



ENERGY IN MOVEMENT

Sustainability Report 2023

1 January 2023 – 31 December 2023

EXPECT MORE

CHERUBINI



CHERUBINI

Since 1947, the Cherubini Group has been an Italian reality dedicated to the production and distribution of solutions and systems for sun protection, roller shutters and home automation.

Born from the artisan passion of the Cherubini family, structured around the lead company Cherubini S.p.A., based in Bedizzole in the province of Brescia, the Group is now present in 6 countries and is made up of 9 companies with over 280 people working every day to develop solutions for the future of "living well".

The first Sustainability Report was published by Cherubini in 2023 on a voluntary basis, with a perspective of maximum openness and transparency towards all its stakeholders, pursued through the adoption of the most widespread non-financial reporting standards at international level.

In order to continue on the path of integrating ESG policies into the Group's activities and reporting, Cherubini presents the second edition of the report in 2024, with data updated to 2023.

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A history in
constant evolution

1



[GRI 2-22]



Dear Readers,

It is with great pleasure that I present to you the 2023 edition of the Cherubini Sustainability Report. A new stage in our journey towards sustainable growth, in line and continuity with the choice of transparency made in 2022, and aimed at communicating to our stakeholders the sustainability initiatives and results achieved in environmental, social and economic terms.

Like 2022, this year has been marked by challenges and opportunities, determined by the continuing instability and complexity of the global political-economic scenario, which is reflected with urgency and intensity in the markets and the production chain.

Nevertheless, we have reached important milestones.

Our commitment as Cherubini has led us to continue on the path of strategic acquisitions in order to guarantee our customers an even more structured, articulated and complete offer: the entry of Cherubini Mi-Metal and Cherubini Electronics into our Group now allows us to offer complete handling systems, with a more punctual management of

development and production activities.

The consolidation of collaborations with important international partners has also contributed to the achievement of a total turnover of 56 million euros in 2023, supporting our growth horizon towards the targets set for 2030. This result testifies to our ability to face limits and opportunities, demonstrating the adaptability and resilience that characterise our constantly evolving nature and our commitment to movement.

Along this path, the adoption of ESG policies within the company's activities continues, as expressed by the data and indicators collected in this edition of the Cherubini Group Sustainability Report, keeping intact our promise of quality and innovation in the sun protection sector.

We look to the future with determination, continuing to invest in research, development and certification of new products, thanks to the trust and support of all our stakeholders.

Together, we can meet the challenges and build an even more sustainable future for all of us.

Francisco Sanchez CEO, Cherubini July 2024



Our roots: in brief

At Cherubini, every product is conceived, designed and produced with passion and attention to detail. Our customers are of utmost importance to us and we listen to them to identify, together, the best custom solutions. Products that are often hidden away, but which transform complex operations into simple gestures.

Expect More

Our Manifesto: beyond expectations, beyond results, we always ask for more



LISTENING



developed in-house and launched on the market in 2023



deposited over the years by Cherubini



in Italy and across the world



MADE IN CHERUBINI

from concept to distribution, Cherubini manages every phase





Cherubini: tocco italiano since 1947

[GRI 2-1] [GRI 2-2] [GRI 2-6]

**Expect more:
our Manifesto**

Integrated solutions for the future of well-living, guided by energy in movement and based on listening and co-design

Cherubini S.p.A. is a family-owned Italian company specialised in the design, production and distribution of moving sun protection systems. Two essences—artisan and industrial—united in a Group which, with ingenuity and passion, offers integrated solutions for the well-being of tomorrow.

It all started in 1947 when Cesare Cherubini opened his artisan metalworking shop in Carzago, in the province of Brescia. It began to expand internationally in the 1960s when the company became an international supplier in glass door accessories and, later, awnings and screens. Starting from its experience with manual systems, the company was an early innovator in the production of electronic and electrical motors for roller shutters, awnings, technical blinds and pergolas.

In the early 2000s, building on its extensive experience, Cherubini began to integrate electronics and domotics for more intelligent space management—a technological network that guarantees remote connection and control of smart living devices. Today, guided by its attention to detail and dialogue with customers, Cherubini brings together the

best in “Made in Italy” craftsmanship with an industrial approach, combining manual skill, electronics and home automation to create integrated and modular solutions designed to be key components of open ecosystems.

In recent years, the company has embarked on a major growth program involving substantial investment in research and development and key acquisitions that have allowed the Group to expand both in Italy and abroad. Integration, internationalisation and innovation are the basis of the strategy of this Group that has always been able to take full advantage of its unique abilities: an artisan spirit, eye to the future, practical approach and willingness to listen.



Our Manifesto

EXPECT MORE

We believe in the power of constant evolution.

We put all our energy into motion,
in the pursuit of systems that make life more comfortable and sustainable.

We choose to listen and co-design
because we know that the most effective ideas come from working together.

Together with our customers and partners,
we contribute to the improvement of living spaces
with complete sun protection solutions that are efficient, versatile and reliable.

Our Italian roots are an essential part of who we are.

We are proud of our history as an industrial family and
grateful to the people who make it possible for us to grow
as an international group today.

We value this precious heritage of skills and passion in everything we do,
constantly striving to be better and to surpass ourselves every day.

Beyond expectations, beyond results, we always ask for more.



A history that goes back 75 years

1947

From the founding to entering the Swiss market

Cherubini's roots go back to 1947, during the period of post-war reconstruction, when Cesare Cherubini started a small artisan workshop specialised in metalworking. As a result of its search for new solutions, in the 1960s, during the economic boom period, Cherubini expanded into the international market, in Switzerland, supplying accessories for glass doors.

1970

Reorganisation, diversification, expansion

The economic boom in the '60s opened the way for large-scale improvement in the company. It marked the start of a phase of reorganisation, diversification and broadening of the product line that expanded into production of accessories for roller shutters and Venetian blinds. Yet it was in the 1980s that the company's international outlook took shape, when the product line grew to include the first solutions for awnings and screens.

1990

Integration of electronic solutions

In the late 1990s, thanks to ongoing investment in research and development, Cherubini began to create the first electronic solutions for automated awnings. A veritable revolution that definitively opened the way to an industrial approach, combining Made in Italy craftsmanship with high technology know-how.

2000

The domotics age

The new challenge facing Cherubini lies in combining electronics with domotics to create custom solutions for living comfort. An opportunity the company has taken on through the acquisition of new branches around the world, in Spain, France, Germany, China and Turkey.

2020

The new Smart Home standards

Cherubini is active in developing increasingly-innovative home automation solutions by integrating its products into complete and modular ecosystems, especially as a result of the acquisition of WiDom S.r.l. and Mi-Metal in early 2023. In 2022, Cherubini celebrated its 75th anniversary.

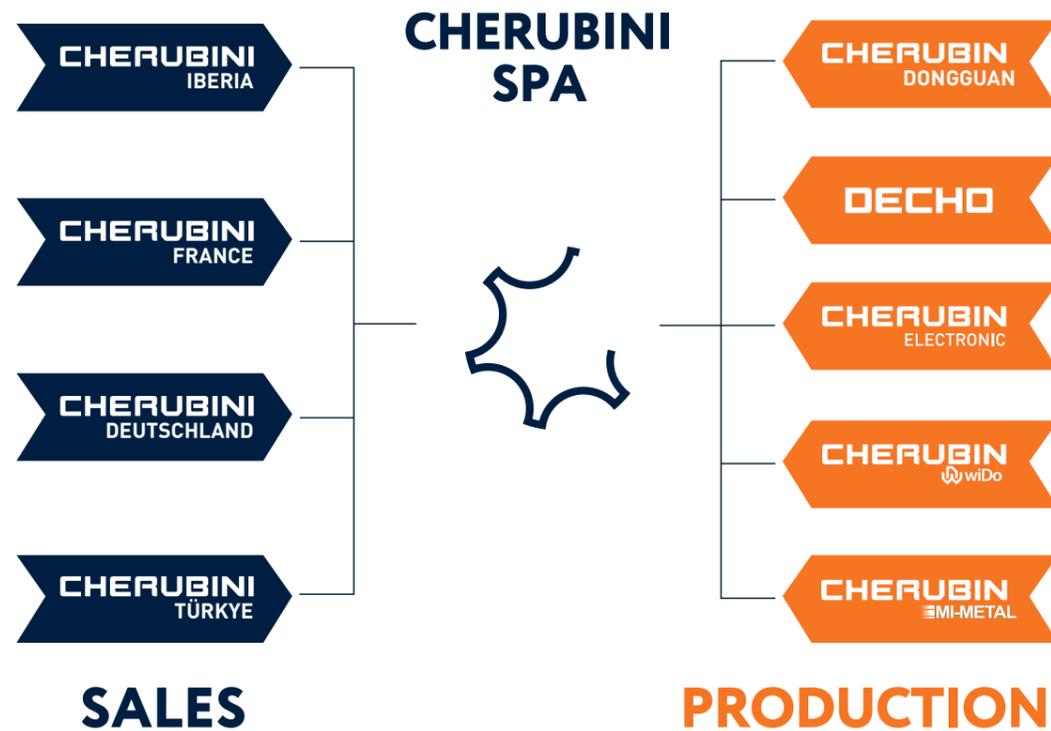


An international perspective

[GRI 2-1] [GRI 2-2]

The company structure of the Cherubini Group¹ is comprised of Cherfin S.r.L., Unicher S.r.L. and Total Strategy with shareholdings of, respectively, 85%, 10% and 5%.

The Group is comprised of the parent company Cherubini S.p.A. and eight subsidiary companies, including both sales and production offices located in Italy, China, France, Germany, Spain and Turkey.



The parent company Cherubini S.p.A. is headquartered in Bedizzole in the province of Brescia and houses the majority of productive activity (66% of total production), and is also the business headquarters.

The international sales offices are Cherubini Iberia S.L. (51%), Cherubini France S.a.r.l. (80%), Cherubini Deutschland GmbH (100%) and Cherubini Türkiye Kepenk Sistemleri Ith. Ihr.Tic A.Ş (100%).

Currently, the four production subsidiaries² are the result of the acquisitions made by the Group over the period 2020-2023 to augment its technical expertise, production capacity and distribution network.

<h2>100%</h2>	<p>Cherubini Electromechanical Products Co. (100%): founded in 2011 and located in Dongguan, China, the company produces the remaining motors for automated awnings and roller shutters (34% of total production).</p>
<h2>51%</h2>	<p>DECHO S.r.l. (51%): acquired in 2020, the company specialises in the production of parts and manual metalworking.</p>
<h2>70%</h2>	<p>Cherubini Electronics (70%): founded in 2022 with the acquisition of D&B S.r.l., the company is involved in the production and assembly of digital cards.</p>
<h2>70%</h2>	<p>CHERUBINI Mi-Metal (70%): acquired in 2023, the company specialises in the production of integrated systems for roller shutters and garage doors and is active in leading European, Mideastern and American markets.</p>

The acquisition strategy is part of a broader perspective designed to position the company as an international player offering a broad array of systems and solutions for smart home development under a single brand.

In fact, thanks to its acquisitions, Cherubini has extended its product lines. In addition to motors and manual system accessories for awnings, pergolas, roller shutters, Venetian blinds and screen systems, the Group currently offers a broad selection of integrated systems for roller shutters and garage doors, including rollers, pulleys, brackets, caps and tilters.

¹The company structure above refers to fiscal year 2023
²The Widom S.r.l. production subsidiary, dedicated to the supply of smart home technologies with expertise in the development and production of smart devices, was acquired in 2020 and then absorbed into the parent company in 2023.



Made in Cherubini

[GRI 2-6]

Integration of the solar protection systems the Group offers its customers can be seen in the “Made in Cherubini” approach designed to consolidate its overseeing of activities throughout the entire value chain. From concept to distribution, virtually the entire development process occurs in-house.

Thanks to its four planning offices and five production facilities, the Group closely monitors the production cycle of its products, from the selection of the raw materials to the punctual delivery of the finished devices.



Research and Development:

the solutions offered by Cherubini are the product of advanced electronic and mechanical skills guided by input from customers about their needs and co-design of high-quality, innovative solutions.



Material selection:

materials are selected based on the quality and performance they offer when utilised. Cherubini pledges to use materials such as brass, aluminium, zamak, steel and plastic with guaranteed qualities of resistance, durability and high-performance in the finished products.



Integrated production:

the presence of multiple departments in a 14,500 m2 production facility allows for meticulous attention to detail and the possibility of adapting products to the needs of customers in all processes required in producing the finished product, including turning, tumbling, serration and thermo-lacquering.



Quality testing:

the products are tested in a laboratory with equipment that guarantees consistency, comparison, creation of prototypes and research into alternative materials. A meticulous, precise process to guarantee quality to customers, distributors and installers.



Logistics and sales:

thanks to its flexible and responsive network of small firms, the Group's products are delivered quickly and on-schedule. Cherubini also provides excellent customer relations through a solid international support network it has developed over the years through its subsidiaries.



Post-sale service and training:

through its post-sale service team supported by resources made available by the Cherubini Academy, the Group works alongside technicians, distributors, installers and private citizens in system and device installation and configuration.



Made in Cherubini

Cherubini's integrated product line offers moving sun protection systems and accessories in three main product categories: Manual, Electronics and Domotics.



MANUAL

For over forty years, the company has been involved in manual systems, developing mechanical accessories for movement of awnings, Venetian blinds and roller shutters, including winches, cranks, universal joints and variators for sun protection.

Manual solutions include:

- **VENETIAN BLIND SYSTEMS:**
gears, stops, brackets and tilters;
- **ROLLER SHUTTER SYSTEMS:**
gears, caps and other accessories;
- **AWNING SYSTEMS:**
gears, operating rods, assist springs and caps;
- **SCREEN SYSTEMS:**
gears and accessories;
- **CRANKS AND UNIVERSAL JOINTS:**
cranks, universal joints, universal joints with plates and other accessories.



ELECTRONICS

For over twenty years, Cherubini has been designing and producing electrical motors and accessories for awnings, roller shutters, technical blinds and screens. Electronic solutions provide practical, automatic control of sun protection systems.

