology works in depth on perceptions of risk and the way that workers perceive safety in their duties.

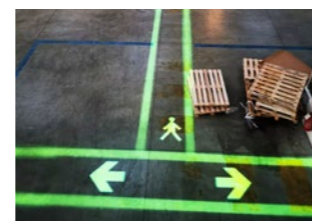
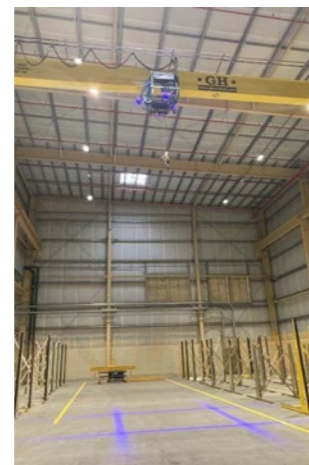
It includes provision of a notice board and a set of flexible and transparent tools where any employee can report (including anonymously) any near misses and/or proposals for improvement. It is important to provide evidence that suggestions have been taken on board and resolved, showing the before and after situations in a dedicated area on the notice board. This work is circulated through a training video aimed at further increasing people's awareness of safety on site. In addition, the foundations have been laid for compiling a number of accident indicators (S-KPIs) that will allow us to show the effectiveness of the prevention and protection measures and, at the same time, if communicated correctly, to raise awareness of the current position of the company's approach.

In 2022, 1 Near Miss was recorded.

Activities will continue in 2023 and include the preparation of a file to include all Near Miss reports, accidents, observations and non-conformities, in order to monitor all improvement actions to be implemented. In addition, regular reports are prepared by the prevention and protection service manager on improvement actions and any reports received.

Another activity in the area of continuous structural improvement of occupational health and safety relates to the **internal road system within the production plant**. Clear boundaries and clarity of internal traffic patterns increase safety for visitors and employees and mitigate the risk of being hit by moving vehicles. To this end, Everel is purchasing **high-visibility clothing** to be distributed to employees in office roles to be worn whenever accessing the production areas. For production operators, workwear is being enhanced with additional high-visibility bands.

In addition, preparations are being made for trials of LED floor markings in the most at-risk areas.



In 2022, the following actions were delivered:

- The delivery of safety shoes for all those who have to frequently visit production departments.
- High-viz jackets have been purchased for all office employees
- Setting up an area with safety shoes and high-viz jackets for external visitors when visiting the production plants.

In addition, multilingual signage for external traffic will be installed in the first months of 2023. Stop signs and ground markings of the loading and unloading areas of the warehouse have also been added. Finally, the internal road system is to be revised after the implementation of new lines following a new layout of the production department scheduled for 2023-24.



Customer safety

Everel develops and manufactures electrical and electronic components and systems. This means bringing to market **products that must be designed and manufactured with the utmost attention to safety requirements**, both legal requirements and other obligations. Everel's products are part of everyday life in the homes of millions of people. Safety factors are a priority which Everel wants to handle in a constantly improving way as a responsibility to end users and to ensure we continue to be viewed as a leader by our customers. Everel's customers have themselves been making increasingly specific demands on safety parameters, banned substances and environmental issues for some years now.

All Everel products are designed, developed and produced with reference to the methods imposed by certified quality systems and international standards.

Given the product type, the main risks to consider are electrical ones, which are regulated by international directives and associated standards.

This **set of standards and directives constitutes an indispensable part of the product specification and its requirements**, which underpin not only the development process but also the monitoring of the production line, with the aim of ensuring consistency and continued product conformity.

An increasing number of customers, especially multinational manufacturers of household appliances, are adding customised lists of Prohibited Substances (SVHC) to REACH and RoHS (which now represent the minimum requirement), which Everel Group SpA applies in order to be able to supply its products.

As a result of the above, Everel's efforts to ensure that its products are compliant and to protect the health and safety of customers involve a series of clearly defined steps and actions.



1



CERTIFICATION

Everel products are designed, developed and validated with reference to industry standards and directives. The results of these validation tests are reported in a dedicated **Technical Dossier**, which is a prerequisite for the CE marking of our products. The quality and safety of our products are also guaranteed by the certifications we obtain from third-party bodies such as **IMQ, VDE and TUV**. Our products are also **UL-certified**, a requirement for selling products on the US market.



2

MANUFACTURE AND PRODUCTION

The focus on the quality and safety of our products is delivered through analysis and control of the design and development phases and by **continuous monitoring of products and manufacturing processes**. Regular detailed audits control important characteristics of plastic materials, such as **flame or high temperature resistance and other safety-related properties**.



3

MARKETING AND SALES

Everel's design and production efforts to maintain high safety standards for its products represent an important sales driver. **Safety and environmental certifications** for all products can be easily found on the company website. Everel also provides guidance on their correct area of application and monitors and tracks any cases of non-compliance through constant dialogue with its customers.



4

USE AND SERVICE

The Everel product is typically a component (or sub-assembly) mounted on an item marketed by the customer (e.g. a household appliance). **Everel provides all information necessary for drawing up documentation for the end customer** (typically user and maintenance manuals), so that the equipment can be used safely.

Everel's aim in the future is to **adopt an anticipatory approach, continuously monitoring regulations and standards in the field of product safety** for customers and end users, increasing our ability to oversee and lead the issue in the industry.



Social initiatives and local relationships

The local region is a stakeholder for Everel, which has an increasing tendency to act with consideration for the social, cultural and economic well-being of the communities in which we operate.

The concept of an ecosystem includes all relationships with parties that, together with the company, can create positive impacts for society, such as **universities, research centres and new start-ups, local associations and institutions, and partners in the non-profit sector.**

It is only through collaboration and exchange between all stakeholders that social innovation can be achieved to generate effective solutions to the complex social and environmental problems facing society today.

Social ecosystem

As part of our new approach to sustainability, we have defined a plan of initiatives to be implemented in order to achieve our goal of contributing to a social innovation ecosystem.

OBJECTIVES AND TARGETS

TOPIC	TARGET	YEAR	INITIATIVE/TARGET
Social ecosystem	Contributing to building a social innovation ecosystem	2022	Partnership with Historie Onlus for the management of the company garden and institutionalisation of corporate volunteering
		2025	Relationships with schools in the area.
		2030	Participating/organising sustainability events to increase network membership and spread awareness of the topic

The main objective of this programme is **to forge valuable relationships with our region** and in particular through the following activities:

- creating a **company vegetable garden** through a partnership with the Historie Onlus charity and introducing corporate volunteering;
- building relationships with **schools and research centres** for innovation and sustainability;
- participating in sustainability-related **events and networks.**

A year of collaboration, a year of value creation with Historie Onlus

10 km from Everel's headquarters in Valeggio sul Mincio is the **Historie Onlus Foundation**. These are two organisations which, on the surface, have little in common: Historie foundation is a non-profit organisation that works in the social sector, running numerous activities supporting and fostering the **integration of people with disabilities in the local area**; Everel is a company operating in the electromechanical sector, producing components for the household appliance market.

However, one year ago these two organisations came together, driven by the common goal of **creating new and innovative experiences**, such as cooperation between for-profit and non-profit organisations. The underlying idea is to activate shared projects where each party contributes equally and where the common goal is ethical and sustainable growth for the region.

The partnership was formed between Everel and Historie in January 2022 and seals a long-term relationship that starts with two specific projects: **the creation of a company community vegetable garden and a corporate volunteering day.**



Vegetable garden and relationships

Everel offered free use of **the land next to the plant**, which had not been used for some time, and provided **a shed and facility for use by Historie**. Historie, for its part, has put together a project involving experts in social agriculture and people with disabilities from its own services to cultivate this land. The result is **an area of land covered in saffron flowers which has brought together people from Everel and Historie** in a community project. The value of this experience can be seen on all sides, and there is much curiosity and expectation for the future of this land, where more fruits of the earth and relationships will take root.



RESULTS OF THE INITIATIVE IN 2022



Corporate volunteering

On 24 June 2022 Everel volunteered: it brought together **60 volunteers from among its employees** and thanks to the communication and organisation of Fondazione Historie a day was set up to offer tangible support to the charity and build new relationships.

For a total of **420 hours** Everel people cleaned, tidied, hoed, polished, prepared facilities and got to know the wonderful people of Historie. Of course, this was only a minor contribution to the work which Historie does but one of enormous value for the participants who, through this new and challenging experience, were able to see the value that the act of volunteering brings. The feedback received from Everel employees

has been outstanding: 100% of participants enjoyed the experience and 98% would like to repeat it. One year of collaboration and two completed projects and Everel confirms the great value of the experience. **Interacting and co-designing with a non-profit organisation was certainly something new** for our company, a challenge in some ways, and one where there is much scope for learning and improvement. It is also a project in which we truly believe and which we believe can enrich us and the people and the region even more. **We are grateful to the Historie Onlus Foundation for the opportunity**, for their friendship and for agreeing to embark on this adventure together, ready for new initiatives in 2023.

CSR and Social Innovation

In 2022, Everel participated in the **CSR and Social Innovation Show** for the first time. The show, now in its tenth edition and attended by more than 270 companies, is recognised as the **leading event in Italy dedicated to corporate sustainability issues**. Throughout its history, the show has contributed to the spreading the culture of social responsibility, becoming an important appointment for benchmarking, networking and keeping up-to-date on the state-of-the-art at a national level.

