



Making Your Life Better.



2022
SUSTAINABILITY
REPORT



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Letter to stakeholders

This is our 5th Sustainability Report, referring to the year 2022, a year in which all our activities gradually resumed after a two-year period characterized by the Covid-19 pandemic. Since the end of 2021, in fact, we have witnessed an exponential growth in the cost of raw materials, to which was added the climate of uncertainty caused, at the end of February, by the start of the war in Ukraine, and inflationary growth to levels not seen for some 40 years.

In this complex picture, we have had the confirmation of the importance of having embarked on a path oriented towards environmental, social and governance sustainability in 2018 and having integrated it more and more into the way we do business.

By virtue of all the care we are taking and the continuous improvement of building efficiency, we have managed to contain the effects of the economic situation. We have transformed ourselves taking every challenge as an opportunity to grow, improve and further develop our value towards our stakeholders.

Today, the concept of sustainability is both one of the changes we have to face, and a point of view that must be developed, more and more concretely, within the company.

Precisely with this in mind, Cefla adheres to the UN 2030 Agenda, whose related themes have always been an integral part of the company culture.

Sustainability is a key concept at Cefla:

as a mainly B2B company, developing successful relationships with our customers, becoming their partner in long-term projects, is one of the reasons for Cefla's success.

Our history pushes us towards the future, towards a new horizon that takes shape in two major objectives: making the most of our human capital and increasing the enabling factor that "Made in Cefla" innovation represents in Italy and around the world, by maintaining a constant presence in the markets we preside over. These are, in a nutshell, the objectives we set ourselves.

It is therefore with particular pride that we publish this sustainability report: an important tool for continuous improvement

and planning for an ethical, inclusive and sustainable future.

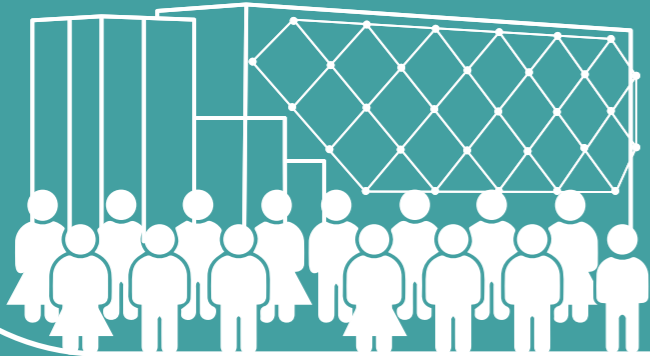
For all of this, we can only be grateful to the people who work in our Group for their expertise and commitment, from which the results we have achieved are derived.

Gianmaria Balducci
President



Highlights

CEFLA
turned
90



1,802
PEOPLE
in the Cefla
group in 2022

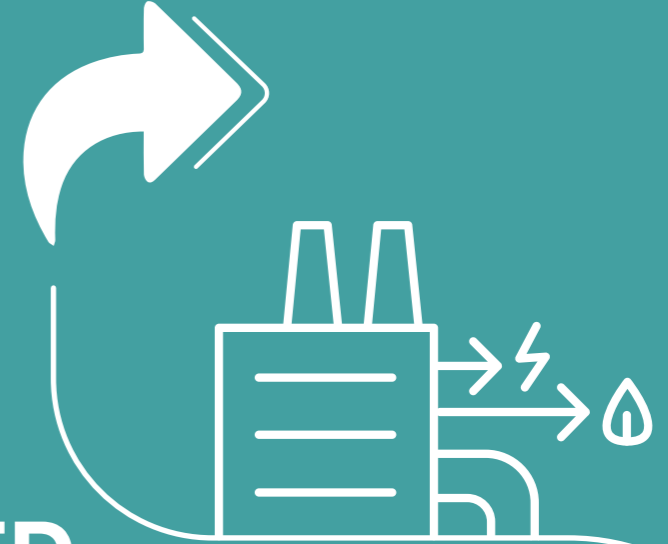
Maintenance of some
pandemic-related

> **HEALTH
SAFETY
PRESIDIA**

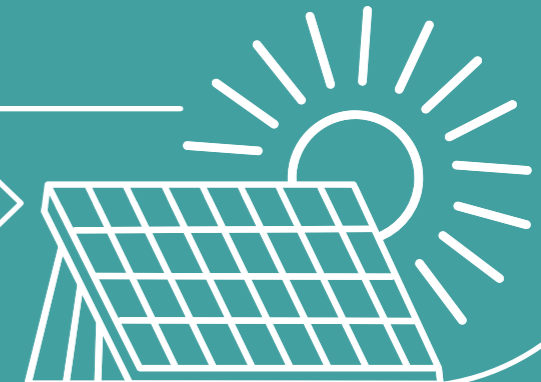


13 % increase in
**ECONOMIC
VALUE
GENERATED**
COMPARED TO 2021

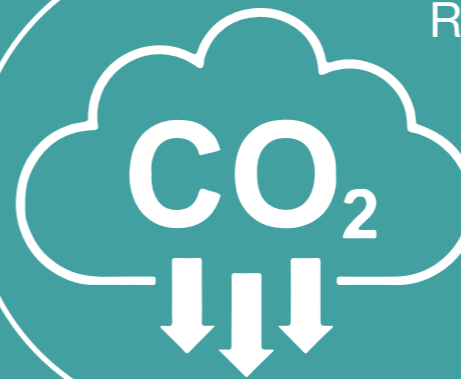
6,454 GJ
of **SELF-
PRODUCED
ELECTRICITY**