Electronic solutions include:

- **MOTORS:**
motors for roller shutters, motors for awnings, motors for pergolas and motors for technical blinds and screens;
- **CONTROL SYSTEMS:**
remote controls, climatic controls, control units, receivers and electrical accessories;
- **ACCESSORIES:**
adaptors, motorhead brackets, accessories for manual operation and safety stops.



DOMOTICS

In 2017, the first smart home solutions were born, a technological network that guarantees connection and control of remote smart living devices. Domotic solutions are systems that simply and efficiently connect motors with home devices.

Domotic solutions include:

- **DOMOTIC SYSTEMS:**
multi-protocol systems for smart solar protection and Bluetooth systems for smartphone management of home solar protection systems;
- **DOMOTIC DEVICES:**
multi-protocol gateways, actuators for motors and lights, driven switches and keypads;
- **DOMOTIC ACCESSORIES:**
BUS modules, expansion modules, domotic isolators, domotic receivers and transmitters.



Made in Cherubini

Cherubini manual, electronic and domotic solutions can be integrated into a broad selection of applications, including Venetian blinds, roller shutters, awnings, technical blinds and pergolas.



Venetian blinds:

a type of sun screen attached to the window frame and comprised of horizontal slats, usually made of metal or plastic, that can be angled or raised to adjust the amount of light that enters.



Roller shutters:

also known as roller blinds, are sun protection systems for windows and doors which, through a system of belts, chains or electric motors, wrap around a tube when they are raised or lowered.



Awnings:

sun protection systems designed to protect outdoor spaces, such as terraces, balconies or yards from sunlight. They are comprised of a solid framework and weather-resistant fabric that extends over the area to be protected.



Technical blinds:

unlike traditional awnings, technical blinds are designed to control sunlight, offer protection from heat and be wind- and water-resistant.



Pergolas:

a covered outdoor structure consisting of a series of horizontal slats supported by vertical columns to create a roof that opens.



Sliding roofs:

systems for sliding glass roofs.



Our commitment to responsibility

In 2021, Cherubini launched Cherubini Social Responsibility (CSR), a commitment that applies the Group's know-how and technologies to create better living spaces. The project is based on the Group's mission and its goal is to apply the Cherubini philosophy by moving into the future through concrete projects and initiatives to contribute to the sustainable transition.

This commitment is built on five cornerstones:

1. **Build customer relations:** handle customer relations wisely and strategically to maintain strong, long-term relations and guarantee a transparent and professional approach.
2. **Improve the ecosystem:** promote and invest in prudent growth based on sustainability and social well-being by involving corporate stakeholders, including customers, collaborators and the community.
3. **Redesign the company's capacity:** invest in the reorganisation of production processes, and optimise flows and technologies to meet the company's growth objectives.
4. **Finance development:** balance expenditure priorities and cash flows so that the financial commitment is commensurate with the rate of growth and remains sustainable over the long-term.
5. **Grow through collaboration:** work together, respecting diversity, to guarantee a competitive spirit and sharing individual points of view, while actively contributing to transformation projects.

In its progress towards integrating sustainability, Cherubini has identified the Sustainable Development Goals (SDGs) of the 2030 Agenda it believes to be most relevant for the Group and around which it will be focussing its efforts in projects to be implement over the period 2022 to 2024.

The SDGs are a global call to action in which everyone is called upon to play a part to balance short- and medium-term needs with long-term requirements, with no one left behind. The aim of the Agenda, adopted in 2015 by all the members of the United Nations, is to achieve 17 sustainability goals and 169 targets by 2030.



Our commitment to responsibility



Industry, innovation and infrastructure

- 2 million invested in the development and improvement of technical areas
- 7 new products and solutions released by Cherubini in 2023
- €2 million invested in 2023 in research and development of new products
- 31 industrial patents deposited since the company's founding



Clean, accessible energy

- 4,673,000 kWh of energy consumed in 2022, of which 15.3% energy produced from renewable sources
- Installation of a photovoltaic system at the Bedizzole headquarters with a capacity of 412,173 kWh and production of approximately 30,000 kWh by the Cherubini Iberia plant
- Assessment of plastic moulding machine consumption and related efficiency upgrading plan
- Replacement of the lighting system in the plastic moulding department



Decent work and economic growth

- 283 employees with permanent contracts in 2023
- 2 injuries recorded in 2023
- 1148 training hours provided in 2023
- €468,390 donated to local associations and projects in the last three years



Responsible consumption and production

- 88% of waste generated by the company was sent for recycling or recovery in 2023
- 2 products introduced into the French market underwent LCA (Life Cycle Assessment)
- 10-year Cherubini product durability
- 50% of expenditure to suppliers headquartered in Italy



Economic-financial results

[GRI 2-6] [GRI 201-1]

Over 2022, the world economy faced a series of obstacles that contributed to slowing growth, especially during the second half of the year. The geopolitical context with the Russian-Ukraine conflict and the Covid lockdown measures adopted in China destabilised global supply chains. These events, combined with tensions in commodity markets, fed inflation which triggered an exponential increase in raw material prices.

Despite this difficult context, Cherubini Group revenues grew, from €54 million in 2021 to over €60 million in 2022. This increase was led by the growth in purchases by end-consumers, fostered by government incentives in the construction sector. The value of what was produced also grew, from €60 million in 2021 to €63 million in 2022. Despite an increase in labour costs, the consolidated results remained positive at €1 million.

Millions of € (consolidated values as at 31.12)	2023	2022	2021
Income from sales	55.927.065	60.850.543	54.311.299
Gross operating margin	4.476.463	6.236.130	7.859.737
Production output value	56.952.132	63.191.204	60.948.576
Consolidated profit	477.069	1.943.090	3.549.919
Group profit	305.279	1.697.819	3.226.211

Economic value generated and distributed

The overview of distribution of economic value generated offers the opportunity to analyze the distribution of value generated by the Group in the form of costs, highlighting the flow of resources to the stakeholders that contributed, in various ways, to its production. In 2022, the value distributed by the Group was €61.5 million.

€ (consolidated values at 31/12)	2022	2021
Economic value generated	63.191.204	60.948.576
Economic value distributed	61.538.096	57.241.258
Operating costs	48.306.646	44.987.809
Personnel	12.047.305	11.255.542
Capital providers ¹	245.271	323.608
Public Administration	938.874	997.907
Economic value retained	1.653.108	3.383.710

¹ Third-party result



Strategic investments.

On 01.02.23, CHERUBINI MI-METAL Srl was incorporated for the purpose of manufacturing small metal parts and metal components in general and, in particular, mechanisms for raising roller shutters and up-and-over doors.

The transaction was considered opportune and strategic in order to widen the range of products available with a brand recognised on the market. The aim of the operation was to increase the penetration of the target market, also with regard to customers already belonging to the Cherubini Group.

In the year under review, the Group made investments totalling 6,177 thousand euros and, in addition to extending its scope of consolidation with the integration of the company, acquired an important asset from the FAAC Group for over 700 thousand euros, acquiring the know-how relating to a group of customers mainly in the GERMANY and BENELUX areas; the Group also completed the renovation of the building, acquired under lease, which is the current headquarters of Cherubini Electronics Srl.

It is also worth mentioning the completion of the investments related to the implementation of the new ERP Dynamics D365, which has revolutionised the company's information management since the beginning of the year, in addition to the usual replacement investments in machinery and production equipment.



Ethics, transparency and integrity.

[GRI 2-9] [GRI 2-10] [GRI 2-11]

The Cherubini corporate governance system is based on principles of correct and transparent management of its business activities. The major international growth it has experienced in recent years has made it necessary to reorganize the Group’s corporate structure and formalise the roles and responsibilities that guide its activity. **Therefore, in 2022, Cherubini carried out a detailed analysis to develop a new governance model¹ based on international best practices of corporate governance.**

The new Cherubini governance model is based on sharing responsibility and a balanced relationship between management and control which guarantees that risks and opportunities are properly taken into consideration in decision-making processes. Through formalisation of its organisational structure in the company statute, the Group guarantees that the values designed to ensure transparency and integrity within its business model are respected. Through implementation of effective decision-making processes and shared standards, Cherubini is also committed to guaranteeing responsible management of the Group and value creation for its stakeholders.

The new governance structure involves the introduction of the Family Council, the creation of a new Board of Directors and the reorganisation of the Steering Committee, as well as the inclusion of new professional roles within the appointed bodies.

¹The company structure above refers to fiscal year 2023.

Corporate bodies and internal committees

The Family Council (FC) represents Group shareholders and it is responsible for making decisions as provided for in the company statute. The FC is also responsible for managing the financial assets and holdings of the Cherubini family. The FC is comprised of six members, who are Lionello Cherubini, Luciana Cherubini, Paolo Cherubini, Massimo Cherubini, Silvia Cherubini and Luigi Cherubini.

Family Council		
Name	Company	Role
Lionello Cherubini	Cherfin S.r.l.	Chairman
Luciana Cherubini		Vice President
Paolo Cherubini		Board member
Massimo Cherubini		Board member
Silvia Cherubini		Board member
Luigi Cherubini	Unicher S.r.l.	Chairman

The Board of Directors (BoD) is responsible for ordinary and extraordinary management operations and plays a key role in coordinating business strategy and organisational structure. The BoD is comprised of four members, including the president, vice president, managing director and an external board member. Board members are appointed by the Family Council for a term set at the time of appointment, which cannot exceed three fiscal years, but they are eligible for re-election. Their term ends on the date of the Shareholders’ Meeting convened to approve the financial statement of the last fiscal year of their term. Cherubini’s new BoD was created in 2023 and will remain in office until the approval of the 2025 financial statement.



As provided for in Art. 35 of the company statute, in the first meeting following its appointment, the BoD will elect a president from among its members, unless done so by the Shareholders' Meeting. The president convenes the board, sets its agenda, coordinates the work and guarantees that board members are provided with adequate information regarding issues to be discussed. For this reason, the president of the BoD is also a senior manager of the company.

Board of Directors				
Name	Role	Independence	Term	Gender
Cherubini Massimo	Chairman	Executive	2023-2025	♂
Cherubini Paolo	Managing Director	Executive	2023-2025	♂
Sanchez Vidal Francisco Javier	Managing Director	Executive	2023-2025	♂
Minichilli Alessandro	Board member	Non-executive	2023-2025	♂

Cherubini is committed to generating value for its stakeholders through adoption of a corporate governance system that oversees business risks and maintains the integrity of decision-making processes. This system includes:

- The **Board of Statutory Auditors**, comprised of five members, which monitors the activity of the BoD regarding proper administrative principles and the suitability of the Group's organisational, administrative and accounting structure.
- The **Audit Firm**, which carries out an independent and impartial audit of the Group's accounting and financial practices to assess their accuracy, completeness and conformity.
- The **Steering Committee (SC)**, which is responsible for managing and implementing the strategic decisions and operational activities set by the BoD. The SC reports directly to the BoD and is comprised of six members, including the managing director and managers of the various corporate departments. SC members meet the day after the BoD to guarantee rapid transmission of its guidelines.

Board of Statutory Auditors			
Name	Role	Term	Gender
Gabana Roberto	Chairman	2022-2024	♂
Bertini Alessandro	Statutory auditor	2022-2024	♂
Faccoli Matteo	Statutory auditor	2022-2024	♂
Bisi Paola	Alternate auditor	2022-2024	♀
Leali Laura	Alternate auditor	2022-2024	♀

The new governance model calls for the expansion and upgrading of internal committees whose role is to supervise and provide support to decision-making processes. The Group has fifteen committees, eight of which oversee the activities of the Cherubini S.p.A. parent company, and seven the activities of its subsidiary companies.

Committees and Boards	
Cherubini S.p.A.	Function
Steering Committee	Implements corporate strategy and guidelines set by the BoD
Objectives and Key Results (OKR) Steering Committee	Implements strategy and defines corporate priorities through the articulation, assignment and control of goals
Regional Sales Steering Committee	Monitors market trends to define and coordinate regional sales strategy
Business Area Steering Committee	Implementation of regional sales strategy by monitoring and managing business area markets, strategies and plans of action
Marketing Steering Committee	Defines business marketing strategies, acting as a link between sales and marketing
Customer Service Steering Committee	Point of encounter and discussion among planning, production, sales and logistics to optimise service
Product Master Plan Steering Committee	Alignment of strategic priorities for development and related progress, innovation and new technologies regarding business priorities
Supply Chain Steering Committee	Alignment of strategic priorities for inter-departmental development in Operations (OPS) and the supply chain
Subsidiary companies	Function
Cherubini Iberia Board of Directors	Analysis of company progress, management and business strategy
CH.FR Steering Committee	Analysis of company progress, management and business strategy
Cherubini Dongguan Steering Committee	Analysis of company progress, coordination with corporate headquarters and alignment of business priorities and strategies
DeCHo Board of Directors	Analysis of company progress, management and business strategy
WiDom Board of Directors	Analysis of company progress, management and business strategy
Cherubini MiMetal Steering Committee	Analysis of company progress, management and business strategy
Cherubini Electronics Board of Directors	Analysis of company progress, management and business strategy

To orient the Group's sustainability strategy and be prepared for the new compliance standards, in 2022 the first sustainability governance model was defined which calls for the involvement of a specific Steering and Operations Committee, an owner and two board members, the managing director and the FC president. Specifically, the Steering Committee has decision-making responsibility for sustainability project priorities through defining the resources and means required for their realisation. In addition, the Steering Committee allocates and manages the budget for sustainability initiatives. The Operations Committee formalises and manages the goals set by the Steering Committee, providing stakeholders with information about the direction taken and working with external consultants in the programmed activities. As part of this, there is an owner whose task is to assemble the guidelines set by the Steering Committee and share them with the Operations Committee, while coordinating the sustainable initiatives and their implementation.



Materiality Analysis

[GRI 2-29] [GRI 3-1] [GRI 3-2]

Sustainability reporting means offering stakeholders information that allows them to understand the key characteristics of a business, while taking into consideration the impacts generated and experienced in the various aspects of sustainability.