In particular, Everel participated in an opportunity for benchmarking and dialogue at a round table entitled **'From supply to co-planning'** in which there was discussion of relationships between companies, public bodies and third sector associations which are increasingly based on the principle of collaboration. Everel's story recounted a recent partnership with the Historie Onlus Foundation and the volunteer and corporate vegetable garden activities staged during the year.

Schools Project

Lastly, **the relationship with schools, universities and research centres will be delivered through a defined programme**. In 2022, the **school-to-work** programme - the **new PCTO** - was continued in partnership with schools in the Everel area.

The project aims to provide a stable and regular **presence for students in companies** through a structured PCTO pathway, which stands for **'Pathways for Transversal Skills and Orientation'**. In 2022, a special course was designed for four youngsters from the Bolisani high school in Villafranca. The project was designed to give young people the opportunity to get to know the dynamics of organisations through a "company journey" defined especially to communicate the culture of work.

The goal for 2023 is to open the cross-functional programme to other institutions in the area and to build links with institutes and technical schools that are relevant to our industry.

In terms of relationships with universities, since 2022 Everel **has begun working with Fondazione Emblema on the 'Placement Scholarship' project**, designed to create links and build communication bridges between the academic realm and the business world. Our company participated in a series of 7 events:



For 2023, Everel has chosen to be the **main sponsor of the course**.

Ethical and sustainable supply chain

The complex, global modern supply chains are currently showing all of their fragilities. **Geopolitical, economic and climate instability** have a huge impact on the sustainability of the supply chain. Everel is well aware of the need to address this issue in order to mitigate business risks as well as those associated with new requirements (such as environmental and social issues), with particular regard to human rights. In such circumstances, Everel intends to begin **a process of monitoring and taking action on risks** associated with its supply chain.

Everel's sustainability plan takes into account the relevant issues identified by its major strategic customers, from the *automotive* and household appliances sectors, in order to create a highly sustainable *value chain*.

The company has set itself medium-term goals to map and improve the sustainability of its value chain.

OBJECTIVES AND TARGETS

PILLAR	TOPIC	OBJECTIVES	YEAR	INITIATIVE/TARGET
ECOSYSTEM OF VALUE	Social ecosystem	Promoting an ethical and sustainable value chain with suppliers and customers	2026	<ul style="list-style-type: none">Selecting and evaluating 100% of suppliers with sustainability criteriaPromoting collaboration with customers as part of sustainability programmes



Environment

- 95 Responsible materials management
- 102 Responsible waste management
- 106 Responsible process management
- 106 Energy
- 109 Emissions
- 112 Environmental compliance



Everel is aware that it has a significant responsibility and can, through its actions, make a contribution to the development of good business practices that can protect ecosystems and natural resources and ensure the health and well-being of people, both now and in the future.

This is why we have decided to commit to promoting a progressive reduction in the use of fossil fuels and an increasingly responsible use of natural resources,

in order to help mitigate the destructive effects of the climate crisis and preserve our planet for future generations.

We are convinced that it is possible, through innovation and co-design, to combine product development with environmental protection. In adopting this approach, we want to commit to quantifying our impact more comprehensively, identifying reduction targets and implementing the necessary practices to achieve them.

The objectives defined are divided into four areas:

Responsible materials management

Energy and emissions

Responsible waste management

Environmental compliance



Responsible materials management

Context

Sustainable management of natural resources, as defined by environmental laws, involves using resources in a way that protects ecosystems and improves their resilience and the benefits they provide.

For companies, facing up to these challenges requires new ideas and a radically different approach in the way we think and act. This includes the way we extract, use and conserve natural resources. Poor use of environmental resources increases the long-term risks to our well-being and, consequently, exacerbates these challenges.

Beginning in 2021, Everel embarked on a process aimed at first analysing the materials used in our transformation and production processes; specifically looking for potential ways to reduce the total amount of plastic required for our production cycles. This analysis allowed us to assess the margins for reducing and/or mitigating the impacts generated by our activities.

In implementing this approach, Everel is looking to take inspiration from the principles of the circular economy, an economy underpinned by a transition to low-carbon energy and renewable materials that aims to decouple economic productivity growth from the consumption of scarce resources to create a resilient system that is good for the environment, for businesses and people.



Everel has a wide and diverse product range.

This means that we need to use and handle different types and families of materials, ranging from metals (ferrous and non-ferrous) to polymers and electronic components. The selection and management of the materials used to make the products is one of the most important aspects of product design. The material selected must offer the levels of technical performance required to achieve product specifications and at the same time, in an increasingly stringent and challenging manner, it must comply with mandatory regulations related to environmental issues (REACH, RoHS, specific lists of banned substances).

In addition to mechanical, thermal and technological properties (e.g. injection moulding properties for plastics), electrical safety properties such as dielectric strength, flammability and self-extinguishing properties are of great importance for Everel products.

As the main material in Everel's production process, plastic represents the "body" of our products. To be more precise, the plastic is made up of technopolymers, i.e. materials that are made from a high-performance polymer base (e.g. polyamide) and are subsequently supplemented and strengthened by a series of mineral

and non-mineral fillers to increase mechanical properties and improve thermal and flame resistance characteristics.

To be precise, across the different product families, the following groups of materials were used in the Valeggio plant:

RAW MATERIALS, ANCILLARY MATERIALS AND PACKAGING (T)

Articles	52.63
Metal components	102.63
Plastic components	22.98
Plastic (pellets)	435.33
Packaging	168.19
Process materials (oils, fats, dyes)	11.52

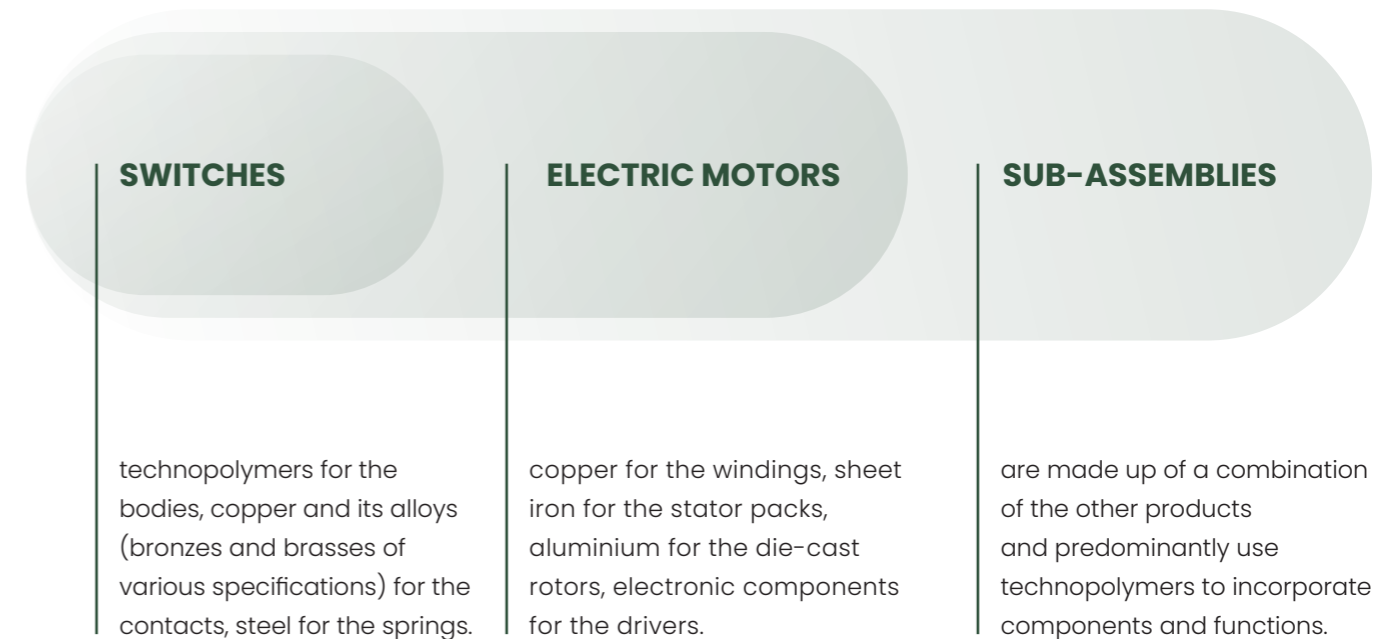
OBJECTIVES AND TARGETS

Everel has set itself two short-, mid- and long-term macro-objectives in this area to help deliver tangible and measurable projects.