in 2022
through PHOTOVOLTAIC
AND COGENERATION
SYSTEMS



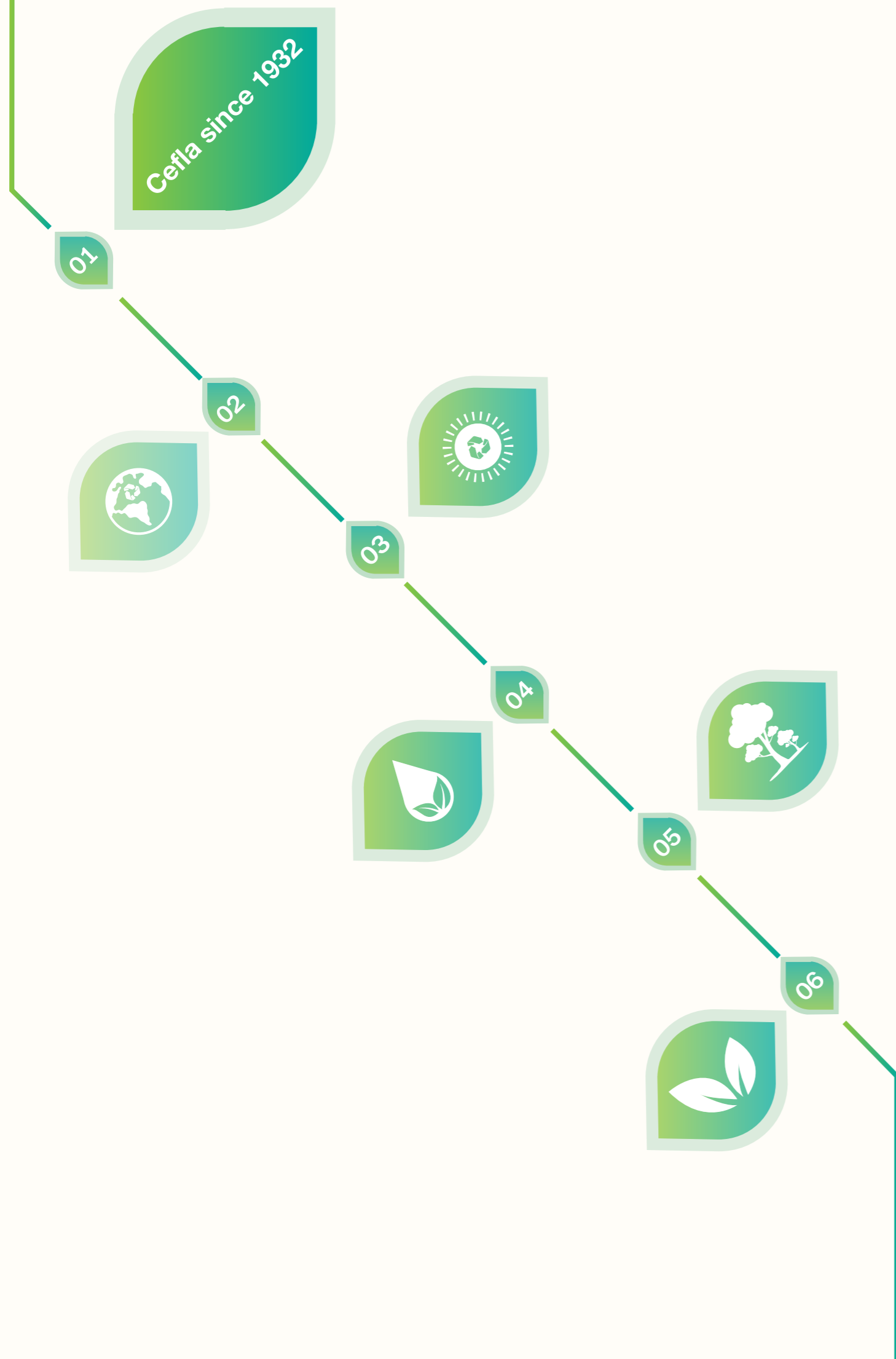
Reduction of almost **7 %** in



**Scope 2
DIRECT
EMISSIONS**

Almost **12** MILLION euro
invested in **R&D**
+ **27 %** vs. 2021





Cefla since 1932

01.1

History

Cefla is a company made up of three Business Units, each with its own history of successes and products, processes and innovations, but with a common improvement project in which relationships and talents support each other to achieve excellence and the satisfaction of all customers and stakeholders.

"We have established ourselves, year after year, because we live your goals as if they were our own: when satisfaction is shared, it is worth much more."


Cefla has grown, established itself and maintained its roots until today it has become a large multi-business group that has made its heterogeneity a strong point. Today Cefla is a solid identity, operating internationally in different businesses, which believes in the values of sharing, involvement and doing business with people; it is close to the territories in which it invests, giving strength to the group and reliability to its customers.

Cefla's Business Units bring together skills and capabilities to achieve objectives in their respective contexts, united by a common project in which networks of relationships and talents complement and support each other. This is the strength of working together: a valuable legacy, a baton to be passed on to each new generation.

1932 Cefla's journey began on May 4, 1932, when 4 tinsmiths, 3 plumbers and 2 electricians founded the 'Cooperativa Eletttricisti, Fontanieri, Lattonieri e Affini' in Imola




1950 Cefla Arredamenti Group is founded




1960 Foundation of Cefla Finishing Group, today's CEFLA FINISHING Business Unit




1980 Start of Cefla's internalization process




1998 Birth of Cefla Dental Group, now CEFLA MEDICAL EQUIPMENT Business Unit



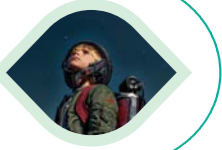
2000 Cefla consolidates its leading role in the four business sectors



2016 Debut of C-LED is born, targeting the business of LED lighting, lighting technology, Growing and wireless connectivity




2019 Cefla's brand new tagline: "Making Your Life Better"



2022 Cefla turns 90



2023 Cefla's journey continues. Step by step, from Imola we have arrived everywhere, becoming an international reality. Always looking ahead, to the next destination, studying the way to improve people's lives



Cefla in the world

Germany

- ○ Meckenheim
- ○ Schloß Holte-Stukenbrock
- Leutesdorf

France

- Bischwiller

USA

- ○ Charlotte

Italy

- ○ Imola
CEFLA HEADQUARTERS
- ○ Ancona
- Bergamo
- ○ Milan
- Ozzano dell'Emilia
- Pesaro
- Rome
- Rovigo
- Trento
- Verona