In 2022, in line with the methodology proposed by the most widely-used international standards for non-financial reporting—the 2021 GRI Standards of the Global Reporting Initiative—Cherubini performed a materiality analysis. This process made it possible to identify the most relevant environmental, economic and social themes for the Group, through analysis of the real and potential positive and negative impacts, both generated and experienced, connected with its activities and the value chain.

The materiality analysis was divided into five phases:

1. **Analysis of the context of the trends in the sector in which Cherubini operates**, at international, national and local level, through bibliographical sources and sector articles.
2. **Mapping of the impacts connected with the sector and Group activities along the entire value chain**, from the standpoint of dual materiality, i.e., considering both the impacts generated (impact materiality) and impacts experienced (financial materiality), using the methodologies proposed by the future single European standard developed by the European Financial Reporting Advisory Group (EFRAG).
3. **Technical evaluation of the mapped impacts** to measure their significance on the basis of their scope, perimeter, irremediability and probability of occurring.
4. **Testing by key external opinion leaders** selected on the basis of their knowledge of the Group's sector and activities.
5. **Definition of the materiality threshold** through discussion with major corporate departments and subsequent validation of the results by management.



Expert opinion

In line with GRI standards, Cherubini tested the priority order of the twenty-one potentially-relevant themes identified with three key opinion leaders expert in Group’s sector. Thanks to this examination, Cherubini was able to apprehend the main expectations from the external context. This process made it possible to broaden in-house assessment of priority sustainability themes which then guided the Group’s reporting activity.

We spoke with	
<p>Alessandro Minichilli <i>SDA Bocconi</i></p>	<p>Professor, Department of Management and Technology, Bocconi University. His areas of expertise involve designing corporate governance systems, especially in family-run companies. He is the author of over seventy primarily international scientific publications on these themes.</p>
<p>Davide Querzè <i>FAAC Technologies</i></p>	<p>Professional with a solid career in the electronic and mechanical manufacturing sector. He began his career in the sector at the Somfy group, and later joined FAAC Technologies where he has worked for over thirteen years and is, today, its Digital Access Solutions Portfolio Manager.</p>
<p>Claudia Pellegrino <i>Pellegrino Consulting Services</i></p>	<p>Managing director of Pellegrino Consulting Services which, for over thirty years, has been providing consulting on regional, national and EC facilitated financing. It is an accredited provider of employee training and funded training, and works alongside companies in integrating digital and ecological transition tools into factory processes. The firm, a technological and strategic partner of SMEs, major companies, authorities and universities, is headquartered in Brescia and operates primarily in northern Italy.</p>



People are a precious resource for corporate success. In an era in which gender equality, diversity and inclusion are fundamental issues, they become crucial for a company’s prosperity. **Openness towards different points of view stimulates innovation and consolidates resilience** to create an equitable and progressive work environment. Medium-size companies that courageously focus on people by offering room to the voices and talents of all, open the way to sustainable growth with long-term impact on the national scene.

Alessandro Minichilli – SDA Bocconi



Eco-design emerges as a strategic driver at a time in which environmental awareness is becoming increasingly urgent and the European Union is accelerating on the regulatory front. This translates into the ability to **combine resources and know-how** in the creation of products that respond to consumer needs and are designed from a circular standpoint by re-using resources and minimising waste. Eco-design offers an opportunity to renew the approach to research and development and, at the same time, anticipate future disclosure and compliance requirements.

Davide Querzè – FAAC Technologies



Given the difficulty of managing supply chains, being **solidly anchored in the local area and providing an example** could be a key to success. For a company, like Cherubini, rooted in the community, it is important that the integration of ESG principles be an opportunity to work together with smaller local suppliers to give them the proper means to take on the transition. Only in this way will medium/large-size companies be able to contribute to shaping a value chain that is sustainable and able to resist long-term challenges.

Claudia Pellegrino – Pellegrino Consulting Services





The key issues

Starting from an initial list of twenty-one potentially-relevant themes, the materiality analysis resulted in Cherubini identifying twelve material topics on which to concentrate its reporting activity. The material topics are the cornerstone of this Report and will guide Cherubini's strategies in integrating sustainability into its business.

Research and development							
		Research and Development	Material selection	Integrated production	Quality testing	Logistics and sales	Assistance and training
1°	Ethics, transparency and integrity A solid, future-proof governance model	●	●	●	●	●	●
2°	Client, quality and safety Durable, reliable products	●	●	●	●	●	●
3°	Eco-design and circular economy Circular models towards the zero waste goal	●	●	●	●		
4°	Educating the customer network Custom training programmes					●	●
5°	Smart building and home automation Integrated and connected products	●		●	●	●	
6°	Clean energy and energy efficiency Mitigating climate change and reducing emissions			●	●	●	
7°	Sustainable packaging Reducing packaging and use of low environmental impact materials					●	
8°	Product innovation and development Investing in innovative product research	●	●	●	●		
9°	Occupational health and safety Health and safety policies and procedures			●	●	●	
10°	Employee training Upskilling and reskilling initiatives			●	●	●	
11°	Responsible purchasing Transparency in supplier selection	●	●				
12°	Integration into the local community Community support through solidarity initiatives	●	●				●

Important non-material themes include: Gender gap, diversity and inclusion, employee health and well-being, sustainable logistics, employment and trade union relations, responsible communication, cybersecurity and data protection, ecosystems and biodiversity, adaptation to climate change, and water resource management.



The customer
at the centre

2



Customer orientation

[GRI 3-3]

Adopting a corporate model oriented towards the customer means aligning the planning, development and distribution phases of solutions and projects to its current and future needs.

This means activating an ongoing, structured process of listening to customers and creating a long-term relationship based on trust.

B2B

market in which the Cherubini Group primarily operates, in contact with a diversified network of small/medium and large OEMs, distributors, manufacturers and installers


118 hours

Hours of customer training, 80 at the customer's and 38 at Cherubini, on home automation trends and new technologies.

€25 million

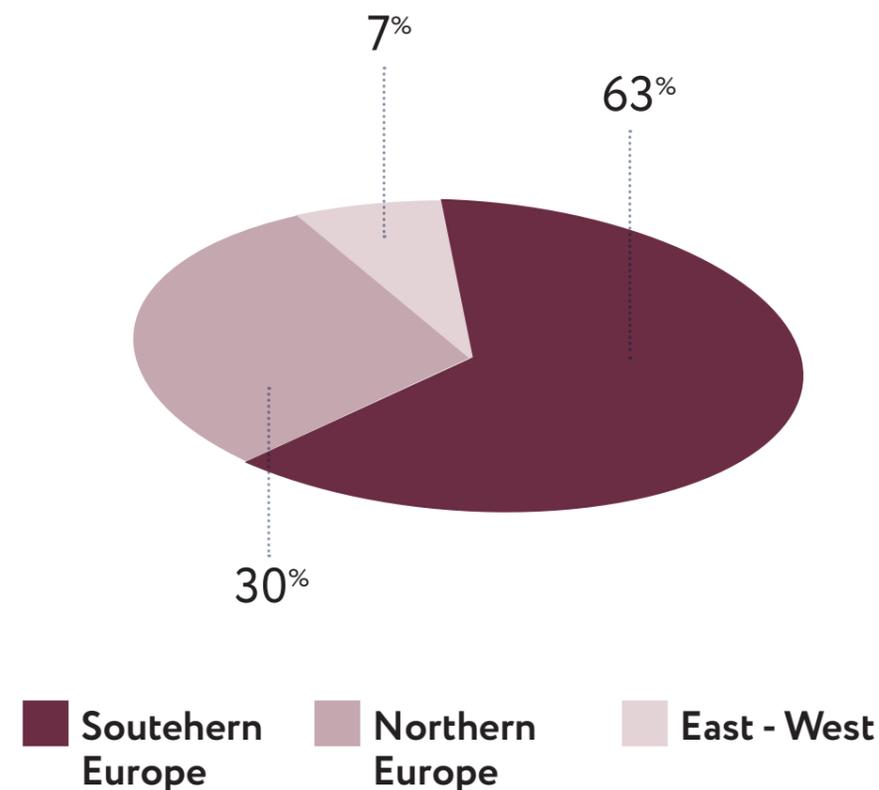
worth of orders due to the presence of 167 active suppliers in 2023.



Customer orientation [GRI 3-3]

For Cherubini, customers are central to all phases of the life cycle of its products, starting from the development of innovative solutions, through support during installation and programming, and post-sales customer service. This approach translates into a commitment to flexibility and proximity which require giving maximum attention to customers to identify solutions that best meet their expectations. The Cherubini Group operates primarily in the business-to-business (B2B) market, in contact with a diversified network of business customers in the following areas:

Geographical distribution of Cherubini Group customers



1. **Small/medium and large OEMs** (Original Equipment Manufacturers): companies that produce original sun protection solutions and look to Cherubini to purchase movement systems for them.
2. **Distributors:** sales agents differentiated by sales channel—B2B when they act as the liaison between Cherubini and manufacturers of original equipment, and business to consumer (B2C) when they work directly with the end consumer.
3. **Manufacturers:** companies which produce movement systems and use Cherubini as producers of private label solutions to integrate into their product line with specific products.
4. **Installers:** professionals specialised in the installation, assembly and start-up of various types of products and systems made by Cherubini.

Geographically, Cherubini’s customers are primarily located in Europe, especially Italy, Germany, France, Spain and Belgium. Switzerland is an equally-important market. As part of its strategic plan, the company intends consolidating its international presence, focussing on markets in the East, in Asia and the Pacific, and the West (the United States and South America).

At Cherubini, customer engagement begins with product design. Cherubini customers have the option of requesting custom modifications of the products offered, as well as launching a co-design process of new solutions.

Through customisation, Cherubini adapts its existing product line to customer needs, creating “tailor-made” solutions based on their requirements. Co-design is a distinctive characteristic of the company and involves a collaborative process between Cherubini and the customer to jointly create new solutions.



One specific example is the collaboration launched in 2017 between Cherubini and FAAC Technologies, international leader in automation and control of vehicle and pedestrian access points for residential and industrial applications. This industrial agreement made it possible to maximise the strong points of two beacons of Italian excellence. On one hand, the brand and international expertise of FAAC and, on the other, Cherubini's know-how and commitment to excellence in developing innovative moving sun protection systems.

Focus on the customer also continues into the sales and post-sales phases.

With the goal of providing customer support during the installation and programming of motors and control systems, in 2018 the Cherubini Academy was created. Designed as a resource for installers, the goal of the Academy is to provide a complete, detailed assistance programme for installers through full, clear instructions in how to install and programme the entire Cherubini product line.

The Academy makes available to its network of installers online manuals that provide detailed instructions for each individual product, including certifications and tutorial videos as a step-by-step guide to product installation and use. The materials are available in the five main languages in which the Group operates: Italian, Spanish, English, German and French, and additional translations are provided based on specific customer needs, for a total of thirteen languages available on the website. Over 2023, 24.787 instruction manual downloads were made, and over 20,000 brochures were distributed. In addition, there were over 67.000 viewings of the tutorial videos, proof of how popular and useful they are with installers, with a 600% increase over the previous year.

With support from the sales offices, the Academy team assures that existing material is constantly updated, and offers training courses for the in-house sales network and webinars covering a series of technical themes. The Academy also offers the opportunity to organise customised courses and events tailored to individual customers or groups of customers.

The presence of this centralised information hub has allowed Cherubini to continue in 2023 the distribution of a specific QR code on its products, which enables customers to directly access the page containing the instruction manual. This has led to an effective dematerialisation of the manuals, which are no longer supplied in paper form, with a saving of 3 quintals of printed paper, to be added to the 3 quintals in 2022, for a total of 6 quintals of paper in the first two years.

In addition to these services, the Group continues to support its customers in the after-sales process by providing direct communication channels: technical telephone support via a dedicated toll-free number, available during working hours, and advice from a technical sales team to solve any problems or unforeseen issues. More than 13,000 support calls were received in 2023. These channels also make it possible to monitor product performance over time and the overall satisfaction of the customer network.

In terms of complaint management, customers can lodge complaints through the post-sales channels, their sales representative and in writing to the company headquarters. All complaints received are examined carefully to identify the proper corrective or preventive action to be taken, **the end-goal being to guarantee customer satisfaction and resolve the problem quickly and efficaciously to maintain the high quality level of the service offered.**

¹This figure refers to the period May 2021 to May 2022.



Product quality and safety

[GRI 3-3] [GRI 416-1] [GRI 416-2]

Offering quality products that meet the highest safety standards is the primary goal of manufacturing companies, and it is a decisive factor in consolidating their competitive edge on the market. Quality and safety are two fundamental principles for the Cherubini Group which has set specific roles and responsibilities to monitor these aspects in their products and the raw materials utilised.

Quality is monitored by a special team which manages product certification, complaints, and process and system audits, and monitors regulatory updates. Specifically, the team operates across-the-board in the various parts of the company. The entire production process is monitored, starting with purchasing, through checking of incoming articles, the development of verification parameters and support in the supplier selection process. To guarantee compliance and maximum product safety, at Cherubini, the production phase includes a series of tests and inspections that include continuity of the ground circuit, applied voltage, insulation resistance, absorption and brake testing.

The team handles customer complaints and returns and provides after-sales support. In 2023, there were no cases of non-compliance related to the safety of Cherubini products.

Cherubini assesses the health and safety impact of 100% of the products marketed, starting with an analysis of the materials used in their manufacture. All procured materials are monitored and their supply chain is required to comply with ECHA (European Chemicals Agency) guidelines. From the design phase to series production, the materials used in the products are evaluated, avoiding the use of hazardous substances defined as SVHC (Substances of Very High Concern). The design and engineering team follows the technological evolution of materials to progressively limit the use of alloys containing lead.

Cherubini considers the entire life cycle of its products, including the final phase. Cherubini is a member of ERP Recycling, the European Producers' Collective System that manages the treatment, reuse, recycling and final disposal of waste electrical and electronic equipment (WEEE).