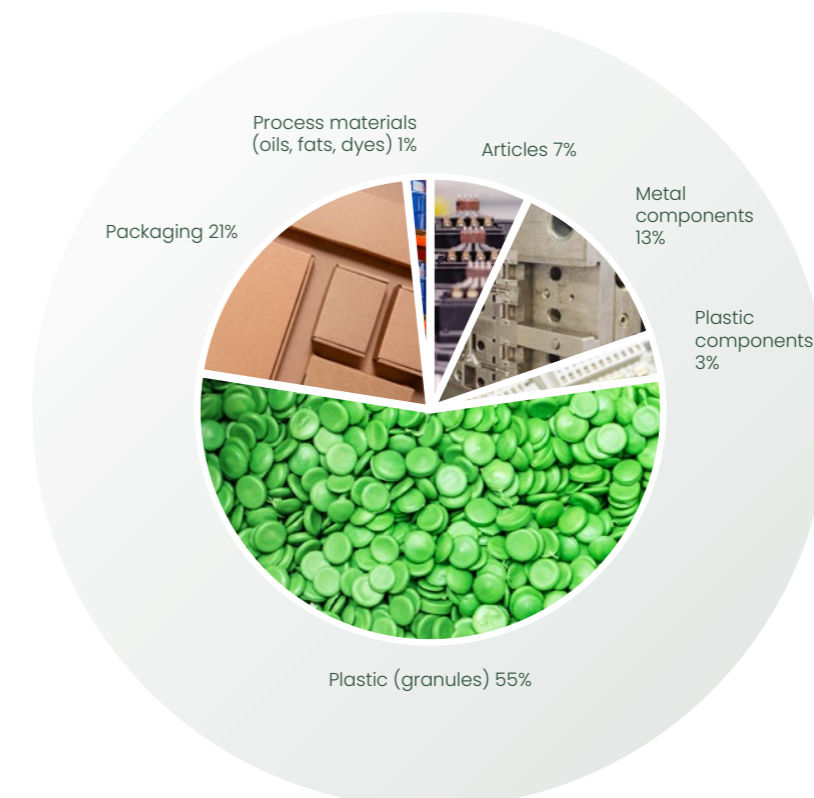
PILLAR	TOPIC	OBJECTIVES	YEAR	INITIATIVE/TARGET
ENVIRONMENT	Sustainable materials management	Minimising the environmental impact of Everel's products	2026	1.1 Ongoing monitoring body on alternative materials to define sustainability criteria that have less real-world impact
		Minimising the environmental impact of packaging	2026	2.1 Reducing the use of disposable packaging for key customers by introducing and maximising the use of returnable packaging
			2023	2.2 Drawing up a company policy (guidelines) to move towards sustainable packaging with suppliers.

Main raw materials used

RAW MATERIALS



RAW MATERIALS, ANCILLARY MATERIALS AND PACKAGING BY WEIGHT



New materials

2022 also saw the continuation of the E-Lab division's technology scouting in the field of new "green" polymer materials involving research centres and universities. Scouting gives Everel a clearer idea of the state-of-the-art and the short- to medium-term outlook. In addition, the monitoring centre studying emerging material trends plays a central role in helping us to define sustainability criteria that have a real-world impact.

Research contributes to developing the company's know-how and, above all, to expanding the technical and scientific network and reinforces the desire to continue to search for green solutions that can be applied to our products, such as research in the field of polyamide from processes with a reduced carbon footprint. However, analyses carried out in 2022 confirmed that the product requirements for Everel have not identified a candidate "green" material for the immediate future.

The 9-month project provided a snapshot of the state of sustainable polymer alternatives to the PA66 commonly used by Everel.

The project was structured into the following phases:

1



ACCEPTANCE OF THE CHALLENGE & DEFINITION OF THE SCOPE

"To search for an alternative polymer to the commonly used PA66 that improves the sustainability of our products and is comparable to the current one in terms of mechanical, economic and workability performance.

2



PARTNER SEARCH

Investigate multiple alternatives:

- Check the database of alternative polymers;**
- Check with current and new suppliers of emerging solutions on the market;**
- Increase the efficiency of the polymer waste currently produced in house;**
- Collaboration with a research centre to create a new polymer.**

3



CHOICE OF PARTNER

- Database check:** collaboration with a start-up named SmartMold specialising in plastic moulding research which has assessed the properties of around 100,000 polymers in the database using dedicated software. Outcome: no candidate polymers were found after analysis.
- Check with current and new suppliers:** series of meetings with current and new suppliers to find out about the presence on the market of a product which matches what we are looking for.
Outcome: an alternative material, poliketone, has emerged from discussions with suppliers. This polymer has a 50% lower carbon footprint than PA66, but is far below the thermal standards required by the household appliance industry.
- Increase the efficiency of polymer waste:** increasing the efficiency of the polymer waste naturally generated in production, working with an external partner for reprocessing plastic waste. Outcome: this proposal moved on to the testing phase.
- Collaboration with a research centre:** contact with the Istituto Italiano Tecnico (Italian Technical Institute) to explore the possibility of creating an Everel-branded polymer. Outcome: lack of certainty in results for creating the right polymer, and the possible need to use external resources for production, meant that this option was discarded.

4



TESTING

Collaboration with a specialist company to assess whether or not to reprocess our waste. In the first instance, the material codes to be delivered were selected from many others; the company was then provided with batches of the waste to be reprocessed.

The material that was returned to us was then sampled and tested internally to see how far it deviated from Everel's virgin and regrind. The results showed that our regrind was comparable to the company's reprocessed material. Given these results, it was decided not to tackle the issue of reprocessing as the in-house regrinding process gave better results.

5



OUTCOME OF THE SEARCH

Monitor the market for green polymers with the hope of identifying a polymer that is in line with the needs of the company.

Reusable packaging

In addition to the product, Everel is also seeking greater sustainability in the design of the packaging used in its processes, as all semi-finished or finished products that leave the production lines need to be carefully protected.

Our focus is not only on the use of sustainable materials, but also on how packaging is disposed of (and recovered). Indeed, designing a product also means designing its packaging. The requirements for packaging are being increasingly more stringent and challenging: it must be able to protect the product during transport and it must be lightweight. It must be able to hold as many products as possible in the smallest space. It must be reusable and of course recyclable. Finding the right solution at the right cost with the least impact on the environment is a challenge Everel is pursuing.

For this reason, cooperation with major automotive and household appliance customers is important. With these customers, we worked on a co-design activity to increase the share of products sold with **durable and reusable packaging**, thereby reducing the use of materials that would otherwise become rubbish in a short time.

In general, our products are placed in bags or trays made of corrugated cardboard or plastic and stored in several layers inside cardboard boxes. These boxes are then sealed and labelled using adhesive tape. Once the ordered products have been delivered, all of this material, much of it recyclable, is disposed of by our customers as waste. Given the considerable energy expenditure that this recycling process requires, Everel has started to promote **returnable packaging** - i.e. packaging which can be reused many times, using durable plastic.

The solution involves **the use of rigid plastic crates** in which our product is conveniently placed in trays to protect it from shocks and contaminants until it is used in the assembly phase on the customer's production line. Afterwards, the customer returns the empty cassette to us for subsequent use an indefinite number of times, until its useful life is over. **This method saves a lot of packaging material. Everel also wants to expand and involve more customers** in this virtuous practice: the target is to increase the percentage of our sales which feature the sustainable policies of return and reuse of packaging. In the coming years, we intend to **expand the range of products** on which this solution can be used and the customer base which adopts this approach, **from 4.4% of turnover in 2021 to 20% of turnover in 2026.**

On the opposite side of the value chain, i.e. upstream, **for our suppliers** we are already using **returnable packaging**. An example of this is all of the contact materials that we purchase and produce internally are sent to specialist suppliers for surface treatment. Likewise, it is possible to reuse the containers for the copper wire we use to produce coils for motors and many other components we use in our supply chain. To achieve this, we are implementing specific requirements for reusable crates, their movement to suppliers, production areas and, of course, storage in the warehouse. **The goal is to reduce the use of disposable packaging by 30% by 2024** for one of our main customers through the simultaneous introduction of *returnable packaging*.

Sustainable Packaging Guidelines

At Everel, we have set ourselves the goal of defining and sharing guidelines internally by 2023 to determine sustainable packaging selection criteria.

The intention behind the writing and adoption of these guidelines is to encourage the activation of virtuous practices in the supply chain for the design, production and use of packaging materials. These guidelines will shape decisions regarding the choice of materials, optimisation of dimensions and the promotion of reusable or recyclable solutions.

For this process, Everel will adopt a life cycle approach that considers the entire product life cycle. This approach will also involve engaging and sharing objectives with our suppliers.

Our guidelines for sustainable packaging will help to promote our image, our alignment with sustainable development goals and confirm our reputation for responsibility and care for the environment.