Poland

- Warsaw

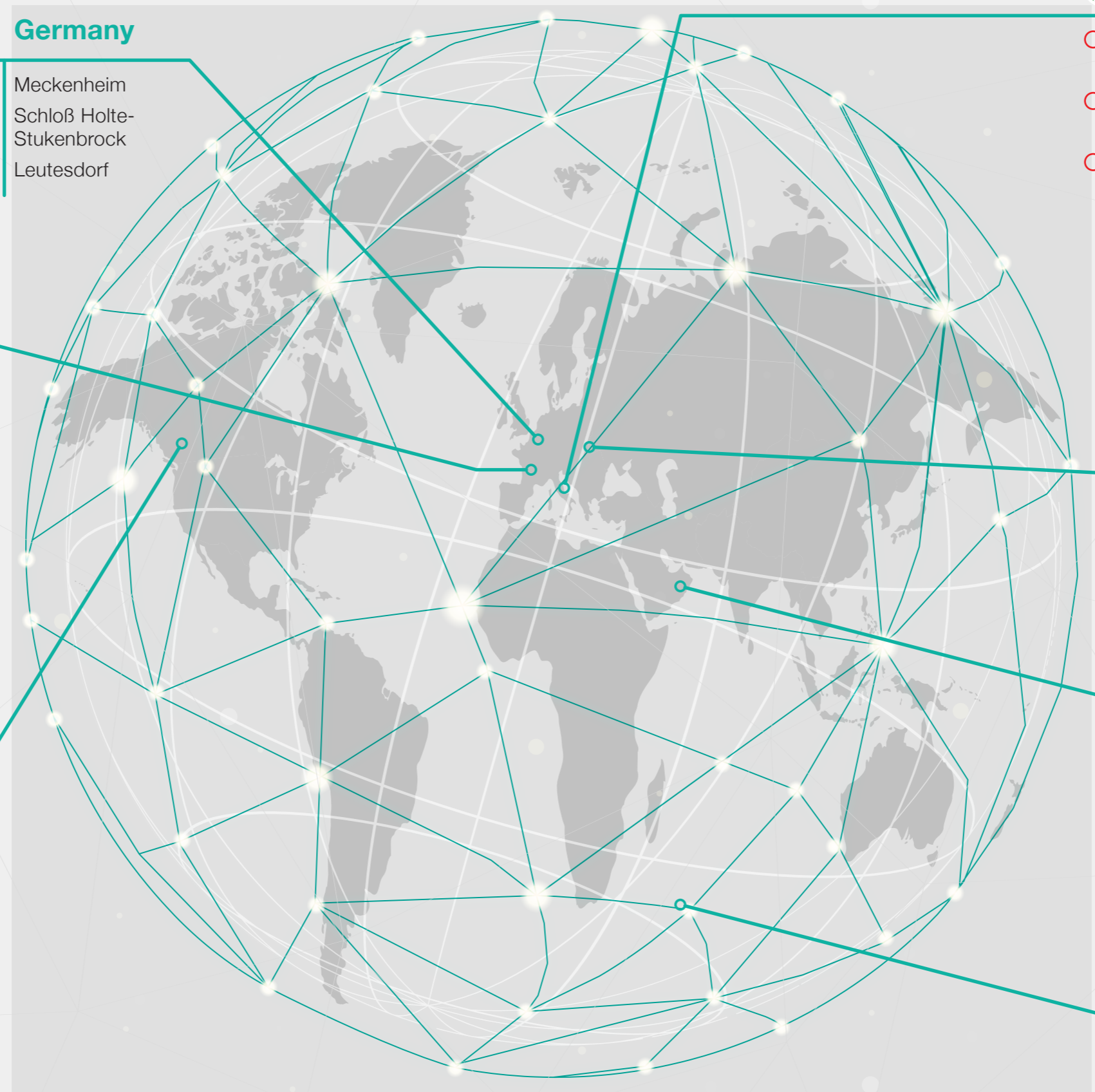
UAE - United Arabian Emirates

- Dubai

China

- ○ Suzhou

- **PRODUCTION COMPANIES**
- **BUSINESS COMPANIES**



01 Cefla since 1932

Corporate values and mission

Vision

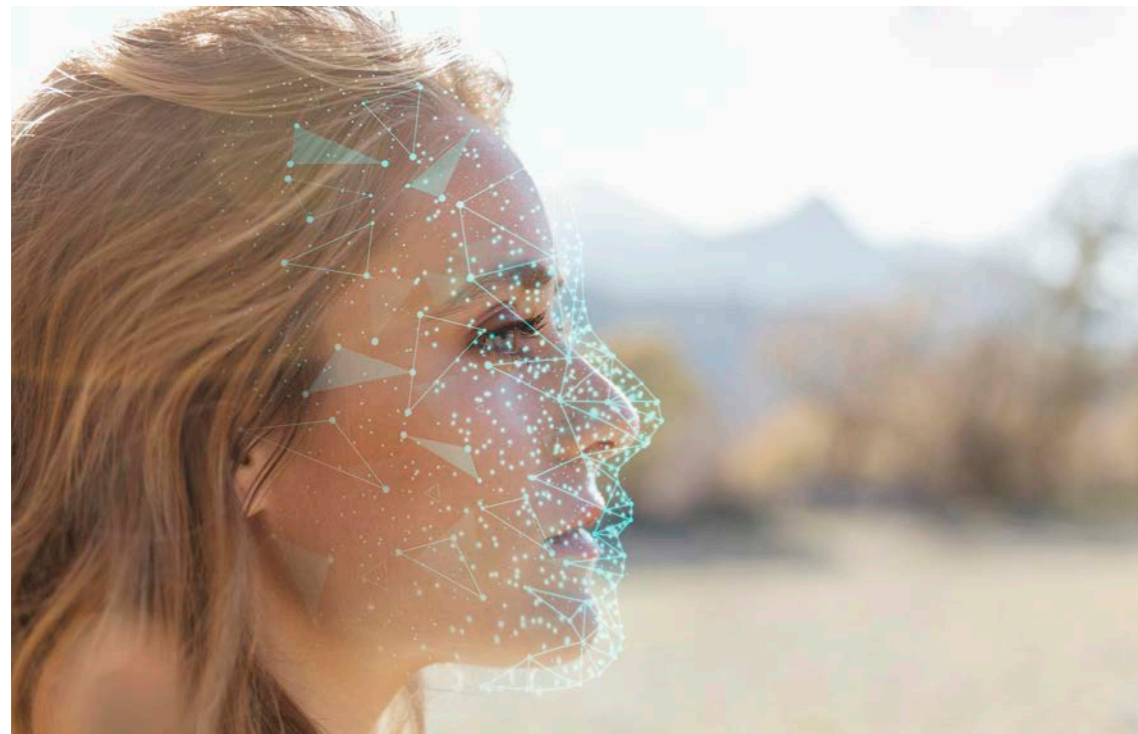
“Discover new solutions and different markets with the best skills to help our customers improve people’s quality of life.”

We want to be an Italian group, strong in its history, that manages to be close to people’s needs and their requirements, bringing value over time to all stakeholders. We are always looking for new and different markets with the aim of being the point of reference for the excellence of the benefits provided in the various businesses in which we are present.

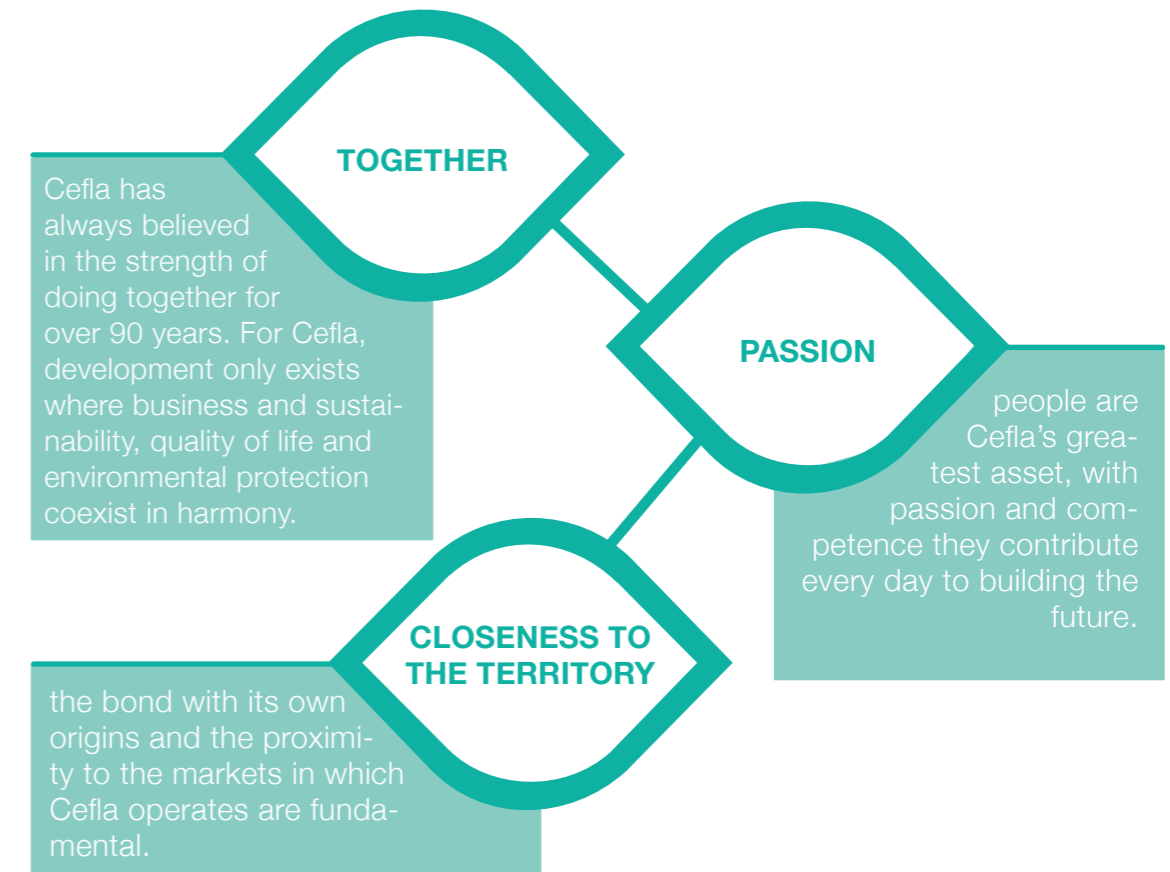
Mission

“Creating value over time“

This is the spirit that moves us towards the future every day, through product innovation and process evolution with the desire to always find a benefit for the consumer. With a relentless and systemic pursuit of excellence, we have been guided by the idea of continuous improvement since 1932 and, every day, we create value and well-being in every business. The growth drivers that underpin our mission are the ability to anticipate the market, to create tangible benefits and the courage to invest in the future.



Cefla pursues its Mission with a view to continuous improvement through precise values:



“Making Your Life Better” is a promise, which means improving people’s lives and occupying a space in the minds of consumers.

“Making” refers first and foremost to Cefla, to the ability of the company’s people “to make”, and tells of the manufacturing tradition that has accompanied the entire company population for decades. ‘Making’ also means ‘rendering’, i.e. transforming something into something else. Thus, Cefla “makes something” and at the same time “makes something else”.

“Your Life” means those to whom Cefla addresses: “your life” is the life of each of the company’s interlocutors, especially the end consumers. Cefla addresses them directly, seeking to create an intimate, daily relationship.

“Better” is the effect this relationship is intended to produce: an improvement. An improvement that manifests itself in people’s lives in different ways, thanks to the use value of Cefla’s products.