As an integral part of the product quality and safety monitoring process, Cherubini carries out numerous checks to conform to existing regulatory requirements:

- **Directive on Machinery – 2006/42/EC:** sets the safety norms and technical requirements for machinery and equipment and defines the essential safety requirements, thus providing a framework for risk assessment and request for CE marking on machinery conforming to the Directive.
- **Low Voltage Directive (LVD) – 2014/35/EU:** sets the electrical/technical safety requirements for low voltage electrical equipment. It requires conformity with safety requirements and CE marking for products covered by it.
- **Electromagnetic Compatibility Directive (EMC) – 2014/30/EU:** regulates electromagnetic compatibility of electrical and electronic products to guarantee their correct functioning, including in the presence of external disturbance, while at the same time limiting emissions to other equipment. The Directive requires conformity with EMC requirements and CE marking for products covered by it.
- **Restriction of Hazardous Substances (RoHS) – 2011/65/EU:** limits the use of certain hazardous substances in electrical and electronic equipment to reduce negative impacts on human health and the environment caused by these substances. Products conforming with the RoHS Directive must have its marking.
- **Radio Equipment Directive (RED) – 2014/54/EU:** regulates the sale and use of radio equipment in the EU through compliance with specific technical and safety requirements. It also requires the CE marking to indicated conformity with the Directive.

In response to these regulations, Cherubini products conform with the standardisation requirements of a number of countries, and they bear the symbols or logos that attest to product conformity with specific standards or technical requisites awarded by independent certification bodies. Cherubini’s tubular motors have different homologation marks depending on the international reference market:



CE (Conformité Européene): marking that indicates product conformity to European Union requirements regarding health, safety and environmental protection. It is obligatory on many products and attests that the product has passed the required assessments and tests.



IMQ (Istituto Italiano del Marchio di Qualità): Italian standardisation marking that certifies product conformity to Italian and European safety and quality standards. The IMQ marking is recognised internationally and covers a vast range of industrial sectors.



VDE (Verband der Elektrotechnik): German standardisation marking that indicates product conformity to electrical safety standards and technical requisites. The VDE marking is especially important in the electrical and electronic sector.



NF (Norme Français ion) marking that indicates product conformity to safety and quality regulations in effect in France. The marking is widely recognised and can be applied to a number of types of products, including electrical and electronic.



UL (Underwriters Laboratories): safety and conformity certification for products destined for the United States and Canadian markets. The UL marking indicates that the product has been tested and evaluated and that it meets American safety standards.



(Federal Communication Commission): certification of radio frequency remote controls for the US and Canadian markets.

The company’s international expansion strategy also involves the launch of further projects to comply with the laws/regulations of newly conquered territories such as Oceania, the Persian Gulf and, more generally, North Africa. In particular, in 2023, the accreditation procedures were launched for the Oceania area for the no. 1 line of tubular motors according to AS/NZS standards and for the Middle East area for another no. 2 line of tubular motors according to SASO standards. The certification process was 80% complete during the calendar year and both certificates are expected to be obtained in the first quarter of 2024.



Value partnership

[GRI 3-3] [GRI 204-1]

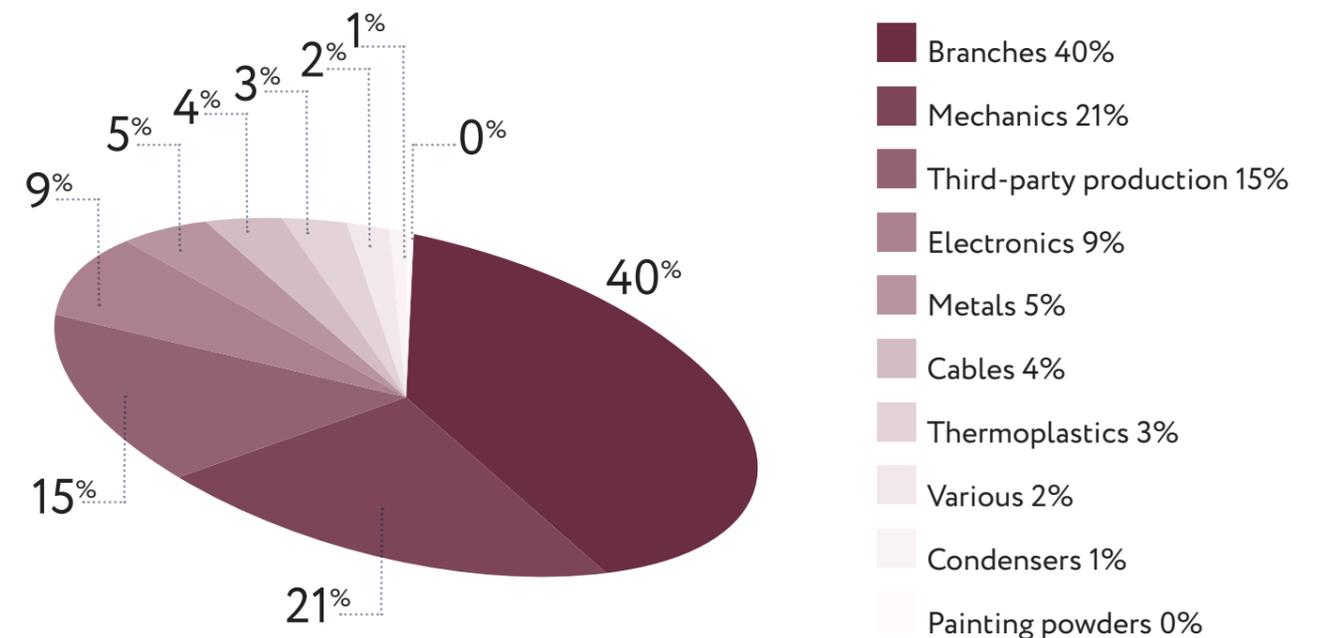
The manufacturing sector is exposed to global supply chain risks. In recent years, socio-economic factors and geopolitical tensions have led to supply disruptions and uncertainties that have affected production and logistics chains in terms of reduced availability, longer lead times and rising raw material prices. In 2022, Cherubini started a process to diversify its supplier base, starting with the mapping of risk probabilities and the evaluation of the use of alternative materials to reduce costs. Several criteria were taken into account in the selection process: economic and financial factors, technical expertise, technological know-how, safety and quality of the products or services provided, and climatic and geopolitical risks. Suppliers were included to mitigate certain risk factors related to market uncertainty and volatility. Suppliers of critical raw materials such as rotors and stators, tubes, thermoplastics and wire harnesses have been included in the dual sourcing process. In view of the ongoing geopolitical factors, Cherubini intends to continue the process of securing its supplies.

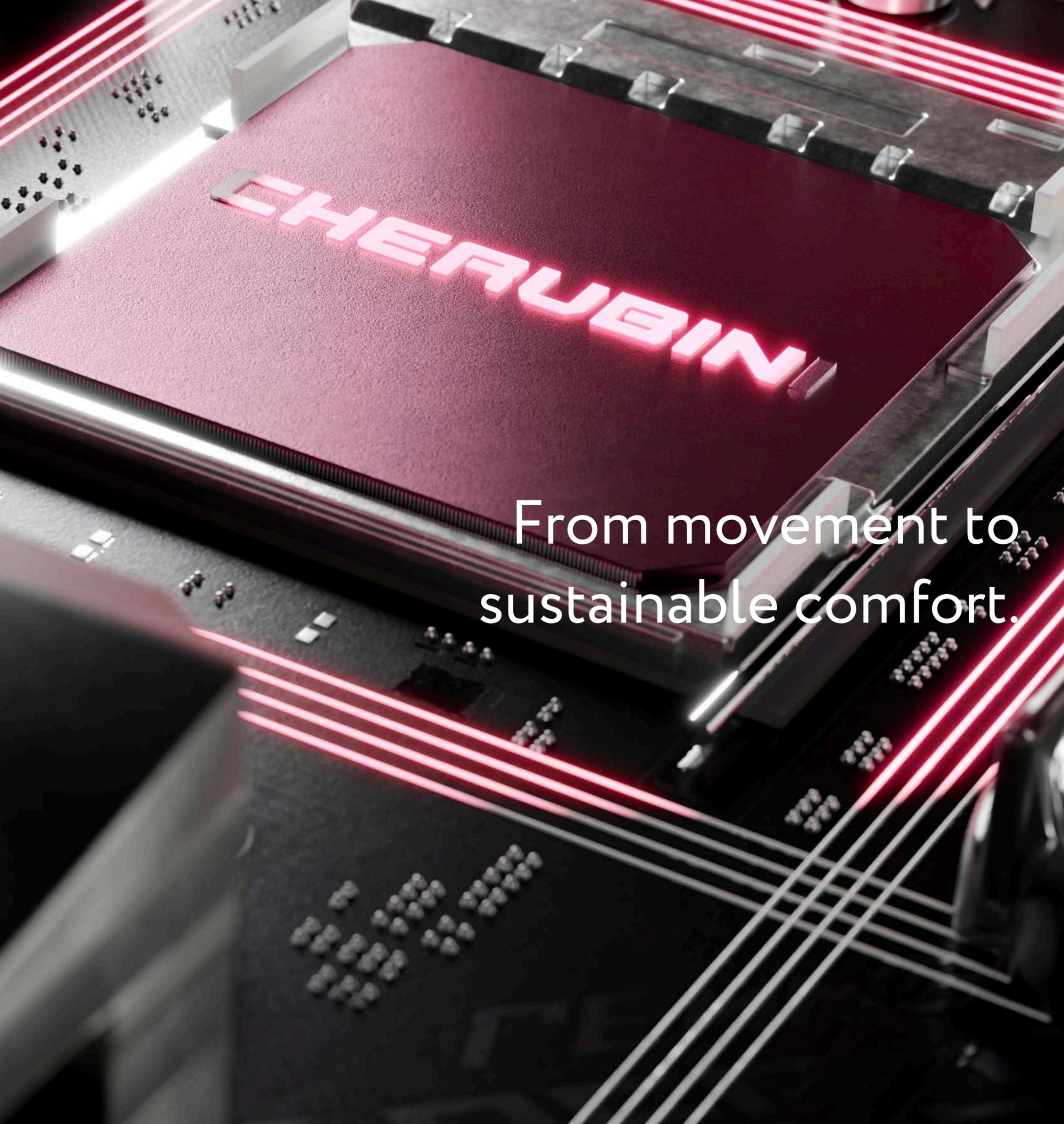
In the ongoing search for alternative sources, preference is given to suppliers who are themselves investing in ESG. In 2023, there were 167 active suppliers to Cherubini S.p.A., with an order value of approximately €25 million, of which €12.5 million in the top 10 are located in Italy, representing 50% of the total spend. The rest of the suppliers are located mainly in Asia, with a smaller percentage in other European countries. Today, the majority of Cherubini's supplies are components from the Group's production subsidiaries, such as motors, winches, control units and remote controls, which account for 13.6% of total expenditure. This is followed by work account costs (14.9%), which include materials supplied to third parties for processing, such as adapters, ferrules and printed circuit boards. Supplies also include mechanical components (29.8%), such as rotors, stators, gimbals and gears, and electronic components (6%), such as microchips, circuits, transmitters and receivers.

GRI 204-1 | Proportion of spending on local suppliers

	2023			2022			2021		
	No. suppliers	Expenditure ('000€)	Expenditure (%)	No. suppliers	Expenditure ('000€)	Expenditure (%)	No. suppliers	Expenditure ('000€)	Expenditure (%)
Italy	147	20.774	83%	134	25.843	78,8%	149	29.772	84,5%
Southern Europe ¹	2	181	0,72%	4	187	0,6%	5	389	1,1%
Northern Europe ²	9	109	0,43%	11	508	1,5%	8	284	0,7%
East ³	9	3.737	14,94%	8	5.788	18,8%	9	4.809	13,6%
West (USA)	-	-	-	2	17	0,05%	1	6	0,01%
Total	167	24.800	-	159	32.343	100,0%	172	35.256	100,0%

Supplier categories – 2023





From movement to
sustainable comfort.

3

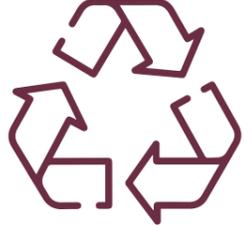


Product innovation and development

Innovating means monitoring constantly-evolving technological developments and conceiving state-of-the-art solutions that lead to the creation of new products and the continuous improvement of those that already exist.

€2
million

invested in research and development of new products as well as improvement of technical aspects and functionalities of existing products

88%


The percentage of waste to be recycled or recovered in 2023


412.173 kWh

production capacity of the photovoltaic installation at the Bedizzole headquarters and 30,000 kWh produced by the Cherubini Iberia plant



Product innovation and development

The Cherubini approach to innovation and development involves a constant search for ever-more reliable and advanced solutions to make people's daily lives more comfortable.

Products that are often hidden away, but which transform complex operations into simple gestures.

7 NEW PRODUCTS AND SOLUTIONS DEVELOPED IN 2023.

The research and development (R&D) department is proud of its team of highly-skilled individuals with expertise and

experience in the following areas:

- **Electronics:** component selection and electrical circuit design, analysis and solving of any problems that might arise.
- **Internet of Things (IoT):** development of solutions for the connectivity and integration of devices sensors into IoT systems.
- **Mechanics:** design and development of mechanical components, design of structures and use of modelling through computer-aided design (CAD) to optimise mechanical performance.
- **Electrical motors:** development and optimisation of electrical motors to improve efficiency and energy performance.

R&D activity is coordinated by the office of Project Management whose task is to plan projects, allocate the necessary resources, oversee the schedule and carry out any risk assessment. The goal is to guarantee that projects are completed within the set time frame and budget, maintaining a high quality standard. **In 2022 alone, approximately €2 million was invested in developing new products and improving the technical and functional aspects of existing products.**

Integration of Lean Manufacturing methodology, designed to create more streamlined production processes to eliminate waste and optimise efficiency, also involved the product R&D phase. MVP—Minimum Viable Products—are created during the planning phase. These are product prototypes with sufficient characteristics to be tested and validated internally and externally by customers to provide rapid responses regarding their

improvement. This approach is cost efficient and creates products that meet expected results.