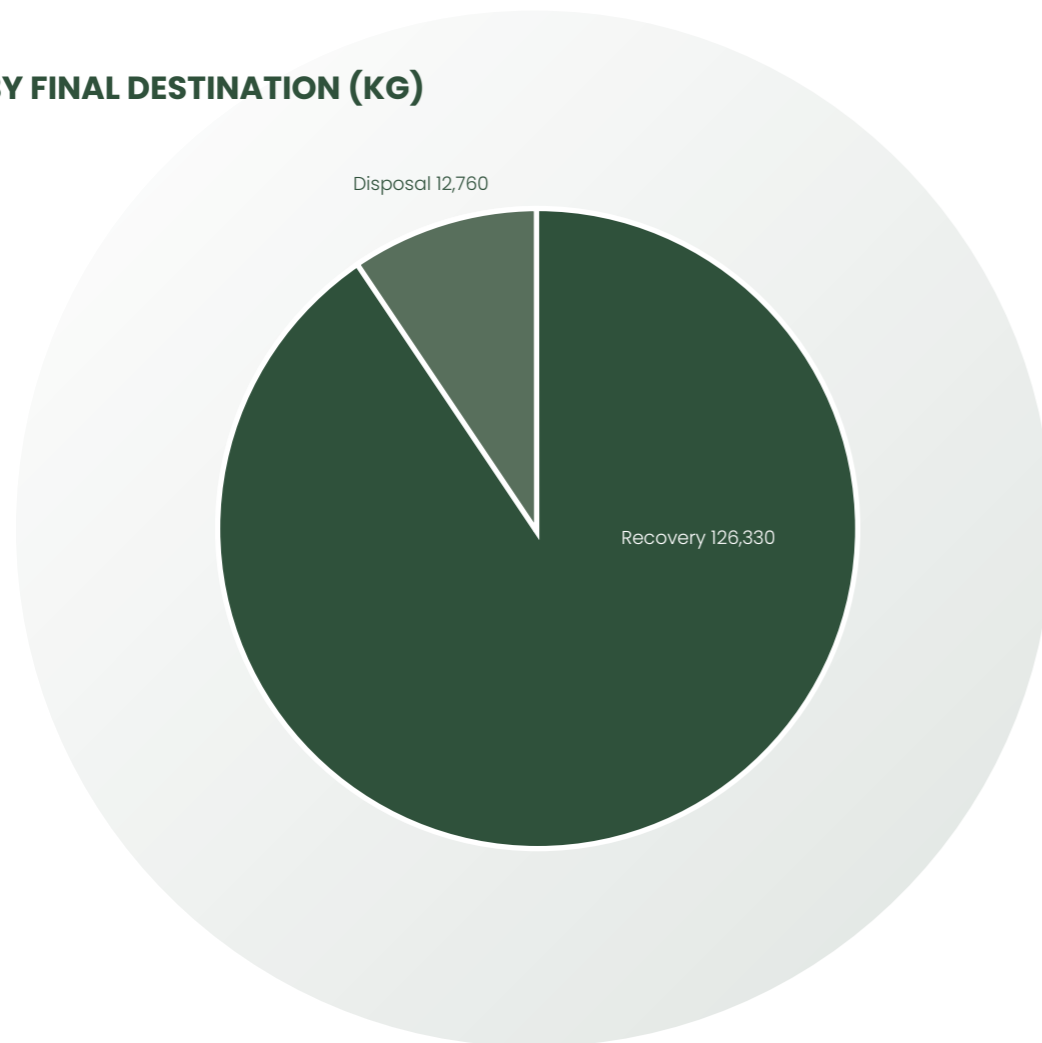
Responsible waste management

At Everel, the safety and environment manager is responsible for ensuring that rubbish is managed in accordance with the relevant regulations, identifying them according to their chemical and physical properties and their hazardousness. Specifically, rubbish is collected in the appropriate containers in production and stored in dedicated areas.

Our goal is to achieve a marked reduction in the amount of rubbish produced and at the same time increase the oversight of internal and external reuse practices for discarded material (potentially waste) with a view to optimising the life cycle of materials. As a result, the company's goal is to reduce the rubbish produced by interacting with local companies to give the waste a second life, where possible.

In 2022, just under 135 tonnes of rubbish were disposed of, around 90% of which went to recovery.

WASTE BY FINAL DESTINATION (KG)



The production of rubbish within the plant is, for the most part, directly related to the volumes of materials purchased and the intensity of the production process. Specifically, more than 60% of the rubbish produced relates to plastics (mainly polyamide and polycarbonates) and iron and steel formed during the moulding process due to the start of production, change of material, or as a result of producing non-compliant material. Emulsions, oils, solvents, PPE and packaging containing hazardous substances are generated during the maintenance of tools and machinery. In addition to rubbish related to the production process, occasional refuse may be generated in connection with one-off activities or extraordinary events, such as waste from the decommissioning of equipment, machinery or vehicles.

RUBBISH BY TYPE - 2022

NAME	WEIGHT (KG)
Plastic rubbish	40,190
Iron and steel	44,440
Filings, flakes and dust of non-ferrous materials	5,429.5
Discarded equipment	10,229
Septic tank sludge	12,760
Plastic packaging	3,980
Paper packaging	12,310
Wood packaging	4,740
Mixed packaging	2,010
Absorbent pads, filter materials, rags and protective clothing contaminated with hazardous substances	1,201
Mineral oil waste for engines, gears and lubrication, non-chlorinated	729 (Litres)
Components removed from discarded equipment	255
Discarded fire extinguishers	520

Zero Waste Project

The Zero Waste project was launched in 2021 from the company's desire to reduce waste in the moulding department. An initial analysis revealed that much more material was being used than necessary because due care was not taken when mixing the virgin material with regrind. As a result, tools have been introduced to mix the material in the best possible way and to avoid waste in our production process.

Everel's project to reduce plastic waste has developed in two directions: the optimisation of the production process and the identification of potential suppliers for the recovery of plastic materials.

With regard to the optimisation process, actions were carried out to measure waste created during the process, and a critical issue was identified in internal granule management, which can be optimised.

On the other hand, with regard to the identification of potential suppliers for the recovery of plastic material to reduce waste, suppliers were identified who could collect plastic material not used in the process. The supplier is able to reprocess the process waste and supply new materials on the market.

The purpose of such a relationship is to give value to our polymer waste in order to return it to a similar condition to its starting point and re-introduce it into the production cycles. Our pledge, which has just begun, is to exploit the features and potential of a circular development model to achieve our environmental sustainability targets in the medium to long term while maintaining, if not increasing, our economic performance indicators.

Based on these analyses, Everel then defined targets and activities to be implemented in the medium term to minimise the impact of waste.



Minimising the production of process waste:

the aim is to implement more efficient production processes that generate less waste. The target for waste reduction in 2023 will be identified through a measurement campaign.



Maximising the reuse of waste within internal processes:

as a long-term goal, Everel has set the target of recovering 80% of internal waste, while as a short-to-medium-term goal, the company wants to internally reuse or regenerate 30% of plastic processing waste by 2023.



Reuse of waste in external processes:

the goal is to achieve 100% of the reground plastic not used internally.

Zero Waste Project

The Zero Waste project, to be implemented in the medium term by 2024, aims to map and define an action plan to reduce the waste of resources within the offices. The project also has a strong educational and awareness-raising value with a view to actively engaging all workers and producing a company policy and guidelines to minimise material waste in the workplace.



Responsible process management

The company's view is to value efficiency, responsible management of processes and resources in order to minimise material loss and ensure the highest levels of environmental compliance. Everel is also committed to monitoring the impacts of the company's internal production processes that are mainly attributable to the use of electricity and the emissions generated to formulate our **2050 Carbon Neutrality compliance pathway**.

Energy

Context

We are at a crucial stage for achieving an energy system that is more secure, sustainable and economical. Investments in renewable energy sources and extensive electrification of the system, together with modernisation and expansion of the networks, offer clear and cost-effective opportunities for reducing emissions more quickly and at the same time lowering electricity costs from current levels.

Everel is committed to actively contributing to the realisation of a sustainable energy future, in line with the global emissions reduction and climate change mitigation goals.

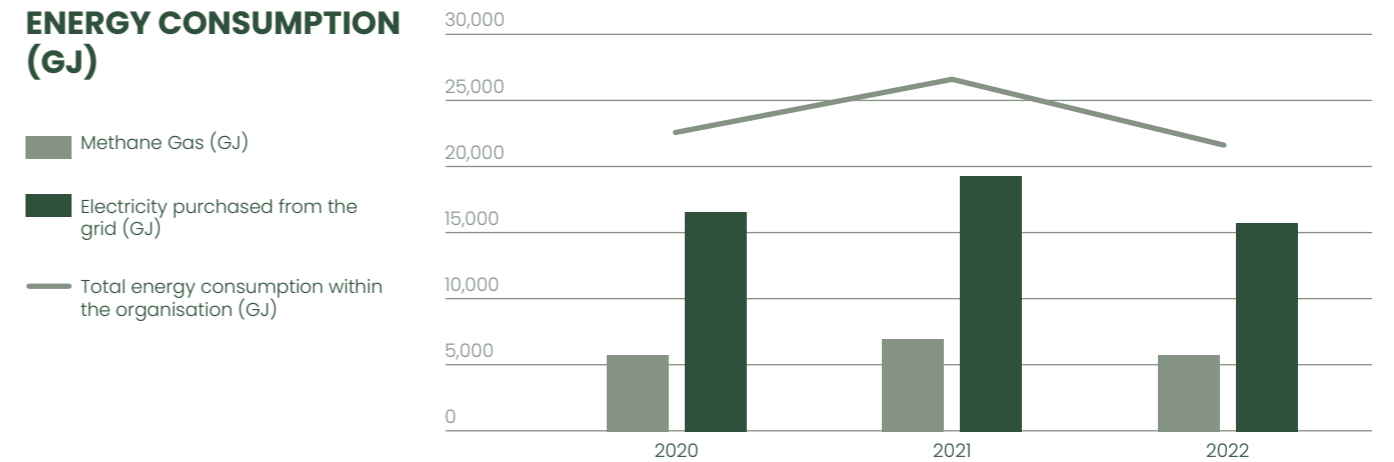
Everel is approaching the challenge of energy transition with determination: energy consumption was already being monitored but since 2020 we have taken the initiative to conduct a precise mapping of the consumption of production lines and plants, with the aim of achieving greater awareness and knowledge of the areas where energy is most intensively used. We see this as the first key step in our strategy for planning in a coherent manner and in line with international standards for the next steps needed to achieve carbon neutrality. The objective of this process is to strive for optimal energy efficiency without compromising the sustainable growth of the business.