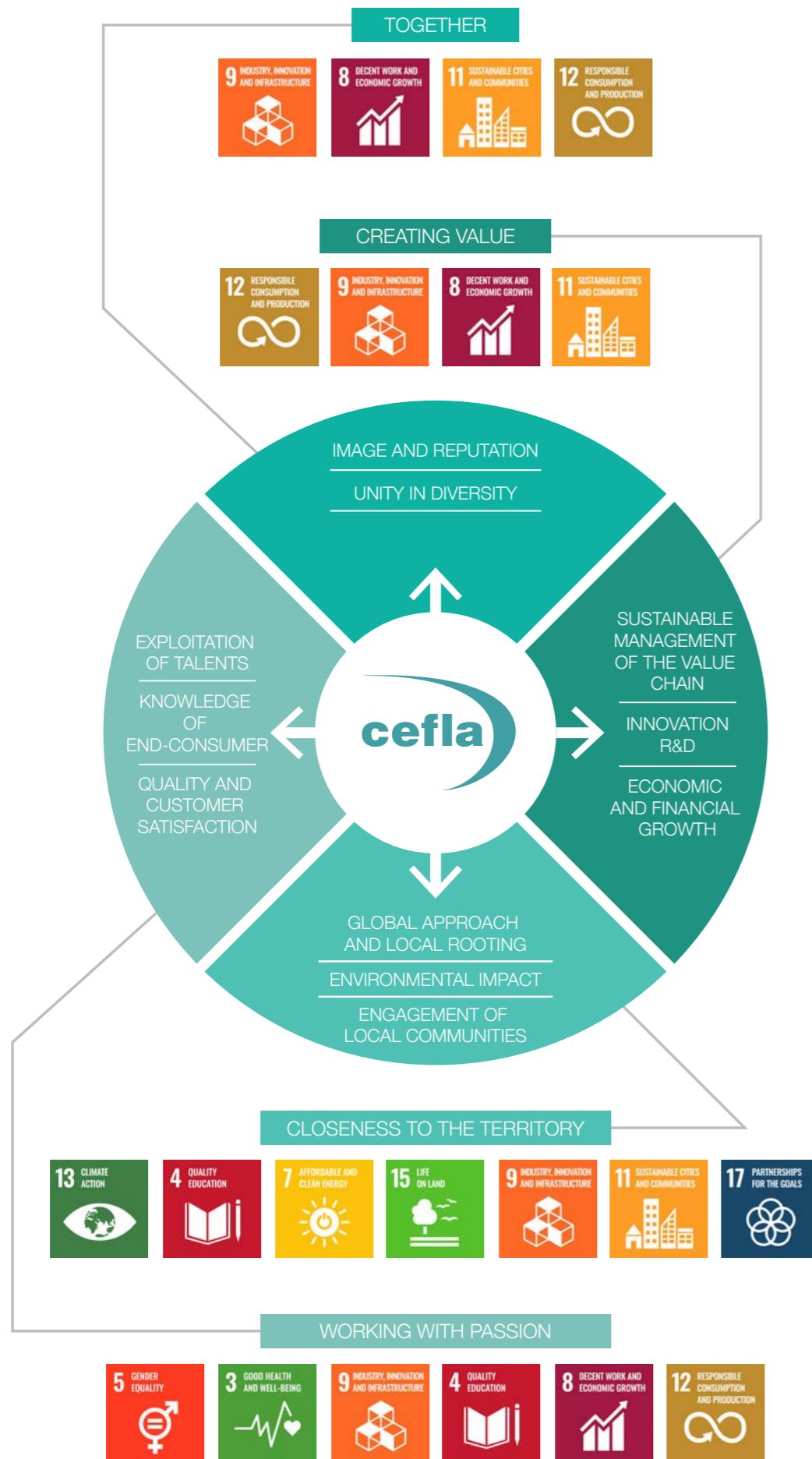
01.3

Orientation to sustainability

As Cefla is a cooperative, one of its intrinsic objectives is to pass the baton to future generations.





A hallmark of Cefla lies in economic sustainability: the statute prescribes to leave at least 50% of the budget profits to the company, and this is certainly a way to increase stably the company's assets, in line with the mission of creating value in time. In addition, all working capital is financed by the company's assets: this entails the total absence of financial charges that weigh on the income statement, giving the possibility for the organization to make important investments with an extraordinary profitability, including the ability to acquire new companies and enter new markets. One of Cefla's distinctive choices has always been that of diversification, both in terms of businesses and markets. This strategy paid off in the long run: in a constantly evolving market, characterized by high innovation and technology, thanks to the fact that its Business Units operate in diverse sectors and markets, Cefla has seen its turnover steadily grow, despite the recent changes and tensions.















Cefla has embarked on a path of sustainability which aims to integrate the logics, the contents and tools necessary in corporate and organizational procedures, in the light of the importance it has been assuming in recent years. Cefla, in fact, has nominated an internal Sustainability Manager and a "Sustainability Team", a group coordinated by the Sustainability Manager, who works specifically on the prosecution of the objectives identified in the ESG context. The path implemented provides a phase of sensitization of some company figures through activities aimed at increasing knowledge and awareness of the performance of non-financial nature, and of how much Cefla, thanks to the diversity of businesses in which it operates, can help to achieve in the short, medium and long term.



Through the involvement of the various corporate functions, through specific interviews which also included the President and the General Manager, and of all the Business Unit, Cefla has planned to share its strategic priorities in the sustainability field. Objectives, tools and areas of action on which to intervene have been defined (pillars). Within each pillar (Governance, Supply chain, People, Environment, Community) consistent actions with the expected and generated impacts and with the strategic guidelines defined have been selected. Following the systematization of the results and an internal review process, the company has drafted its own model to aim for in the field of sustainability, with a three-year perspective.

The following table summarizes, in a concise manner, the main initiatives identified, falling within the above mentioned ESG model:

Pillars	Intervention	Progress status	SDGs
Governance	<ul style="list-style-type: none"> Appointment of a sustainability contact person within each Business Unit 	<ul style="list-style-type: none"> Completed 	
	<ul style="list-style-type: none"> Extension of the validity of the certifications relating to the UNI EN ISO 14001 Environmental Management Systems, to the UNI ISO 45001 Occupational Health and Safety Management Systems 	<ul style="list-style-type: none"> ISO 14001 completed ISO 45001 by the end of 2024 	
	<ul style="list-style-type: none"> Launch of the analysis process for the extension of the certification to ISO/IEC 27001 IT security systems 	<ul style="list-style-type: none"> Analysis completed by the end of 2023 	 
	<ul style="list-style-type: none"> Launch of the UNI ISO 37001 Corruption Prevention Systems certification process 	<ul style="list-style-type: none"> Certification obtained for Cefla Tech 	 
	<ul style="list-style-type: none"> Implementation of a Disaster Recovery data center 	<ul style="list-style-type: none"> By the end of 2022 	
	<ul style="list-style-type: none"> Strengthening of the internal organization (Area Information Security) and of the SOC services (Security Operation Center) 	<ul style="list-style-type: none"> Details in §2.4 	

Pillars	Intervention	Progress status	SDGs
Supply chain	<ul style="list-style-type: none"> Partnerships with suppliers and research centres 	<ul style="list-style-type: none"> Details in §3.4 	 
	<ul style="list-style-type: none"> Adoption of sustainability practices in the choice of suppliers 	<ul style="list-style-type: none"> Synergy platform adopted, involvement of Corporate suppliers started 	 
	<ul style="list-style-type: none"> Efficiency of processes 	<ul style="list-style-type: none"> Continuing activity 	
People	<ul style="list-style-type: none"> Major investments dedicated to training on R&D, GDPR, Health and Safety, Sustainability 	<ul style="list-style-type: none"> Details in §2.3, §2.4.5.a, §4.3, §5 	 
	<ul style="list-style-type: none"> Academy to develop technical skills for business-related intermediate roles 	<ul style="list-style-type: none"> Details in §6.4.1 	
	<ul style="list-style-type: none"> Greater career management aimed at growth through a performance evaluation and job rotation system 	<ul style="list-style-type: none"> Details in §4.2 	 
	<ul style="list-style-type: none"> Strengthening of policies and practices against all forms of discrimination 	<ul style="list-style-type: none"> Code of Ethics released 	
Environment	<ul style="list-style-type: none"> Encourage the use of electric cars 	<ul style="list-style-type: none"> Under evaluation 	
	<ul style="list-style-type: none"> Reduce the use of plastic in packaging 	<ul style="list-style-type: none"> Continuing activity 	
	<ul style="list-style-type: none"> Increase in the number of photovoltaic panels 	<ul style="list-style-type: none"> Details in §3.4 	 
	<ul style="list-style-type: none"> Green technologies for the energy market 	<ul style="list-style-type: none"> Details in §3.4 	
	<ul style="list-style-type: none"> Digitization and consequent reduction of the paper used 	<ul style="list-style-type: none"> Details in §2.4.5.b 	 
	<ul style="list-style-type: none"> Energy diagnosis of the Imola plant 	<ul style="list-style-type: none"> Completed 	
	<ul style="list-style-type: none"> Replacement of the traditional cogeneration plant with a Fuel Cell plant (fuel cell) 	<ul style="list-style-type: none"> By the end of 2023 	
Community	<ul style="list-style-type: none"> Investments in social promotion and identification of partnerships for the development of social projects 	<ul style="list-style-type: none"> Details in §6.3 	 
	<ul style="list-style-type: none"> Increase partnerships with universities and associations 	<ul style="list-style-type: none"> Details in §3.2.1, 	