Two new products in the ZRX range were launched during the year under review. DIMIO & INSTA ZRX are the evolution of two motors with one-way radio. The implementation of the dual radio allows these products to be integrated with the META home automation system, increasing comfort and making it possible to create scenarios that when appropriately activated improve the overall energy saving of the home.

Cherubini has combined its great experience in manuals with the know-how gained in the motor field by developing a drive with an extremely fast rescue manoeuvre. This allows the motor to be moved manually in the absence of electricity at more than double the speed of previous versions. Cherubini's internationalisation has required additional effort to enter certain countries, such as UL certification for Canada and the United States of America. During this year, three motor ranges and one remote control were certified, bringing the number of products that can be sold in those regions to 19.

To maintain its market competitiveness, Cherubini protects its corporate know-how by registering the new technologies it develops. **Over the years, Cherubini has deposited a total of thirty-one industrial patents.**

Among Cherubini's signature patents are the Cherubini dual-radio and ball bearing cardan joint. The dual-radio allows for motor programming and control using two different protocols: Cherubini radio Remote Control RX and Z-Wave. The CRC RX protocol provides traditional motor installation and management using Cherubini remote controls on the basis of specific command sequences. With the Z-Wave protocol, on the other hand, the motor can be configured and controlled using a Z-Wave gateway to integrate it into a domotic network with constant information feedback.

The ball bearing cardan joint is a clutch device that prevents damage to boxes, gears, joints and handles caused by careless or improper moves during manual operation of the sun protection system. This Cherubini patent is a solution that reduces friction during manual operation which contributes to increasing the overall efficiency of the system.



Eco-design and circular economy

[GRI 3-3] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Eco-design is aimed at creating products that optimise resource management by promoting reuse and minimising the generation of waste. They are circular solutions that promote durability, repairability and recyclability of the products offered. As part of the Green Deal, in March 2020 the European Commission published the **Circular Economy Action Plan (CEAP)**¹ that introduces measures throughout the entire product life cycle, especially in sectors, like electronics, with a high circular potential. Emerging from the Plan was the proposal for new regulations regarding the eco-compatible design of products², published on 30 March 2022, which strengthens the current Directive and broadens it to cover all categories of products introduced on the European market.

Some European countries, France among them, have acted in advance by implementing special national legislation designed to increase product circularity. Already in 2021, the *Loi Anti-Gaspillage pour une Économie Circulaire (AGEC Law)* required manufacturers, importers and distributors to report certain environmental characteristics of products and their packaging, including the repairability index and the share of recycled and recyclable materials.

Cherubini's approach is oriented towards increasing the durability of its products, developing solutions that are efficient and with low environmental impact, performing analyses of the life cycle (Life Cycle Assessment-LCA) on products that conform to the legal standards, and reducing waste by promoting recycling and recovery.

Cherubini products are designed to have a minimum life of ten years, thanks to the use of high-quality materials. With a warranty of at least five years, they are designed to

be repaired easily, offering customers the possibility of solving any defects quickly and reliably.

In confirmation of its commitment to develop efficient, low-impact products, the company is developing a solar motor with lithium technology and photovoltaic cell. Through the use of bioclimatic sensors, this smart motor optimises operation based on environmental conditions by automatically adapting to the sunlight picked up by the sensor, thus guaranteeing neutral energy impact.

The Plug&Play Plus 10/17 and Tronic Rx 10/17 motors, introduced on the French market, have obtained the PEP (Product Environmental Profile), a tool adopted to provide information about their environmental performance, in conformity with the AGEC Law. The PEP requires detailed specifications regarding the environmental characteristics of both products and packaging, including quantitative data that measures the environmental impact of the product throughout its entire life cycle, energy efficiency, use of sustainable materials and waste management.

In 2023, a total of 571 tonnes of waste was generated, of which 88% was recycled or recovered.

Hazardous waste represents 2,3% of the total and includes by-products of sandblasting or sludge, motor oil, filtering materials, protective clothing, lead batteries and waste containing mercury. Non-hazardous waste accounts for 97,7% of the total and includes paint waste, wash water, plastic, paper and cardboard packaging, used components and devices, batteries, and a range of metals including copper, bronze, brass and aluminium.

¹ European Commission, Circular Economy Action Plan, 2022.

² European Commission, Ecodesign for Sustainable Products Regulation, 2022.



88% 88% OF WASTE GENERATED IN 2023 WAS SENT FOR RECYCLING OR RECOVERY

Cherubini sends its waste to specialised external plants that recover and recycle it as required by the Province of Brescia. Generally, recovery involves using waste as a fuel or to

produce energy (R1), using waste materials from other recovery operations (R11), exchanging waste for further recovery operations (R12) and reserving waste to be prepared for recovery operations (R13). Finally, recycling of metals and metal compounds (R4) and organic substances not used as solvents, including composting and other organic transformation processes (R3) are carried out.

Waste generated and destined for disposal amounts to 12% of the total and is primarily comprised of paint and varnish waste, washing liquids, sludge and other filtering materials.

GRI 306-3:	Waste generated ¹		
Waste produced (tons)	2023	2022	2021
Hazardous waste	13,16	29,0	17,4
Non-hazardous waste	557,93	391,1	444,2
Total waste produced	571,09	420,1	461,6

GRI 306-4: Waste diverted from disposal²

Waste diverted from disposal (tons)	2023	2022	2021
Hazardous waste	4,81	132,0	16,8
<i>Recycling</i>		-	-
<i>Other recovery operations</i>	4,81	132,0	16,8
Non-hazardous waste	495,83	262,8	313,0
<i>Recycling</i>	70,4	79,4	78,0
<i>Other recovery operations</i>	425,43	183,4	235,0
Total waste diverted from disposal	500,63	394,8	329,8

¹These figures refer to the Cherubini Group, excluding Cherubini France, China, Turkey and Germany, which dispose of their waste using local disposal services.

GRI 306-5: Waste sent for disposal³

Waste sent for disposal (tons)	2023	2022	2021
Hazardous waste	8,35	3,3	0,5
<i>Landfill</i>	0,7	-	-
<i>Other disposal operations</i>	7,65	3,3	0,5
Non-hazardous waste	62,11	22,0	131,3
<i>Landfill</i>	-	-	-
<i>Other disposal operations</i>	62,11	22,0	131,3
Total waste sent for disposal	70,46	25,3	131,8

²Ibid.

³Ibid.



Smart building and home automation

In Europe, buildings are responsible for 40% of total energy consumption and 36% of greenhouse gas emissions. Regarding this, companies must take on the goals recently approved by the new Energy Performance of Buildings Directive (EPBD) adopted in March 2023 and which is part of Fit for 55. The directive says that all new buildings must be net-zero starting in 2028, while existing ones must be energy class E by 1 January 2030 and class D by 2033.

Within this context, the digital transition and use of domotic solutions that integrate the Internet of Things (IoT) and Artificial Intelligence (AI) continue to be fundamental for the sustainable transition to a decarbonised economy. These solutions offer significant advantages and help consumers to reduce energy waste tied to home heating and cooling by making personalised monitoring and management of energy efficiency possible through smart devices. According to estimates, by 2030, ICT could reduce global CO2 emissions by 20%, the equivalent of 12,8 gigatons.² Cherubini is committed to offering complete solutions that make the domestic network interoperable through the integration of domotic systems and connectivity. Starting

in 2020, with the acquisition of WiDom S.r.l., Cherubini broadened its expertise in the development and creation of sun protection control systems that integrate perfectly with domotic systems. WiDom was subsequently absorbed into the parent company in 2023.

Thanks to ongoing research and study of advanced technologies, the company designs systems that allow motors to interact simply and precisely with home devices. With the goal of offering modern and practical home living, **Cherubini has developed a cutting-edge domotic system, META whose excellent performance offers an intuitive user experience in smart homes.**

Cherubini META ecosystem

META is a complete and modular system designed to meet all home automation requirements. This system receives and processes data from sensors and devices to activate a range of functions on the basis of user preferences. This allows for full control over the home environment through monitoring and optimising consumption to reduce one's impact on the environment without sacrificing comfort.

A solution for everything

A smart system, always at your fingertips.

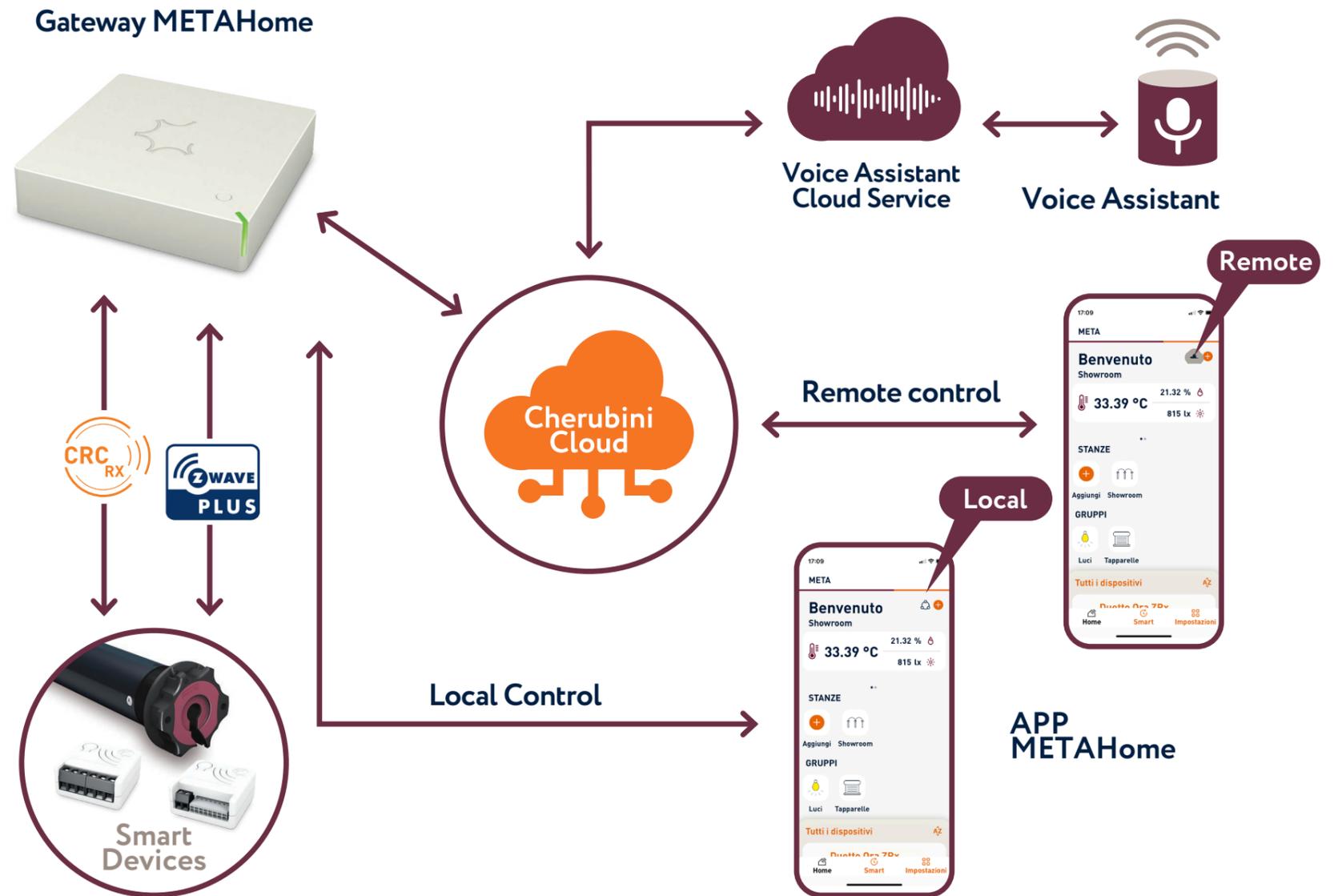
AWNING MOVEMENT 	 AIR CONDITIONING IGNITION
LIGHT SOURCE CONTROL 	 ROLLER BLIND AND SCREEN MOVEMENT
BOILER IGNITION 	 APPLIANCE IGNITION

¹ European Commission, Making Our Homes and Buildings Fit for a Greener Future, 2020.
² The European House – Ambrosetti elaboration on data from DigitalEurope, Gese and Andrae & Edler, 2022.



Cherubini META ecosystem

META is a complete and modular system designed to meet all home automation requirements. This system receives and processes data from sensors and devices to activate a range of functions on the basis of user preferences. This allows for full control over the home environment through monitoring and optimising consumption to reduce one's impact on the environment without sacrificing comfort.





These solutions include:

- **The new generation of Cherubini motors** with integrated dual-radio.
- **The METAHome app** for smart control of the home environment.
- **The METAHome gateway** to set automatic functions for well-living.
- **Sensors and modules** to monitor and manage domestic devices and spaces.

The META system has the latest generation dual-radio integrated motors: OPEN ZRX for roller shutters, ORA ZRX for awnings, REBIS ZRX for technical blinds and screens and DIMIO ZRX for roller shutters with adjustable air blades. These motors, the result of a dual-radio patent, are designed to create home building automation systems that are increasingly open, connected and smart. The dual-radio makes it possible to programme and control the motor using two different protocols: one traditional through Cherubini remote controls and the Z-Wave protocol, integrating it into a domotics network with constant information feedback.

The METAHome app that has already been downloaded over 790 times, makes it possible to set scenarios and control systems for a range of functions, including managing roller shutters, awnings and screens, heating/cooling, lighting, and garage doors or gates, as well as integration with Google Home and Alexa voice assistants.

The METAHome gateway makes it possible to integrate devices with both Z-Wave and Radio Cherubini Remote Control CRCRX protocols within a single system, to offer an integrated control system that is both wireless and radio to bring together all smart home functioning. With a built-in light sensor, it automatically adjusts the desired lighting level in the space, thus optimising energy consumption. Parameter settings can be modified at any time through voice commands or the app itself. In addition, the METAHome gateway is equipped with temperature and humidity sensors which register environmental

conditions. This makes it possible to set automatic functions to limit energy consumption, for example, the opening and closing of screens and awnings based on sunlight during different times of the day, thus optimising HVAC of the space.