OBJECTIVES AND TARGETS

ENVIRONMENT	Energy efficiency	2030	Minimising energy resources in processes: Reduce energy use in the process by 20%
		2030	Maximising the use of energy from renewable sources: Increasing self-generation and/or purchase of renewable energy by 30%

Management methods

Historical consumption is shown in the table below:



ENERGY CONSUMPTION IN GIGA JOULES (GJ) BY FUEL TYPE	2022	2021	2020
Methane Gas (GJ)	5,758.977	7,139.357	5,749.745
Electricity purchased from the grid (GJ)	15,733.17	19,234.72	16,514.1
Total energy consumption within the organisation (GJ)	21,492.15	26,374.08	22,263.84
from renewable sources	-	-	-

The trend in the use of electricity and gas was found to have decreased in 2022 due to production-related trends, limits on consumption due to high energy prices and improvements in efficiency implemented in 2021 and 2022.

The energy sources used are electricity, natural gas (methane) and automotive hydrocarbons (in residual quantities). The energy carriers used in the company are: electricity itself, heated fluids, cooled fluids and compressed air.

Electricity is generated using power from the external grid (no self-generation) and in the event of emergencies vital consumers (fire-fighting systems, data centre) are powered by diesel-fuelled electric generators. Electricity is mainly used to generate compressed air, cooled fluids, resistive heating of production lines, environmental air conditioning of offices, polymer drying on the line, handling (assembly lines and presses) and ancillary services (lighting data management ventilation etc.).

Emissions

The heated fluid vector is generated in the heating plant by three natural gas fired boilers. It is used for heating indoor areas, while the cold fluid vector is used for air conditioning of indoor areas and in plastic injection processes (mould and press conditioning). The cooled fluid is generated by means of compression chillers.

Compressed air is generated by five electric screw compressors and, besides being used in automatic assembly lines, it plays an important role in the moulding polymers drying process (Motan plant). The energy consumption reduction activities which began in 2021 and continued in 2022 are as follows:

8 out of 60 injection moulding machines with standard hydraulic technology have been replaced with machines with hybrid/electric technology, delivering energy savings (in total equal to around 1/5 compared with the previous ones) and using around 1/4 of the amount of mineral oil of the previous ones.

Insulating covers are under consideration for fitting to the cylinders of the injection moulding machines to minimise heat loss from the plasticising cylinder to the surrounding environment, the impact of which is still being assessed.

ENERGY INTENSITY

TYPE	UNITS OF MEASUREMENT	2022
Methane Gas	SCM ("C" shift)	43.2
Electricity	kWh/machine hour	22.5

GHG emissions

Everel's strategy and its approach to climate change are based on a virtuous Net Zero pathway. In the long term, this pathway will lead to the reduction of Tier 1, 2 and 3 emissions to zero or a residual level consistent with achieving global or industry emissions targets as defined in the Paris Agreement, and to the neutralisation of residual emissions.

Greenhouse gas emissions are also an important consideration in the 2030 Agenda. Greenhouse gases such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are responsible for the greenhouse effect and climate change. The energy sector is the main contributor to greenhouse gas emissions, with negative consequences for the climate and human health.

To reduce greenhouse gas emissions and tackle climate change, it is necessary to reduce the use of fossil fuels, such as coal, oil and natural gas, which are the main sources of CO₂. Furthermore, it is crucial to increase energy efficiency and promote the introduction of renewable energies, such as solar, wind, hydro and geothermal energy, which do not produce greenhouse gas emissions during use.

In 2021, the Everel Group began a process of mapping and identifying the main emission sources to identify potential areas for improvement and reduction by implementing mitigation measures. This approach has also encouraged more careful management of resources and the search for more sustainable technologies for refrigeration systems.

OBJECTIVES AND TARGETS

ENVIRONMENT	Carbon neutrality 2050	2023	Extending the Carbon Footprint to Group-wide level and introduction of Scope 3
		2025	55% reduction in carbon footprint



Management methods

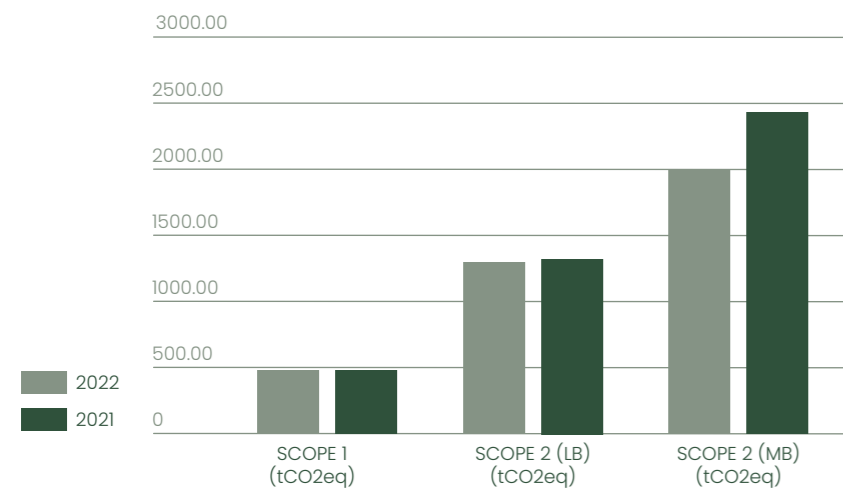
The approach used included the identification of direct (Scope 1) and indirect (Scope 2) emissions which are relevant to Everel. For Scope 1, the main emission sources include the use of combustible gases such as methane gas, and leakages of fluorinated and greenhouse gases from the cooling and air conditioning systems and emissions from the use of company cars.

For Scope 2, emission sources are related to the use of electricity. Additional emission sources related to Scope 1 and 2 were not identified during the analysis.

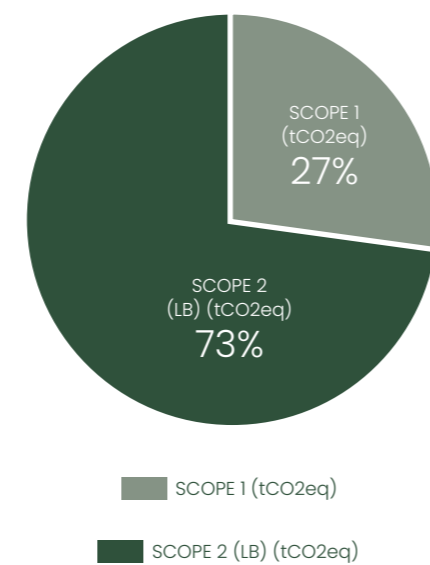
Once the consumption values were obtained, the emissions value in terms of tCO₂eq related to Scope 1 and 2 was calculated, providing a clear view of the company's emissions.

EMISSIONS (tCO ₂ eq)	2022	2021
Scope 1	477.23	481.01
Scope 2 (LOC. BASED)	1,281.82	1,312.77
Scope 2 (MARKET BASED)	1,997.89	2,439.44

GHG EMISSIONS



GHG EMISSIONS 2022



Following the calculation of Everel's SCOPE 1 and SCOPE 2 carbon footprint (Valeggio plant), the next goal for 2023 was set involving conducting a significance analysis and then extending the measurements to the entire supply chain (SCOPE 3) and to include the whole of the Group.

We will then be able to define the starting point and a benchmark from which we can determine and start implementing reduction targets to help achieve a 55% reduction in emissions by 2025.

Air emissions

Everel holds a single environmental authorisation (AUA) for atmospheric emissions from its plastics production activities. The pollutants emitted are dust, VOCs, VOSs, aldehydes, phthalic acid, acetic acid and metals.

Atmospheric emissions do not represent a significant source of environmental impact given the processing involved.



Environmental compliance

The environmental compliance objective involves analysing and measuring the risks of legal or administrative sanctions, operational losses, and loss of corporate reputation caused by non-compliance with laws or regulations. The B2B market in particular has significantly increased the interest and attention paid to these issues, including as a result of the growing focus on this topic by all institutions, which is why Everel also wants to establish itself as a leader for these practices and anticipate these trends wherever possible.

At Everel, environmental compliance is managed on two levels.