Materiality analysis and relationship with stakeholders

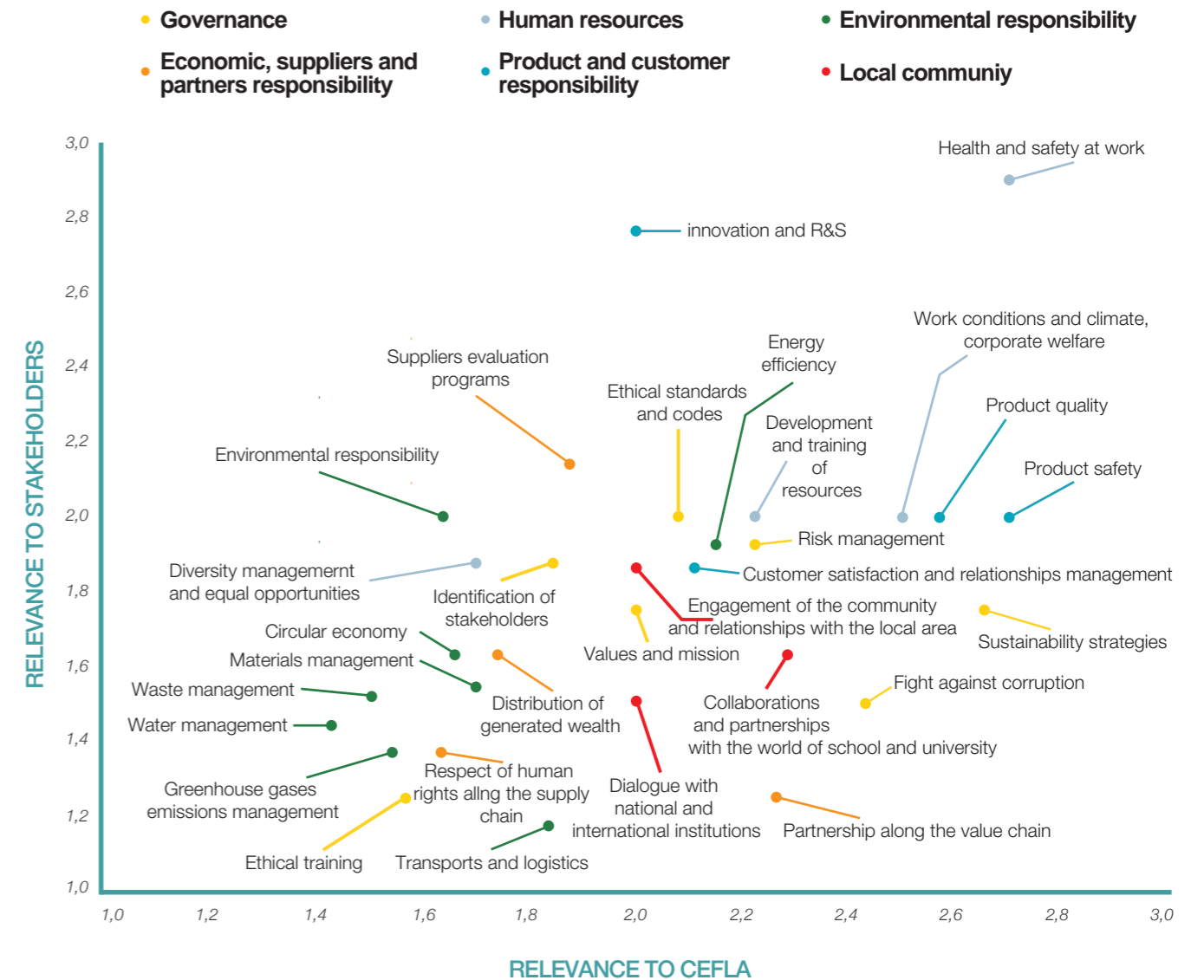
Given the important value that over the years Cefla has attributed to the concept of sustainability, it was decided to start an internal awareness process, in order to integrate the logics and the organizational systems in place with the main characteristics that distinguish ESG performance.

In order to arrive at the materiality matrix, during the year 2021, various activities were planned which saw the active involvement of the main managers of function. In the preliminary phase, a benchmark analysis of the main competitors of the organization was conducted, with the purpose of identifying the areas of lesser activity, to evaluate possible initiatives to be implemented in the near future, seeking a direct comparison with the main competitors being analysed. This analysis also contributes in creating greater internal awareness towards the best practices in the operating sector, the regulatory changes and the market's general trend, with respect to the ESG performance.

Subsequently, structured interviews were held with the reference Corporate figures and the heads of the various Business Units, in order to try and valorise what already implemented over the years by Cefla and, at the same time, evaluate the main issues that have emerged as relevant, through a rating scale ranging from 0 (negligible aspect) to 3 (very relevant aspect).

The assemblage of the internal and external vision has therefore made it possible to arrive to the materiality matrix shown below; identifying the materiality threshold equal to 1.9, the analysis made it possible to identify 9 material and strategic issues which are positioned in the upper right quadrant, namely: occupational health and safety, innovation and R&D, ethical standards and codes, energy efficiency, conditions of work, internal climate and corporate welfare, development and training of resources, quality of the product, risk management, product safety.

MATERIALITY MATRIX



As can be seen from the graph, the topics considered relevant both from the Group's point of view and from the point of view of its stakeholders evenly cover the various areas under analysis. Of these, great relevance is attributed to the issue of health and safety at work, belonging to the 'Human Resources' macro-area. The other topics that are particularly relevant are those pertaining to the 'Product and Customer Responsibility', 'Environmental Responsibility' and 'Governance' macro-areas. In particular, compared to Cefla's previous Sustainability Report, occupational health and safety, ethical standards and codes, innovation and R&D continue to be assessed as relevant and included in the list of material topics.

The results obtained fully reflect the essence and nature of the Cefla Group, an organization that aims to create sustainable value, managing its activities through transparent governance, pursuing its objectives by investing in people's skills and focusing on increasingly innovative products that meet the needs of all its customers.

The results drawn up for the year 2021 were also confirmed for the year 2022, in which the materiality analysis was not repeated because it was deemed that the detectable differences would not be substantial; instead, it was deemed appropriate to reschedule this activity for the preparation of the next budget.

AREA	MATERIAL TOPICS	IMPACTS PERIMETER	
		INTERNAL	EXTERNAL
Governance	Ethical standards / codes	Group	Suppliers Bodies and institutions
	Risk management	Group	Suppliers Collectivity Bodies and institutions
Human resources	Health and safety at work	Group	Suppliers Bodies and institutions
	Work conditions and climate, corporate welfare	Group	Suppliers Customers Bodies and institutions
	Development and training of resources	Group	Customers Bodies and institutions
Product and customer responsibility	Product quality	Group	Collectivity Investors Customers Suppliers Bodies and institutions
	Product safety	Group	Collectivity Investors Customers Suppliers Bodies and institutions
	Innovation and R&D	Group	Collectivity Investors Customers Suppliers Bodies and institutions
Environmental responsibility	Energy efficiency	Group	Collectivity Investors Customers Suppliers Bodies and institutions

This Sustainability Report has been drawn up to meet stakeholders' needs for information on the Group's performance in the field of sustainability and to promote dialogue and improvement in the governance and management of the organization itself. Stakeholders are people or groups of people who in various ways can influence or be influenced by Cefla Group's activities. They represent the complexity of the organizational reality and highlight a whole series of relations in which the Group is continuously immersed. Since Cefla today can boast of being part of a dense network of collaborations and daily contacts with public and private interlocutors very different from each other in terms of economic availability and practical needs, the figure below represents only those that the Group considers to be the most relevant stakeholders.

EXPECTATIONS AND STAKEHOLDERS ENGAGEMENT METHODS

Stakeholder	Legitimate expectation	Engagement method
Collectivity	Constant monitoring of environmental and social impacts	Projects with local bodies, subsidies, sponsorships, Sustainability Report...
Customers	Product quality, assistance, commercial partnership	Periodical communications, fairs and events, visits, surveys, Sustainability Report...
Suppliers	Commercial partnership, commercial reliability,	Periodical communications, fairs and events, visits, surveys, Sustainability Report...
Institutions	Joint management of social, environmental and economic impacts	Joint projects, participation in calls for tenders, Sustainability Report...
Shareholders	Capital remuneration, creation of sustainable value	Periodical communications, meetings and Sustainability Report
Environment	Reduction of environmental impacts	Sustainability Report...
Category associations	Partnership for value creation, business development	Periodical meetings, joint projects, Sustainability Report...
Employees	Professional growth, work-life balance, equal wage	Communications, Sustainability Report, corporate intranet