META



Clean energy and energy efficiency

[GRI 3-3] [GRI 302-1] [GRI 305-1] [GRI 305-2]

In 2023, Cherubini consumed approximately 4,100,588 kWh of energy (-12% compared with 2021). 48.8% is from direct consumption, for example natural gas excluding mobile consumption.

The company has launched a process to gather data regarding direct consumption by the company vehicle pool. 51.2% of Cherubini's total energy consumption is from indirect consumption, both from purchases off the grid as well as internal production by photovoltaic panels.

12.3% of Cherubini's indirect energy consumption is from renewable sources. Specifically, the photovoltaic installation on the roof of the Bedizzole plant has a capacity of 371,080 kWh and annually produces 412,173 kWh of energy thanks to the 1,430 modules installed on a surface area of 363 m² ¹. In 2023, the installation produced 348,427 kWh of energy, of which about 74% was used internally and about 26% sold on the market. During the year, Cherubini unfortunately saw a decrease in renewable energy consumption compared to 2022, when the utilisation rate was 79%.

Cherubini has reduced direct emissions of CO₂ (Scope 1) by 17% compared with 2021, with a total of 471 tCO₂. Indirect emissions of CO₂ (Scope 2 – Market Based) decreased by 20% compared with the previous year, with a total of 914 tCO₂.

GRI 302-1: Energy consumed in the company

Direct energy consumption (kWh)	2023	2022	2021
Natural gas consumption (Cherubini S.p.A.)	2.002.131	2.310.150	2.777.989
Indirect energy consumption (kWh)	2023	2022	2021
Energy from renewable sources (photovoltaic – Bedizzole)	257.906	360.844,0	294.405,0
Energy from non-renewable sources (Cherubini S.p.A.)	1.175.959	1.272.549	1.704.830,5
Energy from non-renewable sources (Decho)	543.913	593.121,0	700.042,0
Energy from non-renewable sources (Dongguan)	120.679	136.217,0	101.025,0
Total indirect consumption	2.098.457	2.362.731,0	2.800.302,5
Total energy sold (kWh)	2023	2022	2021
Energy from renewable sources (photovoltaic – Bedizzole)	90.520,8	96.112,0	109.227,0

¹ The reported energy consumption figures do not include the first four months of the year and include consumption from May to December 2020.

GRI 305-1 e 305-2: Direct (Scope 1) and indirect (Scope 2) GHG emissions

Scope 1 emissions (t CO ₂)	2023	2022	2021
Natural gas emissions (Cherubini S.p.A.)	391	471	566
Total	-	471	566
Scope 2 emissions ² (t CO ₂) ³	2023	2022	2021
Scope 2 Location based (tCO ₂)		744,26	882,10
Scope 2 Market based (tCO ₂)		914,00	1.144,12

After the first steps to optimise the plant's energy consumption, in the second half of 2022 Cherubini carried out an in-depth analysis of the plastic moulding department, which now accounts for almost 75% of total energy consumption.

The analysis showed that replacing hydraulic presses with hybrid presses would have a significant impact on energy consumption and led to the proposal of an industrial investment plan for the three-year period 2024-2026.

At a general level, the action plan to reduce energy consumption included the following initiatives in 2023:

- Modulation of the daily working hours of employees according to the higher daytime solar radiation, especially during the peak summer season;
- Replacement of sodium vapour lamps with LED lamps in all production departments in accordance with the preventive maintenance plan for machinery and equipment;
- Installation of dedicated LED lamps on all workbenches to make lighting more sectoral;
- Reducing the switch-on times for the lighting of the company's façade;
- Activation of automatic timers for lighting in common areas such as break rooms;
- Centralised temperature management in production and office areas through remote monitoring systems.

The impact on consumption is being monitored to guide further action in the future.

² Scope 2 emissions can be calculated using two types of methodologies, market-based and location-based. Market-based requires determining GHG emissions from the acquisition of electricity and heat, taking into consideration specific emission factors provided by our suppliers. For the acquisition of electrical energy from renewable sources, the emission factor is zero. Location-based, on the other hand, involves computing the emissions from electricity consumption by applying national average emission factors for the countries from which we acquire electrical energy.
³ Calculations include data from Cherubini S.p.A., Dongguan, Decho. Source of conversion factors for calculating emissions: AIB – European Residential Mixes, 2020 and 2021



Sustainable packaging



In line with circularity policies, the EU has set ambitious goals to reduce packaging waste and promote reuse and recycling, through the proposal for a new regulation affecting packaging and packaging waste.¹ This regulation proposes the attainment of three key goals: reduce per capita packaging waste for each member state by 15% compared with 2018 by 2040, and promote recycling by making all packaging on the EU market 100% recyclable by 2030. Lastly, it intends reducing consumption of primary natural resources and creating an active market for secondary raw materials by making it obligatory to use a set percentage of recycled plastic in packaging.

Cherubini uses 100% recyclable cardboard in its packaging that is differentiated by size to guarantee maximum product protection. Motor packaging is generally smaller and protection is mainly provided by paper and cardboard. Manual products are larger and are protected by plastic material. For each product package and/or shipment, 10-15% is in plastic material, of which only 2-3% is currently recyclable.

The company has started to invest in various initiatives to reduce the environmental impact of packaging without compromising the high quality standard of the product. In particular, the project guidelines are aimed at

1. reduce and standardise packaging for individual engines
2. introduce a new type of packaging for the tube circuit
3. research into new packaging materials and innovative packaging design.

With regard to the first project guideline, the one-year projections are encouraging and, according to the estimates gathered, the following results will be achieved

- a 10-15% reduction in protective paper
- doubling the number of motors per pallet.
- Reduction in the number of plts. used (7%-8%)

- Reduction in plastic film consumption (6%-7%)
- Optimal saturation of the means of transport and reduction of the number of transports by one third (with 2 transports we receive the same amount of goods as before with 3 trucks).

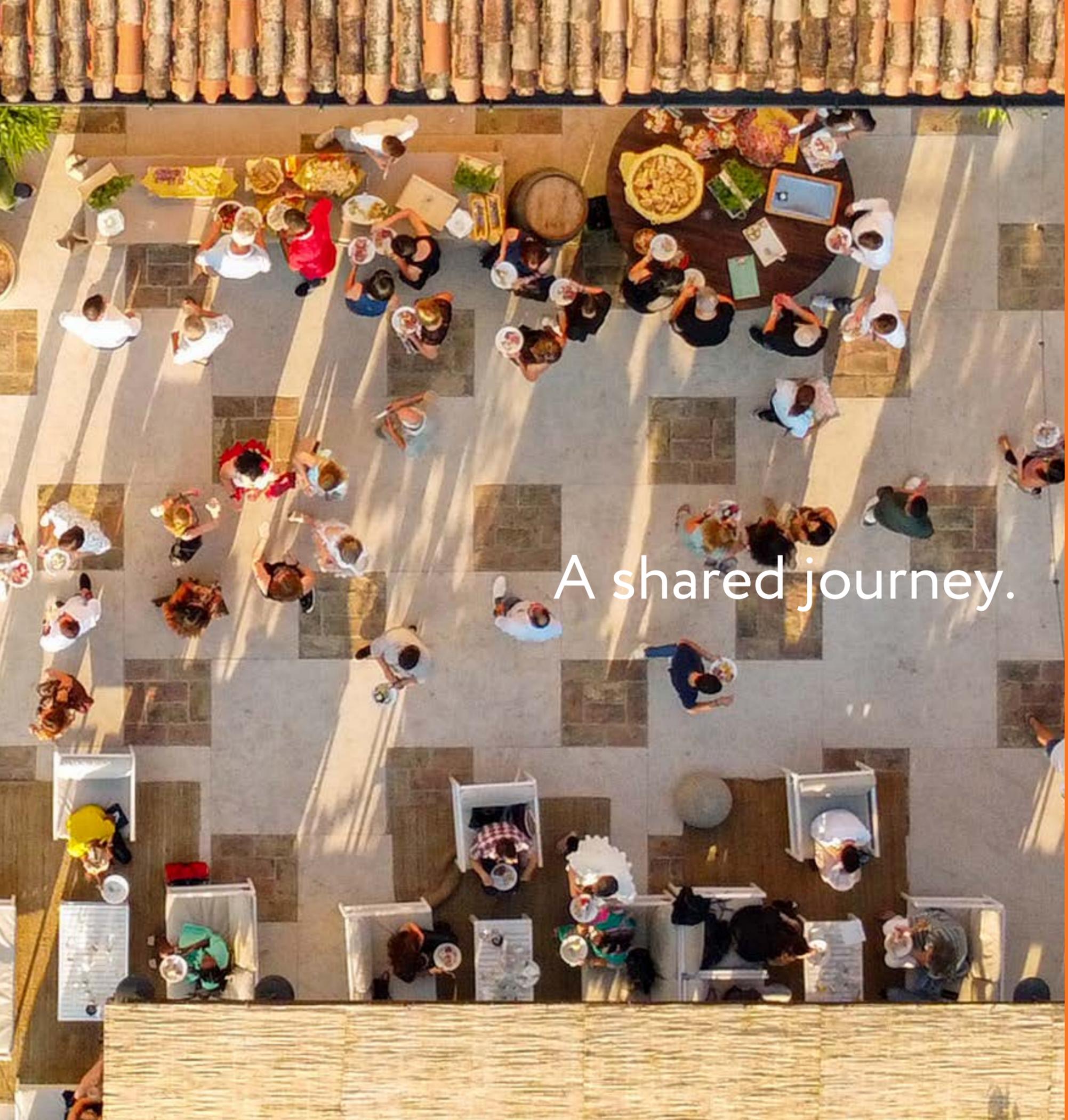
With regard to the second project guideline, a pilot project has been started with a selected supplier to use a new type of packaging that is fully recyclable and free of any plastic components. The volume of material delivered in the new plastic-free packaging is approximately 35% of the total volume of tubes ordered per year, i.e. approximately 250 units of baskets and/or strapped boxes.

The main features of the new packaging are

- The completely modular structure, which allows the same packaging to be used for completely different articles, simply by varying the positioning of the internal dividers;
- the "ergonomic" depth, designed to be compatible with the average operator's arm length, making it easier to pick up and optimise during use;
- the complete absence of plastic strapping and any other element made of non-recyclable material.

With regard to the search for new packaging materials, we are evaluating the use of machinable stretch film, although most of the rolls tested to date have not met our filming requirements

¹ Commissione Europea, Regolamento sugli imballaggi e sui rifiuti da imballaggio, 2022



A shared journey.

4



Cherubini People

[GRI 2-7] [GRI 2-8] [GRI 405-1] [GRI 401-1] [GRI 2-21]

The quality of the solutions created by Cherubini is the fruit of the talent and enthusiasm of the people who, every day, dedicate themselves with care and attention. This is why the Group believes it is fundamental that everyone who works for them be allowed to grow and express themselves in order to promote a working environment that is positive and gratifying.



of new hires in 2023 were women and 20% were under 30 years old



online platforms provided to employees to facilitate internal communication and administrative tasks



HOURS

1,148 training hours provided in 2023, or an average of 4.05 hours per capita.



In 2023, Cherubini’s achievements were made possible thanks to the commitment and dedication of 283 people, 57% of whom are between 30 and 50 years old. Forty-eight per cent of the company’s staff are male, while women make up about 52 per cent.

The sales offices account for 11% of the workforce, divided between office staff and managers, while the remaining 89% are employed in the various production units, of which 56% are female.

Compared to the previous year, the Group invested in strengthening its production facilities with the acquisition of a new manufacturing company in Italy.

Confirming the high stability of the workforce, 98% of employees have a permanent contract and 94% have a full-time contract. In 2023, the company also benefited from the professionalism of 29 non-employees, including temporary workers, trainees and collaborators. Part-time contracts account for 5% and have been introduced to meet the specific needs of employees in terms of work-life balance.

GRI 2-7 Employees by sex and region (number of people)

	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy ¹	113	102	215	103	93	196	98	98	196
China	30	7	37	34	7	41	30	6	36
France	1	5	6	1	5	6	1	5	6
Germany	-	8	9	-	8	8	-	8	8
Spain	2	12	14	2	12	14	2	12	14
Turkey	1	1	2	1	2	3	1	2	3
Total	155	148	283	141	1226	268	132	131	263

GRI 2-7 I Employees by contract, sex and region (number of people)

	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy									
With permanent contracts	111	101	212	93	87	180	93	92	185
With fixed-term contracts	2	1	3	10	6	16	5	6	11
Full-time	104	100	204	94	90	184	91	95	186
Part-time	9	2	11	9	3	12	7	3	10
Europe²									
With permanent contracts	4	27	31	4	26	30	4	27	31
With fixed-term contracts	-	-	-	-	-	-	-	-	-
Full-time	3	24	27	3	24	27	3	25	28
Part-time	1	3	4	1	2	3	1	2	3
China									
With permanent contracts	30	7	37	34	7	41	30	6	36
With fixed-term contracts	-	-	-	-	-	-	-	-	-
Full-time	30	7	37	34	7	41	30	6	36
Part-time	-	-	-	-	-	-	-	-	-

GRI 2-8 I Workers who are not employees

	2023	2022	2021
Outsourced labour	18	31	60
Self-employed	-	1	1
Apprentices	11	2	5
Total	29	34	66

² These figures include the number of employees of CH Deutschland, CH France, CH Turkey, CH Iberia



GRI 2-21 | Annual total compensation ratio¹

		2023	2022	2021
Italy	Ratio between maximum and average compensation	640%	403%	630%
	% average annual compensation increase	2,6%	0,4%	9,7%
	% maximum annual compensation increase	62,8%	-36%	26%
China	Ratio between maximum and average compensation	1107%	1830%	976%
	% average annual compensation increase	44%	-27%	14%
	% maximum annual compensation increase	-13%	36,8%	3%
France	Ratio between maximum and average compensation	266%	292%	255%
	% average annual compensation increase	10%	-2%	9%
	% maximum annual compensation increase	0%	12%	0%
Germany	Ratio between maximum and average compensation	249%	242%	252%
	% average annual compensation increase	21%	8%	-12%
	% maximum annual compensation increase	25%	4%	-5%
Spain	Ratio between maximum and average compensation	443%	303%	262%
	% average annual compensation increase	-62%	32%	38%
	% maximum annual compensation increase	-44%	53%	47%
Turkey	Ratio between maximum and average compensation	113%	307%	141%
	% average annual compensation increase	148%	3%	40%
	% maximum annual compensation increase	-9%	124%	20%

¹ This item involves reporting the ratio between the total annual compensation (and relative percentage increase) of the person receiving the maximum compensation and the total average annual compensation (and relative average percentage increase) of all employees (excluding the individual above). The annual percentage increase of the average and maximum compensation is calculated for the preceding year, therefore not available for the year 2020.