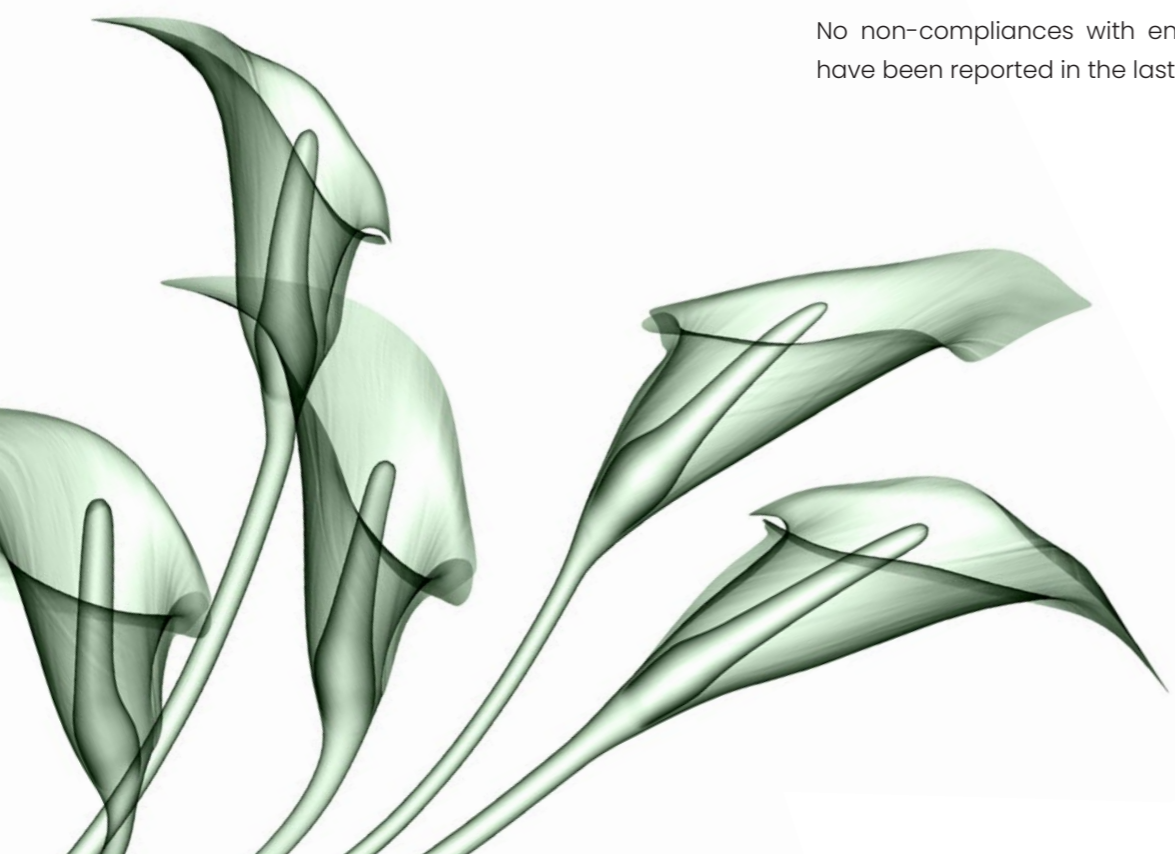
The position of health, safety and environment manager handles **environmental compliance with regard to process management** (atmospheric emissions, waste management, authorisations, etc.). Legislative compliance includes analysis of the environmental aspects and deadlines imposed by current legislation on refuse, the compliance of our plants, atmospheric emissions and all other environmental aspects that, although important, have a low impact for the activities of the production site.

The quality function, on the other hand, is responsible for **product environmental compliance**. Product compliance involves analysing European legislation and customer requirements, ensuring that the environmental aspects of the products supplied comply with these requirements. Everel is taking a proactive approach to the issue in order to further reduce its impacts or to qualify the environmental profile of its products.

Thanks to the sustainability planning process, a new environmental impact management approach has been implemented at Everel, consistent with the methodologies of the ISO 14000 family of standards, based on process analysis with a life cycle approach. **Everel achieved ISO 14001 certification in 2022.** In parallel with this task, various other projects were run with the aim of evaluating new materials, making use of production waste, optimising processes and calculating the organisation's carbon footprint.



No non-compliances with environmental regulations have been reported in the last 2 years.



Methodological note

This document represents Everel SpA's sustainability report, the composition of which is specified in the document. The report is also a voluntary non-financial statement and is drawn up in accordance with articles 3 and 4 of Italian Legislative Decree 254/2016, containing information relating to environmental, social and personnel issues, as well as respect for human rights and combating corruption, in a transparent and comprehensive manner.

Everel has chosen to voluntarily comply, where possible, with the provisions of Italian Legislative Decree No. 254 of 30 December 2016, concerning the disclosure of non-financial information, in implementation of European Directive 2014/95/EU for the annual publication of its sustainability report.

Everel's Sustainability Report has been prepared in accordance with the reporting requirements and principles of the GRI Reporting Standards, covering a selection of GRI Sustainability Reporting Standards indicators.

The document incorporates the October 2021 revision of the GRI Universal Standards, applicable for reports from 1 January 2023 onwards.

This sustainability report has been prepared using a strategic approach linked to the creation of sustainable value for *stakeholders*. The reporting process will be subject to continuous improvement over the coming years. There are no changes from previous reports to note.

The process of identifying the most important topics on which to focus efforts and resources began in 2021, leading to the definition of material topics, understood to be "topics that can generate significant economic, social and environmental impacts" on Everel's activities.

The data and information in this document refer to the 2022 financial year (1 January 2022 to 31 December 2022).

The scope of the economic, environmental and social data in this document is only for Everel SpA with headquarters in Valeggio; the group companies falling within the consolidated scope have not been taken into account and will be incorporated into the reporting in future years.

In order to correctly represent performance and ensure the reliability of the data, the use of estimates has been limited as much as possible and, where they exist, they are appropriately reported.

A specific "GRI Content Index" reconciliation table identifies each indicator used as taken from the GRI Sustainability Reporting Standards and provides a clear view of the sustainability information and content supporting the said standard. With reference to the topics GRI 303 - Water and Effluents and GRI 403 - Occupational Health and Safety, the 2018 updated versions were adopted; for GRI Topic 306 - Waste, the 2020 updated version was adopted.

The contents of this report were approved by the board of directors on 25 July 2023 and were submitted to the shareholders' meeting for approval and subsequent publication. This sustainability report was published in September 2023.

For information about the contents of this report, please write to sustainability@everelgroup.com.

Measurement methodologies

Methane Gas

Since it is the sole fuel used for the production of hot water, and is the main one used for indoor heating at the company, and also considering that most of the thermal energy is consumed for heating the production halls, the parameterisation is carried out by considering two factors as a denominator:

the number of shifts (total over the month). Heating is operational during work shifts and temperatures are kept at much lower levels during downtime.

the delta between the average outdoor temperature (ARPA Veneto historical data) and the set indoor temperature of 20°C.

This results in an index indicator with the unit of measure $[SCM/(shift * °C)]$ which measures the amount of methane consumed by the heating system for each shift worked and for each degree of thermal delta generated during the shift.

The annual value is obtained as the average of the monthly indexed values, weighted by the quantity of methane consumed in the month.

An indexed value of specific energy is obtained, which is measured in $[KWh/Hmachine]$ and accounts for the total electrical energy consumed per hour of work of a CDL (Work Centre) in production.

This indexation allows for comparison of the production system over various periods of time, in terms of overall energy efficiency, regardless of the quantity of production during the periods under comparison.

The annual value is obtained as the average of the indexed monthly values.

Electricity

For this energy vector, the main use is to provide functionality for the production site's work centres and for the utilities required for the same purpose (in particular, lighting, compressed air generation, generation of refrigerated fluid for plastic moulding, and vacuum generation for raw material transport).

Secondly, electricity supplies the functional needs of the offices and the operation of the general facilities (canteen, meeting rooms, outdoor lighting, office air conditioning, toilets, etc.). It was therefore decided to index the electricity consumption by taking the number of machine hours paid by production on the company ERP as a denominator. This figure accounts for how many "primary energy users" were in operation and therefore correctly links the energy consumed to the site's production activity.

Stakeholder engagement

We are a complex organisation, with strong roots in the local area but, at the same time, with a strong drive towards internationalisation. In this spirit, relationships with all of our stakeholders assume a central role when it comes to defining our sustainable development strategy.

We have always engaged with our employees, customers and suppliers, but today we want to build deeper and more meaningful relationships with all players in our ecosystem to create a more sustainable future for all.

In 2021, Everel formalised the mapping of our stakeholders, using the AA1000SES standard. We classified the stakeholders in new ways:

- Type and level of responsibility applicable (legal, financial or operational).
- Influence incurred: the capacity to influence our performance and to affect whether or not we actually achieve the sustainability goals we set ourselves.
- Influence exerted: the level of influence we generate externally with our activities or operations.
- By proximity: those with whom our organisation interacts the most, including internal stakeholders, those with whom we establish lasting relationships, those on whom we depend for day-to-day operations, and those who live close to our operational headquarters.

By adopting these new perspectives to the people with whom we interact, we have codified the ways in which we engage and dialogue with each group and sub-group.

Everel strives to build strong and lasting relationships with its stakeholders, even on complex issues. To do so, the company is committed to listening to stakeholders' needs, building new relationships and defining dedicated dialogue tools.