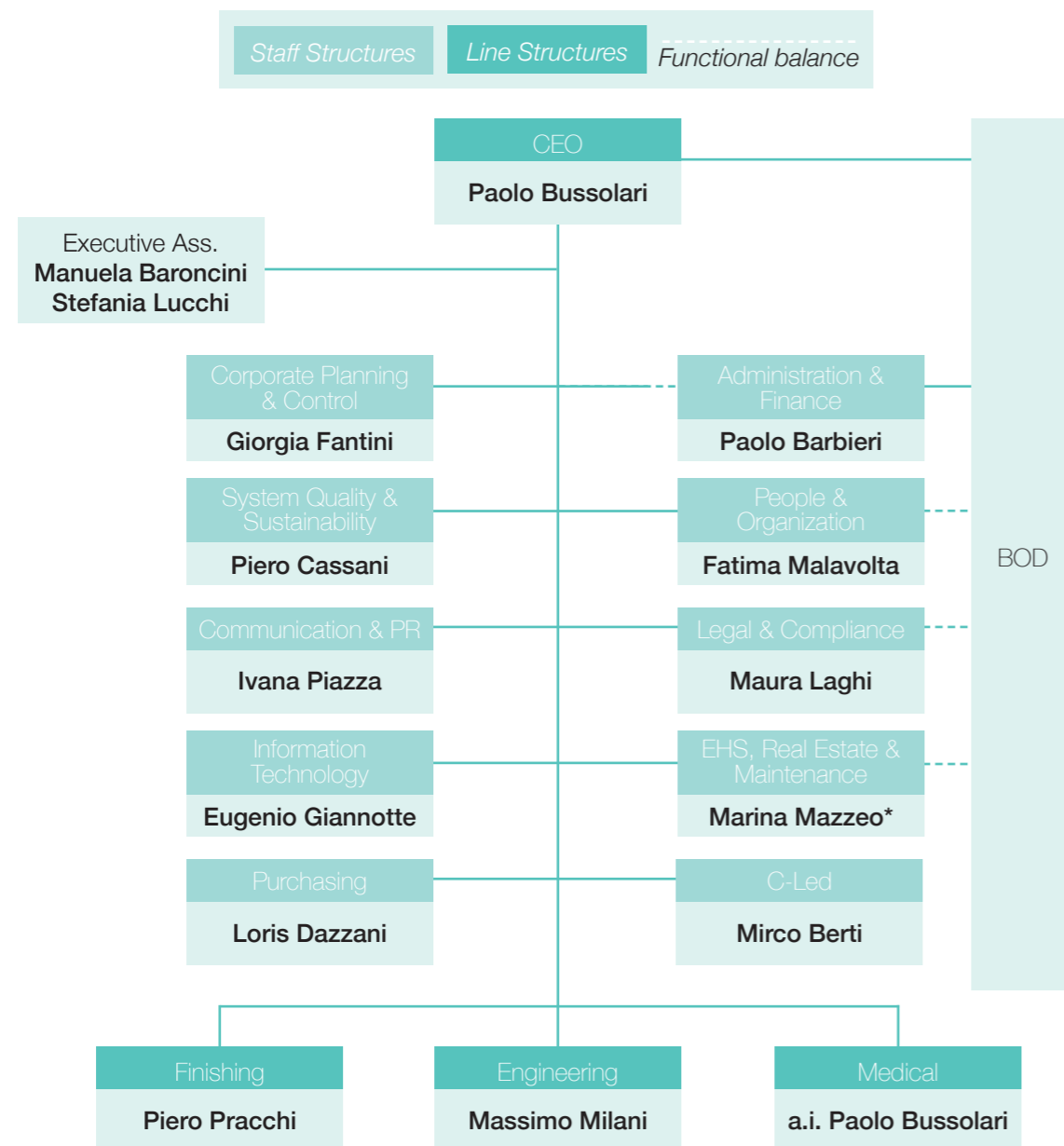
Responsible governance

02.1

Company organization

Cefla is a cooperative company and as such is a non-profit company organization recognized by the Constitution, which states in Article 45 that “The Republic recognizes the social function of cooperation with mutuality and without the purpose of private speculation. The law promotes and encourages its growth with the most suitable means and ensures, with appropriate controls, its character and aims. “

The company organization includes a General Management to which three Managing Directors (MDs) report, as shown in the Organizational Chart below.



*Dotted to CdA for the Real Estate

Organizational chart as per 31/12/2022

The role of the Managing Directors is to manage each business operationally, supported by the central functions, while the Board of Directors, elected by the Shareholders' Meeting, maintains a function of guidance and control over the work of the Managers. Appropriate governance, control and monitoring mechanisms have been developed to protect and preserve this model. The governing bodies of Cefla are therefore responsible for monitoring the performance of all its subsidiaries and outlining the future development of the Group as a whole.

Cefla's governance structure hasn't undergone any substantial change between 2021 and 2022. The governing bodies of the company are:

- The Shareholders' Meeting;
- The Board of Directors (BoD);
- The Board of Statutory Auditors;
- The Supervisory Board (SB).

The statutory audit of the accounts has been entrusted to Deloitte & Touche S.p.A., appointed on May 29, 2020. This appointment is conferred until the approval of the financial statements as at December 31, 2022.

In order to ensure that the shareholders are fully involved in the company's major decisions, Cefla regularly organizes shareholders' meetings for the entire shareholder base, board members and company management. At these meetings, budgets, forecasts, balance sheets and any extraordinary proposals (acquisitions, mergers, etc.) are approved. Shareholders' meetings are divided into ordinary and extraordinary meetings. Ordinary General Meetings may be convened by the Board of Directors as often as deemed necessary; they must take place at least twice a year to approve the budget and when approving the annual financial statements.

By way of example, some of the powers held by the Shareholders' Meeting are:

- the approval of the budget and the financial statements with the Board of Directors' report;
- the determination of the term of office and the number of members of the Board of Directors, their appointment and dismissal, and the determination of the amount of remuneration for their activities;
- the appointment of the members of the Board of Statutory Auditors, the election of the Chairman from among them, the resolution of any dismissal, and the determination of the remuneration of the members.

As at December 21, 2022, Cefla's share base is made up of 259 members: only employees hired on a permanent basis by the Parent Company may be admitted to it; employees of the various subsidiaries may not apply for access to Cefla's share base.

02.2

Ethics, compliance and controlling bodies

In 2022, the Board of Directors, Cefla's second corporate body, following the election that took place as per the bylaws three years after the previous one, is composed of five (male) directors, three of whom are between 30 and 50 years of age, while the remaining two are over 50 (The outgoing Board of Directors was therefore confirmed until May 2025). Its members are elected by the general meeting through a secret, democratic vote from a list of names made up of both members who have stood for election and outgoing board members who are standing for a new term of office. To avoid situations of conflict of interest and to ensure that votes are not conditioned by other purposes, the social base approved a regulation in which the formal separation between the managerial role and the social role was deliberated. All of the directors are chosen from among the cooperative members and the Board of Directors remains in office for one to three financial years, as decided from time to time by the shareholders' meeting. The Board, at its first meeting, elects the President and Vice-President. The Managing Directors and the Executive Committee ensure that the organizational, administrative and accounting structure is adequate and report to the Board of Directors and the Board of Statutory Auditors. On the basis of the information received, the Board of Directors examines the Company's strategic, industrial and financial plans and assesses the general performance.

BOARD OF DIRECTORS	Role
Gianmaria Balducci	President
Claudio Fedrigo	Vice president
Nevio Pelliconi	Director
Cristian Pungetti	Director
Yuri Della Godenza	Director

The Board of Statutory Auditors has the task of supervising compliance with the law and the articles of the association, as well as observance of the principles of proper administration, with particular reference to the adequacy of the organizational, administrative and accounting structure adopted by the organization and its actual functioning. In order to adequately fulfil these functions, the Board of Statutory Auditors is invited to all formal assemblies and meetings of the Board of Directors. Furthermore, it has the right to request any kind of information and to consult all company documents, including the minutes of the Board of Directors. As of December 31, 2022, the Board of Statutory Auditors was composed of five members, three of whom were women and two of whom were men. In particular, four directors are over the age of 50, while one is in the 30-50 age bracket.

BOARD OF STATUTORY AUDITORS	Role
Roberto Chiusoli	President
Beatrice Conti	Statutory auditor
Ilenia Sala	Statutory auditor
Massimo Masotti	Deputy statutory auditor
Barbara Pangaro	Deputy statutory auditor

Finally, the Supervisory Board has the role of supervising the operation of the Organization, Management and Control Model issued by Cefla pursuant to Legislative Decree 231/2001; the Board of Directors has appointed a Supervisory Board (SB) with autonomous powers of initiative and control, which reports directly to the Board of Directors.