GRI 405-1 | Diversity of governance bodies and employees

	2023		2022		2021	
BofD by gender and age bracket	Women	Men	Women	Men	Women	Men
under 30	-	-	-	-	-	-
30-50	-	5	1	3	-	1
over 50	-	9	1	6	1	5
Total	-	14	2	9	1	6

	2023		2022		2021	
Employees by gender and professional level	Women	Men	Women	Men	Women	Men
Management	1	5	1	5	1	5
Staff	31	65	32	63	30	57
Blue collar	115	66	108	58	101	69
Total	147	136	141	126	132	131



2023 | **2022** | **2021**

Employees by age bracket	under 30	30 - 50	over 50	under 30	30 - 50	over 50	under 30	30 - 50	over 50
Management	-	2	4	-	4	3	-	3	3
Staff	10	51	35	10	58	27	7	55	25
Blue collar	15	109	57	24	104	38	22	102	46
Total	25	163	96	34	166	67	29	160	74

In order to promote generational change and enable the Group to grow, Cherubini hired 15 new employees in 2023, of whom approximately 40% are women and 20% are under 30 years of age.

Resignations, which were lower than in 2022 (25 compared to 54 in 2022), were due to retirement (12%), force majeure (8%) and voluntary resignations (80%). In the year under review, therefore, a turnover rate of 15% was recorded.

Despite the slowdown in the recruitment rate, the company continued to invest in employer branding initiatives in preparation for the start of new hires to support the generational change of professionals in operational and staff functions. In the three-year period 2021-2023, 150 students were welcomed to the company for alternating school-work programmes, and last year the company wanted to participate in two particularly innovative project initiatives and integrate them into its human resources management plan.

In collaboration with a marketing class from the ITS Machina Lonati in Brescia, the company decided to organise a hackathon to co-design the new onboarding process for the company’s employees. After launching the competition at a company visit, four groups of students developed their own project proposal and presented it to the company at the end of the year exam.

As a case study for the development of a thesis by an Economics and Management student, Cherubini was the subject of applied research aimed at investigating the organisational impact that a developed employer branding strategy can have. A 14-question questionnaire was used to gather a range of qualitative and quantitative information that highlighted the profile of a sophisticated and modern company in its relationship with its employees.

The majority of respondents confirmed that they had been working at Cherubini for less than 10 years, a direct consequence of the recent organisational development resulting from the production growth in recent years. The main channels for joining the company continue to be recruitment agencies, networking and self-promotion, the latter encouraged by the company’s good external reputation, as confirmed by the employees themselves, who gave it a score of 7.7 out of 10.

Cherubini is considered a ‘dynamic’ company by more than 40% of the sample, and the employees’ sense of belonging was measured at a medium-high level of 7.48 points out of 10.

Using more advanced statistical techniques, the responses to the questionnaires enabled us to identify four types of employees for whom differentiated management strategies can be developed:

1. the FAMILY FIRST, who attach particular importance to the balance between work and family life and who use flexible working hours as an important measure of personal management;
2. the LUCROUS, who prioritise compensation factors such as bonuses and rewards;
3. the INDIVIDUALISTS, who value personal satisfaction in terms of development, e.g. through coaching and training in its various forms, both specialist and cross-functional;
4. the ENGAGED, for whom it is vital to feel part of a common project and to be involved in the achievement of agreed objectives, also through the visualisation and periodic measurement provided by the OKR methodology.

GRI 401-1 | New employee hires and employee turnover

	2023	2022	2021
Total hires	15	33	34
of which men	9	11	17
of which under 30	2	2	5
of which 30 - 50	5	7	10
of which over 50	2	2	2
of which women	6	22	17
of which under 30	1	9	2
of which 30 - 50	3	12	12
of which over 50	2	1	3
Total terminations	25	54	22
of which men	15	22	11
of which under 30	5	3	2
of which 30 - 50	7	23	7
of which over 50	3	6	2
of which women	10	32	11
of which under 30	2	6	1
of which 30 - 50	7	14	8
of which over 50	1	2	2
Total employees	283	267	263
Turnover rate	15%	33%	21%



Occupational health and safety

[GRI 3-3] [GRI 403-9]

A safe workplace is a cornerstone for guaranteeing the well-being that is the right of all workers.

Adopting proper safety measures and constant monitoring of the health conditions of the working environment are, therefore, essential to preventing the risk of injury and guaranteeing conformity with existing regulatory standards. Within this context, a corporate outlook oriented towards a human-centred approach that promotes the well-being of people contributes to incrementing employee involvement and, as a result, their level of productivity, commitment and loyalty. Based on this, Cherubini meets the compliance requirements regarding health and safety to assure its employees an environment that is healthy, protected and risk-free.

2 INJURIES RECORDED IN 2023

In 2023, out of more than 328 thousand hours worked by employees, the Group recorded 2 accidents without serious consequences. In view of the progressive ageing of the company's workforce in operational roles, Cherubini has started a new ergonomic mapping of workstations with the aim of preventing the onset of problems due to repetitive movements of the upper limbs, studying intervention protocols that concern the technological aspect, through the introduction of new equipment, and the organisational aspect, through a better rotation of workstations. There were also no cases of occupational diseases or injuries to third parties.

GRI 403-9 | Work-related injuries

	2023	2022	2021
Recordable injuries	2	2	2
Rate of accidents (per million hours worked)	5,77%	3,2%	6,4%
of which deaths	-	-	-
of which with serious consequences ¹	-	-	-
Hours worked (n)	346.097	316.834	310.584

In 2020, to prevent the occurrence of accidents and potential health risks, Cherubini implemented a workplace health and safety management system that includes an outside Prevention and Protection Service Manager (PPSM). The PPSM is responsible for guaranteeing the health and safety of employees by identifying work-related risks and analysing and preventing individual accidents.

Employee involvement is fundamental in supporting rigorous safety measures. For this reason, with the goal of spreading a safety culture, in 2022 Cherubini made available to the entire workforce fire-fighting and first aid courses in which 19 and 29 people, respectively, took part. Starting in 2020, the Group also provided free-of-charge to employees the flu vaccine administered by the company doctor directly on company premises.

¹ Work-related injuries which result in damage from which the worker cannot recover, does not recover, or for which it is not realistic to think there will be a full recovery to return, within six months, to the health status he/she enjoyed prior to the accident.



Initiatives for personal well-being

The Group's commitment to improving the quality of life of its employees is centred around three key words: flexibility, involvement and well-being. To promote a healthy work-life balance, Cherubini offers its employees a range of possibilities to facilitate company flexibility. These include flexible arrival/ departure times, smart working, a solidary time bank and a personal time bank.

In 2022, the Group introduced smart working through the adoption of an in-house regulation that governs its application while also promoting a goal-based system of work organisation. The company regulation was developed by incorporating a number of best practices identified by studying those of other companies. Specifically, the regulation defines a broad time frame for work (from 7 am to 10 pm), protects the right to disconnect, makes available tools and channels for collaboration and, finally, protects individual autonomy in deciding when and where to work. Smart working is guaranteed for all employees whose title or role is goal-based and for a maximum of two days a week.

The Group guarantees a solidary time bank, a collective contractual tool that provides help to colleagues in difficulty by the voluntary granting, free-of-charge, of WTR (Working Time Reduction) shares accumulated and not utilised within 24 months as of 31/12 of the previous year. Workers who are eligible can utilise the time bank to care for and assist relatives and/or partners, manage a drop in productivity, for study purposes, and involvement in volunteer activities.





Approximately 960 hours worth just under EUR 10,000 were redistributed in 2023 to support the production slowdown due to the implementation of the new business management system and the stabilisation phase of business processes.

On employee request and as provided for in existing legislation, Cherubini offers the possibility to obtain an advance on severance pay while still employed. This advance is limited to the portion matured and set aside in the company, up to a maximum of 70%, regardless of the years of service rendered. The Group promotes the internal involvement of employees through Joint Committees, the collection of improvement ideas, regular management communications and company climate surveys. At Cherubini, the Joint Committees are working groups that meet regularly every 15 days with the aim of identifying operational problems in the departments, analysing their causes and proposing functional solutions that are compatible with maintaining ergonomics and safety. The projects activated by this system are then evaluated on a scale of 1-4 according to 4 criteria, and the best projects are rewarded each semester. Specifically, the score for each proposal is derived from the % completion rate, the level of technical complexity of the proposal, the level of replicability of the solution and the impact generated on working conditions. This structured process is supported by the collection of improvement ideas, which are ranked and discussed at a regular departmental meeting every 15 days, covering functional issues, operational efficiency and organisational issues related to staffing requirements, safety compliance and employee wellness/health.

As in previous years, Cherubini carried out a survey in the first half of the year to assess employee satisfaction and identify areas for improvement. Approximately 50% of the workforce participated in the survey, which revealed widespread concern about the efforts to stabilise internal processes with the new management and the increasing uncertainty in the market. However, the high level of loyalty to the company led them to declare that they were fully aware that this was a challenging but transitional phase and to ask for support in the form of more listening and involvement. This specific feedback led to the creation of the new BEN-ESSERE ("WELL-BEING") section of the corporate communications platform, a space dedicated to people's well-being, where it is always possible to express one's opinion, propose initiatives for improvement and benefit from short contents that encourage reflection on the main factors that influence our physical and psychological well-being.

The section has been divided into 3 distinct service areas:

1. SPORTELLO HR (HR HELP DESK), where you can report problems and situations that are important for the quality of life in the company.
2. PERSONAL CHECK UP, where you can check your level of well-being and become more aware of the factors that influence it.
3. COME VA? (HOW'S IT GOING?), a short anonymous questionnaire to measure well-being in the company.

To ensure that employees participate in the company's growth, a new performance bonus has been introduced for 2021, which will gradually increase over the next 3 years, reaching a maximum of €1,600 in 2023. The achievement of this bonus will be assessed on the basis of 3 variable indicators: absenteeism, excluding serious illnesses and hospitalisations; service level, calculated separately for the manual and motorised lines on the basis of meeting the deadline requested by the customer (25%) and meeting the deadline promised (25%); and efficiency, calculated on the basis of the increase in the value of production and redistributed according to a labour utilisation coefficient. In order to promote efficient and functional communication, Cherubini provides its employees with three online platforms: Glickon, an employee experience platform; CLOUDOC, a digital bulletin board that allows them to consult their pay slips and administrative communications; and Pellegrini welfare, a portal where they can spend their welfare credits by choosing from a wide range of services, as provided for by the regulations in force on the subject.

On the Glickon internal communication platform, in the section dedicated to personal development, Mettersi in Gioco (Getting in the Game), a survey was launched in 2023 to measure the level of interest and actual knowledge on the subject of sustainability. Once the willingness of employees to engage with the subject had been established, a digital information trail was launched to explore terms and concepts that were beginning to enter the company's vocabulary and were becoming increasingly relevant in the media debate on industrial development. This path, called "Sustainability", was conceived as a journey, hence the definition of "journey", and uses different multimedia formats such as videos, infographics, online quizzes and podcasts, adapting to different types of implementation. The Journey is divided into 8 'pills', each covering a different topic related to the main theme, plus a pill dedicated to Cherubini's first sustainability report. The first training pill was launched in August and half of the course was completed during the year. Feedback on the project from the company population was generally positive, with 112 employees actively using the platform and an average completion rate of 75%.



Training and Skill Development

[GRI 3-3] [GRI 404-1]

The major transformations of our era require increasingly rapid and flexible response from companies in the way they do business. To meet this challenge, companies are involved in guaranteeing custom training programmes to enable the development of skills and employability of their employees in the medium/long-term. **Cherubini recognises the importance of ongoing refresher training and offers its employees both upskilling and reskilling programmes.** In 2023, the Group provided, in total, 1.148,7 training hours, with a per person average of 4.05 hours—26% less than the previous year, but higher than the pandemic period.

GRI 404-1 | Average hours of training per year per employee

	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Management	12	18.8	17,6	2.13	5.29	4.14	2.89	2	2.36
Staff	4.6	7.88	0,13	14.84	17.42	16.36	11.04	30.1	23.58
Blue collar	1.5	3.4	0,02	5.46	5.85	5.66	11.14	5.21	7.19
Apprentice	-	-	-	-	23.67	23.67	-	4	4
Total	2.4	5.1	4,05	7.77	9.94	8.95	9.04	13.86	12.17

Over the period 2020-2022, Cherubini offered those who work for it a broad range of training initiatives, both for the development of specific expertise and the development of transversal and relational skills. Among the specific training initiatives were foreign language courses, the Lean approach, change management, smart working, implementation of the new ERP system and coaching for top management. Special focus was given to language training which, with a total of 440 hours, allowed employees to acquire or improve their skills in line with the changes in the Group towards an increasingly international outlook. The training initiatives involving the development of transversal skills were dedicated to strengthening relational and leadership abilities (50%), management (30%) and decision-making (20%) skills. Consistent with the training investment in change management carried out in 2022 on a group of 10 ambassadors, in 2023 Cherubini has started a training program aimed at stimulating the acquisition of "Skills for Change" at all organizational levels. This path, focused on the training of transversal skills functional to the management of corporate evolution, was articulated in three modules: a) personal resilience and motivation, b) problem solving and c) effective communication. The first part of the path required the creation of 2 learning groups, which shared some preliminary concepts of "change management" to then deepen one of the topics proposed in the program through a cycle of 5 meetings of 4 hours each. The second stage of the path instead provided for both groups to focus on the theme of communication, considered the main lever to foster greater collaboration and operational interdependence. Overall, the initiative involved 60 workers who attended more than 80% of the lessons and declared a medium-high level of satisfaction, equal to 4.40 on a scale of 1-5, and confirmed the usefulness of the topics covered, to the point of being ready to suggest a similar training path to their colleagues (average NPS of 38). In particular, the effectiveness of the classroom intervention was attributed to three main strands, namely:

1. Learn to develop better emotional management in social interactions,
2. train a more acute ability to filter communication flows, recognizing for example interference or sabotage,
3. learn how to read situational contexts critically, containing distractions and consciously orienting one's behavior.