CATEGORY	SUBGROUP	CURRENT ENGAGEMENT TOOLS	ENGAGEMENT CONTENT
Employees	Head of department	<ul style="list-style-type: none"> Reporting Regular updates Approval of budgets/projects Representation 	<ul style="list-style-type: none"> Objectives/strategies
	Office Operational	<ul style="list-style-type: none"> Policies and procedures Training Everel4you (counselling desk) Survey Internal communication (newsletter and intranet) 	<ul style="list-style-type: none"> Duties Product/process Code of Ethics General improvement/well-being Safety and the environment
	Interns + new recruits	<ul style="list-style-type: none"> Specific training Induction plans (welcome kit) 	<ul style="list-style-type: none"> Duties/product/process Code of Ethics
	Potential new recruits	<ul style="list-style-type: none"> Employer branding Social media University open day Talent workshop 	<ul style="list-style-type: none"> Company presentation
Customers	Large and small manufacturers Distribution/agents	<ul style="list-style-type: none"> Technical update meetings Meetings and calls Workshops Portals Technical support Support 	<ul style="list-style-type: none"> Technical development Quality Deliveries Business continuity Continuity Safety
	Potential new customers/ markets	<ul style="list-style-type: none"> Social media Events and trade fairs Workshops Media/TV/Press 	<ul style="list-style-type: none"> Experiences Market/positioning Continuity Innovation
Suppliers	Primary Alternatives Raw materials Small/large Components Services Automotive	<ul style="list-style-type: none"> Environmental specifications Questionnaires Visits/audits RFQ Alternative proposals NDA Internal/external training Dedicated training workshop Development 	<ul style="list-style-type: none"> Environmental compliance Product/process compliance Offer Innovation Training on the basic product in service Training on attributes provided Environmental and social sustainability

CATEGORY	SUBGROUP	CURRENT ENGAGEMENT TOOLS	ENGAGEMENT CONTENT
Trade unions		<ul style="list-style-type: none"> Regular meetings 	<ul style="list-style-type: none"> Contracts Health and safety Welfare
Certification bodies/ Legislation		<ul style="list-style-type: none"> Certifications Audits Updating of standards Training courses 	<ul style="list-style-type: none"> Reporting Non-compliance Daily improvement
Universities and Research		<ul style="list-style-type: none"> Open days Internships Technology scouting Technical meetings 	<ul style="list-style-type: none"> Innovation Training Human capital
Competitors		<ul style="list-style-type: none"> Desk Social media 	<ul style="list-style-type: none"> Technologies Common methods Image
Community	Families Associations Schools Business activities Communities	<ul style="list-style-type: none"> Worker mediation Direct contact Events Programming activities Press and media releases 	<ul style="list-style-type: none"> Welfare Focus on sustainability issues Participation in local activities
Institutions	Legislative bodies ASL (local health authorities) RSPP (prevention and protection service manager)	<ul style="list-style-type: none"> Mandatory communication Directives Advising Lobbying Round tables 	<ul style="list-style-type: none"> Forms Reports Standards and directives Health and safety
Environment		<ul style="list-style-type: none"> Choice of sources (materials/countries) Anticipating directives on hazardous materials Reducing impact: complying with limits, limiting emissions, increasing efficiency) Enquiries from customers Price trends 	<ul style="list-style-type: none"> Reducing risk Savings Anticipating legislation Availability of raw materials

The materiality analysis

A materiality analysis is a process that allows Everel to identify the most relevant sustainability issues. These themes are used to guide sustainability reporting and the development of short-, medium- and long-term strategies.

The Everel Sustainability Committee has conducted the company-wide materiality analysis, focusing on Everel SpA.

To define the internal relevance of sustainability issues, in 2021 Everel engaged an external group of experts and conducted the following activities:

- A focus group with the Sustainability Committee
- In-depth interviews with all corporate functions
- A survey aimed at all employees
- Three meetings to explore the issues identified
- Two meetings to identify opportunities and threats related to relevant topics
- A meeting to define priorities and configure the materiality matrix

To define external relevance, Everel assessed the following factors in 2021:

- The reference material topics used by other industry players (SASB industry benchmarks) and a panel of competitors and customers.
- The environmental impacts generated by Everel's value chain and its products, using the Simplified Life Cycle Assessment methodology (The Natural Step).
- The scientific and industry literature on the impacts of sustainability.
- The results of a survey on the relevance of sustainability issues identified by Everel to external stakeholders, to which 50 people responded.

Over the past year, Everel has been conducting an activity designed to reinterpret material issues in terms of impact. In particular, the material issues identified during the last reporting period were evaluated:

- The type of impact (positive or negative)
- The main area of influence (economic, environmental, social and/or human rights)
- The causes (whether direct or indirect)
- The magnitude of potential benefits or harm
- The type of consequences (potential or actual)
- The geographical scope of the consequences
- The effort required, where possible, to repair damage generated by a negative impact
- The frequency of occurrence
- Whether or not the issue is subject to mandatory regulation

Finally, the actions to be implemented in order to manage and limit negative impacts and/or prepare for and amplify potential positive impacts have been described.

The results of this work feed into an updated materiality matrix, so that the material topics can be reinterpreted according to the intensity of the impact generated, whether real or potential.

The Everel Group's materiality analysis, which takes into account the significance of the impacts generated, the future challenges of the industry and the interests of our stakeholders, has identified 10 priority topics:

- 1 Partnerships for sustainable innovation:** the way in which Everel's innovation and openness processes for developing shared projects with suppliers, customers, research centres, universities, start-ups, the third sector, etc. are able to identify elements of sustainable innovation.
- 2 Sustainable materials management:** intervening in the life cycle of products to activate circular economy dynamics, such as reducing waste and refuse, materials, resources and energy, and promoting a focus on production conditions with raw materials.
- 3 Worker safety:** ensuring the extension of health and safety initiatives beyond legal obligations, also taking care of psychological, economic and relational aspects.
- 4 Product and customer safety:** constructing a pro-active/anticipatory approach to safety directives and focussing on the conditions under which raw materials are produced.
- 5 Well-being of individuals:** A constant focus on balancing personal and professional life, opportunities for growth and a focus on issues of inclusion and integration.
- 6 Environmental compliance:** Deliver a pro-active/anticipatory mindset towards national, European and global environmental directives with a focus on milestones and targets.
- 7 Sharing:** ongoing information, communication, engagement and awareness-raising activities on ethical, environmental and social sustainability issues aimed at internal and external stakeholders.
- 7 Ethics:** the way we oversee fundamental issues of business ethics, such as legality, fairness and anti-corruption.
- 8 Energy and emissions:** responsible management of energy resources through a commitment to the reduction of greenhouse gas emissions and initiatives for climate change mitigation and adaptation.
- 10 Social ecosystem:** enhancing relations with the local social, cultural and institutional fabric through active participation in initiatives of value and overseeing the sustainability of the supply chain.

POSITIVE IMPACT	TOPICS	DESCRIPTION OF IMPACT AND MITIGATION ACTIVITIES	SPHERE OF INFLUENCE	NEGATIVE IMPACT
•	Partnership for sustainable innovation:	For Everel, partnerships are the driver of sustainable growth. Everel's innovation and openness processes for developing shared projects with suppliers, customers, research centres, universities, start-ups, the third sector, etc. are able to identify elements of sustainable innovation. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Partner search and networking opportunities with universities • Partner search with innovative start-ups • Analysis of partnership opportunities in the supply chain • Partnership with the region with high positive impact 	<ul style="list-style-type: none"> • Economic • Environmental • Social • Human rights 	••
••	Sustainable materials management	Materials management is one of the highest impact issues for Everel. The company intends to take action in the life cycle of products to activate circular economy dynamics, such as reducing waste and refuse, materials, resources and energy, and promoting a focus on production conditions with raw materials. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Research and scouting of potential alternative materials to plastic or with reduced environmental impact compared to current plastic • Analysis and management of production waste 	<ul style="list-style-type: none"> • Economic • Environmental • Social 	••••
•	Workers' health and safety	Ensuring the extension of health and safety initiatives beyond legal obligations, also taking care of psychological, economic and relational aspects. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Everel4you - psychological support • Near miss monitoring and safety prevention and culture initiatives • Activities to increase risk perception through new reporting systems • Health and safety training beyond legal obligations and use of augmented reality 	<ul style="list-style-type: none"> • Economic • Social 	•••
•	Product and customer safety	Ensuring the extension of health and safety measures for our products beyond legal obligations. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • EN61058, UL61058 etc. product certifications and compliance with the relevant standards • Product and process analysis and control at the request of the customer 	<ul style="list-style-type: none"> • Economic • Social 	•••
•	The well-being of individuals	A constant focus on balancing personal and professional life, opportunities for growth and a focus on issues of inclusion and integration. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Flexible working policies, remote working, welfare • Professional and personal growth opportunities, discussion, listening and engagement activities • Activities to promote diversity and inclusivity policies. • Well-being survey 	<ul style="list-style-type: none"> • Economic • Social • Human rights 	•

POSITIVE IMPACT	TOPICS	DESCRIPTION OF IMPACT AND MITIGATION ACTIVITIES	SPHERE OF INFLUENCE	NEGATIVE IMPACT
•	Environmental compliance	Deliver a pro-active/anticipatory mindset towards national, European and global environmental directives with a focus on milestones and targets. The activity that Everel has initiated in this regard is: <ul style="list-style-type: none"> • ISO 14001 certification 	<ul style="list-style-type: none"> • Economic • Environmental 	
•	Sharing	Ongoing engagement, information, communication and awareness-raising activities on ethical, environmental and social sustainability issues aimed at internal and external stakeholders.		•
•••	Ethics	The way we oversee fundamental issues of business ethics, such as legality, fairness and anti-corruption. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Definition of the 231 Management Model, an official document containing all rights, duties and responsibilities towards stakeholders. 	<ul style="list-style-type: none"> • Economic • Environmental • Social • Human rights 	•••
••	Energy and emissions	Responsible management of energy resources through a commitment to reducing greenhouse gas emissions and initiatives for climate change mitigation and adaptation. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Interventions in new production technologies to improve energy efficiency (high-efficiency condensing boilers; heat exchangers for recovering lost energy from compressors; thermal insulation; high-efficiency air conditioning refrigeration unit) • Methodical switching off electrical loads to reduce the company's no-load consumption • Feasibility study for the installation of a 1MWh solar array on the roof of the main hall. 	<ul style="list-style-type: none"> • Economic • Environmental • Social • Human rights 	••••
•	Social ecosystem	Enhancing relations with the local social, cultural and institutional networks through active participation in initiatives of value and overseeing the sustainability of the supply chain. The projects that Everel has initiated in this regard are: <ul style="list-style-type: none"> • Corporate volunteering • Company vegetable garden project • Local schools project (PCTO and entrepreneurship) • Analysis of suppliers according to social and environmental criteria • Selection and evaluation of suppliers according to social and environmental criteria 	<ul style="list-style-type: none"> • Economic • Environmental • Social • Human rights 	•