Cefla works by following a serious code of ethical conduct, based on shared values:

- Preserving assets over time and ensuring development for future generations.
- Satisfaction of key stakeholders: customers, suppliers, shareholders and employees.
- Pro-activity to change and continuous improvement.
- Synergistic development and maximization of skills.

Through a resolution of the Board of Directors, Cefla s.c. introduced an Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter also referred to with the Italian acronym, MOG,) in 2013, which collects, lists and informs about the rules and procedures to be followed in the company's activities.

The MOG applies only to CEFLA s.c.

The MOG, which was last updated in March 2022, applies both to internal relations and to relations with stakeholders outside the Company, and is aimed at preventing the occurrence of offences in the areas governed by Law 231 (i.e. corruption, false accounting, money laundering, violation of occupational health and safety regulations, violation of environmental regulations etc.).

Through the adoption of the Model, the Board of Directors intends to pursue the following goals:

- formalize the way in which powers are exercised, clearly expressing which persons have decision-making powers, which have management powers, which have powers to authorize expenditure, for which types of activity, with what limits;
- concretely implement the principle of functional segregation/conflict of interests to avoid excessive concentrations of power in individual offices or in individual persons;
- avoid the convergence of spending powers and powers to control the same and distinguish between authorization powers and organizational and management ones;
- ensure that powers of representation are also formalized externally;
- ensure that task assignments are official, clear and organic, using formal procedures and avoiding both power vacuums and overlapping of competences;
- ensure the verifiability, consistency and congruence of every corporate operation;
- ensure the effective correspondence between models representing the organizational structure and the practices actually implemented;
- encourage a transparent approach to decision-making that may expose Cefla s. c. to liability for illegal acts and offences.

In addition to the appointment of a special Supervisory Board by the Board of Directors, Cefla s.c. has set up a process of continuous information and awareness-raising of its personnel, in order to make every resource responsible for understanding and complying with the law, as well as a continuous cycle of internal audits.

As a confirmation of the effectiveness of the controls, it should be noted that in 2022 Cefla s.c. has not been subjected to any pecuniary or prohibitive sanctions in application of Legislative Decree 231/2001, nor have any convictions been imposed on its employees.

The Supervisory Board of Cefla s.c., a collegial body made up of three members (two internal and one external), has the task of supervising the operation of and compliance with the Model and taking care of its updating; it is a body with autonomous powers of initiative and control. In addition to the appointment of a special Supervisory Board by the Board of Directors, Cefla s.c. has set up a process of continuous information and awareness-raising of its staff in order to make all resources responsible for understanding and complying with the law. There is also a 231 Function, consisting of two internal resources with the function of providing operational support to the Supervisory Board, with the collection and management of information flows.

On 18/01/22, the Company adopted the "Reporting of unlawful conducts_Whistleblowing Policy" procedure, also applicable to its subsidiaries, with the aim of establishing principles for the protection of the Whistleblower and, to this end, setting up clear and identified information channels suitable for guaranteeing the reception, analysis and processing of reports - also in anonymous form - concerning violations of the Model, the Code of Ethics and the Management System for the Prevention of Corruption (SGPC - insofar as applicable within the Organization) and, in general, any other illegal and irregular conduct detected within the Organization, defining the activities necessary for their proper management.

The reporting channels made available to employees are as follows:

- dedicated e-mail to whistleblowingsegnalazioni@cefla.it;
- postal service (or internal mail) to the address Cefla S.c., via Selice Prov.le, 23/a - 40026 Imola (BO) - in a sealed envelope marked "CONFIDENTIAL" - Whistleblowing DO NOT OPEN - TO BE DELIVERED TO THE CHAIRMAN OF THE SUPERVISORY BODY"
- "Integrity CEFLA" computerized reporting system

"Training Plan 2022: a training session is regularly delivered to new recruits; the program includes an initial general part on Legislative Decree 231/2001 and a detailed view specific to the area of risk affected by those invited to the training.

In November 2022, a massive training campaign was also launched towards the company's internal population by means of a course and Learning + final test. The massive training involved 706 trained employees, of which:

- 284 Medical Equipment;
- 146 Finishing;
- 193 BU Engineering;
- 92 Corporate

Both the objectives that had been set in 2021, namely the MOG update and the adoption of a platform for whistleblowing, have been completed.

Since 2015, two confidential e-mail addresses have been active for communications relating to information flows and whistleblowing, respectively 231.flussoinformativo@cefla.it and odvsegnalazioni@cefla.it.

As a confirmation of the effectiveness of controls, it is noted that during 2022 Cefla s. c.

has not been subject to any measure concerning the application of pecuniary sanctions or disqualification sanctions in application of Legislative Decree no. 231/2001, nor have any sentences been passed against its employees.

And that the following activities are always carried out, to ensure correct information and compliance with Legislative Decree 231/2001:

- Evaluation questionnaires at the end of each training session;
- Internal audits (by the 231 Function);
- Annual report of the Cefla S.c. Supervisory Board, shared with the Board of Administration and with the Board of Statutory Auditors;

Cefla, recognizing the importance of ethical and social values in work and business, is committed to a sound and responsible management of its activities, to a transparent and honest relationship with its social partners and to respect for the community of which it is part. Hence the Code of Ethics¹, which sets out:

- the general values and principles that Cefla intends to pursue and share with its Stakeholders;
- the specific rules of conduct to be followed by the Addressees of the Code of Ethics;
- the rules for implementing the Code of Ethics and monitoring its compliance.

On January 18, 2022 the first version of Cefla's Code of Ethics was released. It is a public document available on the company's website <https://www.cefla.com/it/codice-etico/> and is intended as a set of values, principles and lines of conduct to be followed by all the people involved in the pursuit of the company's aims and purposes.

The rules of conduct, values and principles set out as part of the Governance system, enshrine Cefla's commitment to operate "responsibly", avoiding opportunistic actions and ensuring involvement and continuous dialogue with all stakeholders. In the pursuit of its corporate mission, Cefla undertakes to ensure that the principles of the Code of Ethics are acknowledged and shared by the Management, its collaborators (members and non-members), its customers and suppliers as well as by the civil society. Cefla is committed to ensuring that its activities are carried out in compliance with the law, with honesty, integrity, fairness and in good faith, respecting the legitimate interests of its employees, collaborators and contractual partners.

The Code of Ethics applies to Cefla and all the companies of the Group, as well as to all their activities and must be implemented by all levels of the organization, in all the countries in which Cefla operates. The Code of Ethics complements the company's regulations, procedures and provisions, guiding the Addressees thereof in the performance of their duties. It is an essential aspect of the quality of the employment relationship and failure to comply with it may lead to the application of disciplinary procedures, even if consistent with the employment contracts signed.

The addressees of the Code of Ethics are:

- the members of the corporate bodies (chairmen, directors and statutory auditors);
- employees and other subjects who, also through consultancy contracts, are subject to the management and control of the top management functions that have given them the mandate, or are de facto subordinates;
- other Cefla collaborators who, directly or indirectly, permanently or temporarily, establish

02.3

Privacy protection

relations or relationships with Cefla in which they operate to pursue its objectives.

The Addressees must comply with the laws and regulations applicable in the various countries in which they are required to operate on behalf of Cefla and base their conduct on the provisions of this Code of Ethics.

Cefla undertakes to disseminate the Code of Ethics to all interested parties, to ensure that its contents are correctly interpreted and to provide tools to facilitate its application.

Cefla also implements the necessary measures to verify and monitor the application of the Code of Ethics and provides for sanctions in the event of violation. To this end, the Supervisory Board has the task, among others, of monitoring the application of the Code of Ethics.

Cefla refers to the great values of civilization and democracy enshrined in the Constitution of the Italian Republic, the European Constitution and the Universal Declaration of Human Rights, recognizing dignity, liberty, equality, solidarity and justice as the values of civilization.

In particular, it fully recognizes Article 41 of the Italian Constitution, according to which private economic initiative 'may not be carried out in conflict with social utility or in such a way as to damage security, freedom and human dignity'.

Cefla bases its activity on the principles contained in the Code of Ethics, declaring itself free not to undertake or continue any relationship with anyone who proves not to share its content and spirit and/or violates its principles and rules of conduct.

In the year 2022 Cefla Tech S.r.l. implemented a Management System for the Prevention of Corruption, obtaining the certificate according to the ISO37001:2016 scheme in May 2022.

Thanks to this management system, not only all entities of Cefla Tech S.r.l. have been involved, but also several areas of Cefla s.c. such as purchasing office, human resources, commercial area and compliance function of prevention of corruption, in consideration of the fact that many activities inherent to Cefla Tech S.r.l.'s business and company management are carried out in outsourcing by the controlling company Cefla S.c, by virtue of a service contract, all related processes are also subject to corruption risk assessment.