The growing interest of employees in investing in their own professional development, detected through a dedicated questionnaire, led Cherubini in the second part of 2023 to structure a dedicated space for autonomous personal training. Through the activation of Metappendo, a platform designed by Feder-



meccanica and the trade unions of the metalworking sector to facilitate companies in the delivery of quality training content in a flexible manner, Cherubini offered each employee:

1. a list of “on-shelf” training pills for which it was possible to send a specific expression of interest;
2. training experiences pre-selected by the Company based on the topics most consistent with the detected organizational needs.

Consistent with the company’s development strategy, the first selected paths were the following:

- a. Why is it important to train, lasting 1 hour, containing a general analysis of the labor market, some projections on the professions of the future and various testimonies of workers and trainers about the changing requirements for access to them;
- b. Sustainable Development and Sustainability, lasting 1 hour, aimed at deepening the meaning of the 2030 Agenda objectives and acquiring a first understanding of the three dimensions of sustainability impacting all companies that intend to compete in the markets of the future;
- c. Lean Thinking, lasting 2 hours, focused on the logic of continuous improvement in its most technical variations within production processes and on the more transversal aspects of method, as a creative approach useful for facing any corporate “problem”.

To ensure the enhancement of training times, 2 workstations were set up for access to the MetAppendo content by workers who were not already equipped with a laptop and/or did not operate in an environment suitable for the use of the available audio-video training content.

Booking was made possible by expressing interest to the HR Office, which, after verifying the availability of the workstations, confirmed and offered support in accessing the platform.

In line of continuity with the year 2022, Cherubini has taken a further step to foster the adoption of the agile operational philosophy based on the OKR (Objectives and Key Results) method. OKRs are a tool for defining corporate objectives, designed to increase the focus, responsibility and awareness of employees in the broader context of improving organizational performance. During the year, 3 OKR Champions were further trained and certified to promote this methodological approach more capillary in all the company’s functional areas and also extended to foreign subsidiaries, with the aim of accelerating change and measuring the impact of corporate projects.

Furthermore, within the Management By Objectives (MBO) system, a specific qualitative item has been introduced for all first and second lines in order to reward the level of active participation and adoption of the method in the definition of their operational objectives and in the dynamics of cross-functional collaboration. In addition to this qualitative indicator, based on the Strategic Management Profile validated in 2021 to support the development of 6 key competencies (50% relational, 30% managerial and 20% executive) at the medium-high levels of the organization, the MBO system has also been enriched with a space for qualitative evaluation, structured on the results of at least 2 formal feedbacks collected from one’s manager during the year and a self-assessment form, in which each manager takes stock of their level of saturation of the observable behaviors related to the key competencies to be developed. This quali-quantitative integration into the company’s reward system constitutes a further step in the path of promoting a new managerial culture, based

on the development of transversal skills fundamental to guiding the ongoing change, such as leadership, interpersonal communication, relational intelligence, decision-making, project management and personnel development.

After the assessment phase of the first lines, started in 2021 with the collection of 180-degree feedback, tests and personalized interviews, during 2023 2 coaching interventions for top managers were completed and 2 coaching paths for the development of second-level managers were started, which will be the basis for future organizational redesign interventions.

2021-2023		
Category	No. participants	Avg. no. hours per person
Technical/professional training		
Lean Manufacturing	45	16
Introduction to the 5S method in Lean	1	4
Smart working and digital business innovation	12	16
D365 managerial ERP	24	26
Innovation tools and models	9	32
Digitising business processes	12	14
Masters in personnel management and administration	1	160
CUOA Masters: management control tools and techniques	1	91
Aspects and techniques of procurement for senior buyers and category managers	1	48
OKR: the agile methodology for declining business strategy	2	16
Payroll reading	1	16
Supply Chain Planning	1	3
Procurement Forum	1	24
Whistle Blowing: study of regulations	1	1
Administrative management of packaging	1	1
ADACI: steel and ferrous metals market	1	1
HRM - HR community of practice	1	12
Ambrosetti Executive Programs	2	12
Transversal training		
Coaching for strategic skills development	7	12,5
Being a leader: seeking excellence by combining arrogance and humility	2	7
Change Management: from emotional intelligence to conflict management	10	8
Motivation and Resilience	27	4
Problem Solving	18	4
Vision and ability to anticipate the future	2	2
Language training		
English	4	35



Roots in the local area [GRI 3-3]

The specific aspects of each local area contribute to shaping the distinctive characteristics of a company to definitively influence its overall identity. Similarly, the social-entrepreneurial framework can promote the reputation of the local area in which the company operates by promoting its attractiveness and excellence. For Cherubini, the importance of integrating into the local fabric lies in its roots—an artisan company which, with its over 70-year history, has grown together with the local area.

In the three-year period 2021-2023, Cherubini has promoted numerous initiatives in support of local associations and realities, contributing with a value of approximately €468,390. The interventions carried out also include sports sponsorships that in 2023 involved the Bedizzolese Calcio. Furthermore, Cherubini has supported associations such as Casa Ronald McDonald and Una mano per i bambini Onlus, which seek to support disadvantaged children in Italy and various countries around the world, supporting them in different areas of life, from care situations to the protection of the right to education.

€ 468.390
the amount donated in support
of local associations and
entities over the three-year
period 2021-2023

The “Chiavi di casa” Project

Since 2018, Cherubini has supported the Anffas Foundation and, in particular, contributes to the “Le Chiavi di Casa” (The Keys to the House) project connected to the implementation of Law 112, known as the “After Us” law of 2016. The project is aimed at promoting the autonomy of 20 people with disabilities in view of their detachment from the family, both for reasons related to the lack of the family of origin and to favor the realization of a desire for independent life, as established by the UN Convention on the Rights of Persons with Disabilities. In 2023, the project has been transformed, taking the name “Le chiavi di casa mia” (The Keys to My House), as 5 people permanently reside in the apartment previously used for the autonomy path. The organization of residentiality constantly requires a great organizational effort; Cherubini firmly supports and promotes the experience so that a future can be realized for people with disabilities with a high need for support, taking into account their desires and expectations. Cherubini also stands side by side with Anffas families, associated in APS (Association for Social Promotion), so that they can continue to direct the activities of the “during us” with relief projects also for people with the highest need for support, such as the organization of holiday periods, in order to improve their quality of life. All these initiatives, in fact, arise from the deep conviction that disability must not remain an individual problem but that the whole of society, in its various forms and possibilities, must take charge of it. Since 2018, Cherubini has supported the Foundation with donations amounting to € 50,000.

Cherubini attaches great importance to dialogue with the local school institutions, opening the doors of its company to young people and promoting entrepreneurship in order to establish constructive relationships. In 2023, Cherubini has confirmed this commitment, obtaining for the third year the Confindustria Quality Alternance (BAQ) label and the Confindustria Imprese in ITS (BITS) label.

The BAQ quality label was awarded to Cherubini for the value of the activities carried out in favor of on-the-job training, underlining the company’s commitment to providing high-quality school-work alternation paths. The BITS quality label, on the other hand, was awarded for partnership initiatives with the local Higher Technical Institutes, demonstrating attention to the importance of disseminating technical culture and STEM (Science, Technology, Engineering and Mathematics) disciplines.

In 2023, 9 internships were activated, with the participation of students coming 90% from local vocational schools. Students had the opportunity to follow integration paths in the technical and IT fields. The company experience, which begins with an insertion interview conducted by the company tutor, was enriched during the year by a final feedback phase. In this case, it is the students themselves who give the grades and express their degree of satisfaction with the path taken in the company, listing the aspects that most met their expectations. For 2023, the cumulative satisfaction index stood at a value of 4.6 out of 5, and the most pleasant aspects of the experience at Cherubini were identified in interpersonal relationships, the type of activities carried out and the location, confirming the students’ desire to return to the company in the future as well.

Based on the evaluations of the company tutor and HR, at the end of the path the most virtuous interns were rewarded with a €50 Amazon voucher, as an encouragement to continue building their professionalism with consistency, passion and determination.

Cherubini has also confirmed its adherence to the Pact for Sustainability Brescia 2050 during FUTURA EXPO 2023, one of the main Italian events capable of bringing together companies and people to discuss sustainability issues. This pact represents an ambitious and courageous challenge, with the goal of transforming Brescia into one of the most prosperous and advanced territories in Italy by 2050. Cherubini’s commitment within the pact includes mapping its emissions, devising actions to reduce them, implementing concrete projects to achieve this goal and neutralizing any remaining emissions by 2050 through additional offsets.



Methodological note.

5



Methodological note

This first Cherubini Group Sustainability Report confirms our commitment to voluntarily and transparently reporting to all our stakeholders our efforts and results attained in the various areas of sustainability.

The information provided in the document pertains to **fiscal year 2023** (1 January-31 December 2023) and the specific activities of **Gruppo Cherubini S.p.A.**, unless otherwise indicated. Where possible, data pertaining to the three-year period 2020-2022 have been presented. The Report was prepared using as reference the 2021 **GRI Standards (Global Reporting Initiative)** guidelines which, where available, have been indicated in the body of the Report using the ID codes included in brackets below each heading.

Focussing on the main environmental, economic and social impacts of its business activity, Cherubini identified twelve material topics which were examined through a materiality process involving the company's leading product lines. For each identified topic, the Group assessed the impacts, management approaches and results of the actions taken to

manage the environmental, economic and social implications associated with each one. The impacts were analysed according to a dual materiality approach, assessing them on the basis of scope, perimeter, irremediability and probability, in conformity with GRI requisites and the future single European standard developed by the European Financial Reporting Advisory Group (EFRAG).

As required by the Reporting Standard, the GRI Content Index is included in this document, listing the GRI indicators on which reporting was done.

Data collection and preparation of the material contained in this document was carried out in collaboration with all Group departments, each in relation to its own activities, generating a full and accurate information flow that guarantees the soundness of the reporting model adopted.

The document is published on the www.cherubini.it web site. For further information or requests for clarification, please contact the Group at the following address: silvia.cherubini@cherubini.it.



GRI index

Declaration of use	Cherubini S.p.A. has reported the information cited in this GRI index for the period 1/1/2022-31/12/2022 using GRI Standards
GRI 1 utilised	GRI 1: Key principles 2021

General information

GRI Standards	Location	Information
GRI 2: General information 2021	2-1 Organizational details	About us, The Cherubini Gruppo; Made in Cherubini: Our Solutions Registered office: Via Adige 55, 25081, Bedizzole (BS)
	2-2 Entities included in the organization's sustainability reporting	Methodological note
	2-3 Reporting period, frequency and contact point	Methodological note
	2-4 Restatements of information	This document is the first Sustainability Report.
	2-5 External assurance	This document is prepared voluntarily and, as such, is not subject to external assurance.
	2-6 Activities, value chain and other business relationships	About us, The Cherubini Group
	2-7 Employees	Cherubini
	2-8 Workers who are not employees	The Cherubini Team
	2-9 Governance structure and composition	Ethics, transparency and integrity
	2-10 Nomination and selection of the highest governance body	Ethics, transparency and integrity
	2-11 Chair of the highest governance body	Ethics, transparency and integrity
	2-19 Remuneration policies	Employees are subject to a result-based incentive system with the awarding of a variable prize at year-end connected to their personal goal worksheet. The goals are 30% collective and 70% individual. For executives, 60% collective and 40% individual.
	2-20 Process to determine remuneration	Employees are subject to a result-based incentive system with the awarding of a variable prize at year-end.
	2-21 Annual total compensation ratio	The Cherubini Team
	2-22 Statement on sustainable development strategy	Expect More
	2-26 Mechanisms for seeking advice and raising concerns	The Cherubini Group adopted a new governance model that guarantees responsible corporate conduct through the introduction of shared standards and effective decision-making processes. To-date, there are no formal procedures for requesting clarification or raising issues. No cases of non-compliance were registered in 2022.
	2-28 Membership associations	Assotende Fempa (CH Iberia) ACTIBAIE (CH France)
	2-29 Approach to stakeholder engagement	Materiality Analysis
	2-30 Collective bargaining agreements	100% of employees are hired in conformity with the applicable National Collective Labour Contract (management according to the Industrial Management NCLC, and employees, workers and outsourced labour according to the Engineering Industry NCLC)



Specific statement

GRI Standards	Location	Information
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Analysis
	3-2 List of material topics	Materiality Analysis
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic value generated and distributed
Material topics		
Client, quality and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Product quality and safety
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product quality and safety
	416-2 Episodi di non conformità riguardanti impatti sulla salute e sulla sicurezza di prodotti e servizi	Product quality and safety
Responsible purchasing		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value partnership
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Value partnership
Product innovation and development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Product innovation and development
Eco-design and circular economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Eco-design and circular economy
GRI 306: Waste 2020	306-3 Waste generated	Eco-design and circular economy
	306-4 Waste diverted from disposal	Eco-design and circular economy
	306-5 Waste directed to disposal	Eco-design and circular economy
Smart building and home automation		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Smart building and home automation
Clean energy and energy efficiency		
GRI 3: Material Topics 2021	3-3 Management of material topics	Clean energy and energy efficiency
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Clean energy and energy efficiency
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Clean energy and energy efficiency
	305-2 Energy indirect (Scope 2) GHG emissions	Clean energy and energy efficiency
Sustainable packaging		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Sustainable packaging
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational health and safety
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	Occupational health and safety
Employee training		
GRI 3: Material Topics 2021	3-3 Management of material topics	Training and Skill Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Skill Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Skill Development
Integration and rooting into the local community		
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Roots in the local area



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