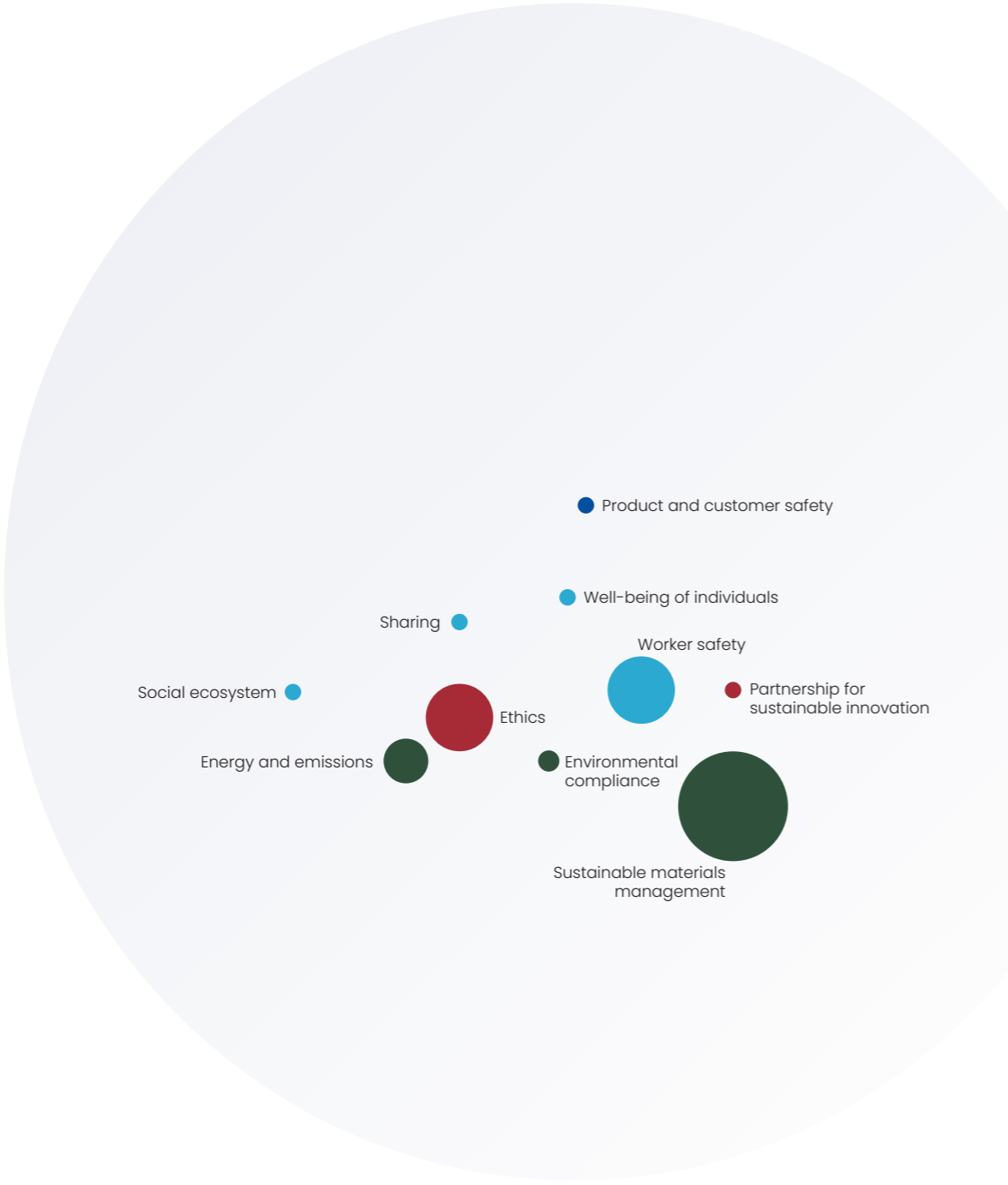
Intensity of impact generated: • slight, •• low, ••• moderate, •••• significant, ••••• very significant

Impacts considered to be positive relate mainly to an assessment of activities intended to mitigate negative impacts. Activities undertaken by Everel that generate positive impacts, such as sharing, avoid potential negative impacts.

The results of the assessment are reported on a materiality matrix to show the potential impact on the business.

GRI content index

STAKEHOLDER



EVEREL

- Environment
- Governance
- Product
- Social media

Statement of use	EVEREL GROUP S.p.A. a Socio Unico has reported the information cited in this GRI content index for the period 01/01/2022 - 31/12/2022 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Us p.9
	2-2 Entities included in the organization's sustainability reporting	Methodological note p.115/Us p.11
	2-3 Reporting period, frequency and contact point	Methodological note p.115
	2-4 Restatements of information	Methodological note p.115
	2-6 Activities, value chain and other business relationships	Us (Our Brands, Processes, Products, Services, Applications) p. 14 - 22
	2-7 Employees	People (People Management) p. 54 - 61
	2-9 Governance structure and composition	Us (The Governance System) p.44 - 47
	2-10 Nomination and selection of the highest governance body	Us (The Governance System) p.45
	2-11 Chair of the highest governance body	Us (The Governance System) p.44
	2-12 Role of the highest governance body in overseeing the management of impacts	Us (The Governance System) p.44 - 47
	2-14 Role of the highest governance body in sustainability reporting	Us (The Governance System) p.44 - 47
	2-15 Conflicts of interest	Us (Responsibility and ethics as drivers of business - Conflicts of interest) p. 50
	2-16 Communication of critical concerns	Us (Responsibility and ethics as business drivers) p.50
	2-22 Statement on sustainable development strategy	Letter from the Chairman - Letter from the CSR Manager
	2-23 Policy commitments	Us (Responsibility and ethics as business drivers) People p.50
	2-25 Processes to remediate negative impacts	Us (Responsibility and ethics as business drivers) p.50
	2-26 Mechanisms for seeking advice and raising concerns	Us (Our approach to risk) p. 48
	2-29 Approach to stakeholder engagement	Stakeholder engagement p.117
	2-30 Collective bargaining agreements	People (People Management)
	GRI 3: Material Topics 2021	3-1 Process to determine material topics
3-2 List of material topics		Stakeholder engagement p.121
3-3 Management of material topics		Stakeholder engagement p.121

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Group economic performance
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Us (Our processes, products, services, applications - Suppliers) p. 12 For the purposes of this report, the definition Local identifies suppliers based in Italy
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Us (Conflicts of interest) p.51 https://www.everelgroup.com/certificati-e-documentazione-corporate/
	205-3 Confirmed incidents of corruption and actions taken	Us (Conflicts of interest) p.51
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environment (Responsible materials management) p.97
	301-3 Reclaimed products and their packaging materials	Environment (Responsible materials management) p. 100
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment (Energy) p.106 - 108
	302-3 Energy intensity	Environment (Energy) p.106 - 108
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment (Emissions) p.109
	305-2 Energy indirect (Scope 2) GHG emissions	Environment (Emissions) p.109
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment (Emissions) p.111
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment (Responsible waste management) p. 102 - 104
	306-2 Management of significant waste-related impacts	Environment (Responsible waste management) p. 102 - 104
	306-3 Waste generated	Environment (Responsible waste management) p. 102 - 104
	306-4 Waste diverted from disposal	Environment (Responsible waste management) p. 102 - 104
	306-5 Waste directed to disposal	Environment (Responsible waste management) p. 102 - 104
GRI 307: Environmental Compliance	Disclosure 307-1 Non-compliance with environmental laws and regulations	Environment (Environmental compliance) p. 112
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People (People management) p. 60

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People (Worker safety) p. 78
	403-2 Hazard identification, risk assessment, and incident investigation	People (Worker safety) p. 78
	403-3 Occupational health services	People (Worker safety) p. 78
	403-4 Worker participation, consultation, and communication on occupational health and safety	People (Worker safety) p. 78
	403-5 Worker training on occupational health and safety	People (Worker safety) p. 78
	403-6 Promotion of worker health	People (Worker safety) p. 78
	403-8 Workers covered by an occupational health and safety management system	People (Worker safety) p. 78
	403-9 Work-related injuries	People (Worker safety) p.78
	403-10 Work-related ill health	People (Worker safety) p. 78
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-3 Percentage of employees receiving regular performance and career development reviews		People (Growth and training) p. 64
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People p. 71
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents relating to the principles of equality and non-discrimination have been recorded
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	People (Customer health and safety table) p.84
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	People (Customer health and safety table) p.84

An **Everel Group S.p.A.** report

A project by
the Everel Group S.p.A. Green Team

Graphic design by
site By site S.p.A.

Printed by
Gestioni Grafiche Stocchiero S.r.l.

Everel Group S.p.A.

Via Cavour 9 - 37067
Valeggio sul Mincio (Verona) Italy

T. +39 045 6313711
F. +39 045 6313730

info@everelgroup.com
www.everelgroup.com