For the successful implementation of the management system the following activities were carried out:

- Auditor 37001:2016 course involving 8 Cefla s.c. employees;
- Dedicated training by an external consultant, involving senior figures of CeflaTech S.r.l. / Cefla s.c.;
- ISO 37001:2016 audits;
- Assessment questionnaires at the end of each training session;
- Internal and third-party audits;
- Review documents (FPC, Management and Top Management)- KPI table;
- Due diligence on staff/associates in business/activities and transactions

The personal data processing management system adopted by Cefla S.C. is based on the commitment of all corporate functions involved in the processing of personal data to work in full compliance with the internal compliance procedures and instructions adopted.

In compliance with the provisions introduced by the EU Regulation 2016/679 of April 27, 2016 (GDPR) and the provisions of D. Legislative Decree No. 196/2003 (Privacy Code), as amended by Legislative Decree No. 101/2018, as of 2018 Cefla s.c. has developed and implemented a structured project to adapt internal processes, contractual documents and information systems to protect the protection and security of personal data. In compliance with the GDPR provisions, Cefla S.C. and all the Italian companies of the Group have prepared a Register of the processing operations carried out within their respective activities, with a description of the security measures in place.

In order to implement the inspiring principles of the GDPR regulation, Cefla S.C. has implemented and continues to improve a system of technical and organizational measures for the protection of personal data in all its areas. In particular, Cefla S.C. is careful in monitoring any changes to the status quo (both when planning a new process and when modifying an existing one) of the company processes that involve the processing of personal data, regardless of the nature of the processing, business or functional areas, or processing methods. To this end, Cefla S.C. has introduced specific procedures:

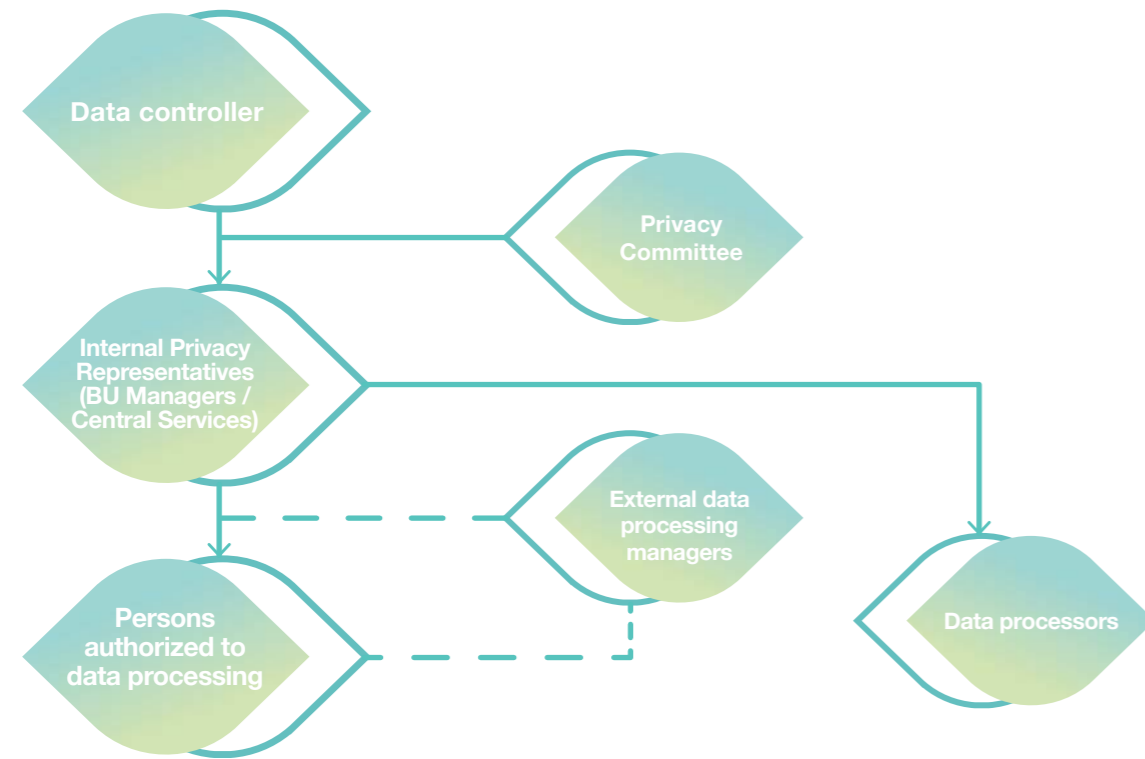
- procedure for the management of data subjects' rights;
- procedure for the management of personal data breaches;
- procedure for privacy by design and impact assessment (DPIA).

Cefla S.C., in its capacity as data controller, taking into account its multi-business characteristics, its organizational structure and the resulting management complexity, has established a privacy organizational model based on a system of delegations directly conferred by the Board of Directors to senior persons identified by area of competence (Internal Privacy Representatives). The Internal Privacy Representatives act as delegated subjects and representatives of the data controller, within the limits of their corporate functions and have all the decision-making and spending powers, as well as the organizational, management and control powers required to ensure compliance with the GDPR, the Privacy Code and any other current privacy provisions or regulations. All Cefla employees are authorized to process data by the relevant Internal Privacy Contact. In January 2019, Cefla S.C. established an internal collegial body with interdisciplinary competences, the "Privacy Committee", to support the company in the management of privacy issues, which operates in full autonomy and independence. By resolution of the Board of Directors, Cefla has appointed six System Administrators with different functions, according to the scope of operations.

02.4

Information Technology & Security

In addition, each Internal Privacy Representative has appointed - as external data processing managers - the service providers in their area who, on the basis of the activity they perform, process personal data on behalf of the Controller. The appointment was made on the basis of a contractual standard that complies with the regulations in force. Cefla S.C.'s organizational chart on the subject of privacy is therefore structured as follows:



In 2022, Cefla s.c. (with regard to B.U. Medical Equipment) obtained the product certification for compliance with the requirements of ISDP©10003:2020 - Requirements and control rules for the certification of treatment processes with regard to the evaluation of respect for the fundamental rights of natural persons and the free movement of data.

In 2022, a specific training session dedicated to the company's Privacy Management System was held by the Legal Affairs & Compliance Department for new employees, as part of the training course for new recruits. In particular, during the training phase, the basic principles on the processing of personal data, the risks associated with the service/activity in which the individual employee will be placed are illustrated, by means of an illustration of the processing of the reference register, as well as the corporate privacy structure. (40 new employees have been trained in 2022).

Finally, any instances are handled by the Privacy Committee through the e-mail address dedicatoprivacy@cefla.com, in compliance with the procedure for managing the rights of the interested parties and the procedure for managing personal data breaches.

In 2023, we aim to conduct a new massive GDPR e-learning campaign and to extend this type of training also to the subsidiary Cefla Tech s.r.l..

In the field of Information Technology and Information Security, Cefla s.c. has adopted an organizational model that aims to:

- Establish an ICT organization attentive to the priorities of Businesses, with a “customer-centric” approach, proactive and innovative in promoting the digitalization of processes and in the creation of an efficient and effective IT architecture;
- Define group ICT policies that guarantee the security, resilience and reliability of the Cefla Group's IT architecture.

It envisages:

- Central ICT teams dedicated to the management of ICT policies and transversal Services for all Business lines
- Separate teams for each Business Unit, dedicated to “demand management” and to the development of the digitalization of the specific Business Unit.

The ICT Department organizes its services, by taking some frameworks as a reference methodologies and management systems:

- **ICT Service Management:** the reference adopted is the ITIL framework. Internal personnel used for key roles is ITIL Foundation V4 certified
- **Information security management:** the adopted reference is the ISO 27001 standard. Internal personnel assigned to key roles is certified ISO 27001 Internal Auditor. The Cefla-Tech company is ISO27001 certified

A further reference adopted in the **Cybersecurity** field is the NIST framework.

The main planning tools related to Information Technology are:

- **Business Plan** which defines the strategic lines of the group, reviewing them at least once a year. The ICT projects are defined with reference to the strategic lines and their support.
- **ICT budget** which defines the objectives of the fiscal year, then identifies the projects (strategic and not) approved by the Management, plans them for the year and allocates the necessary funds. Plus, the recurring services and the investments in technologies necessary for their allocation are added.
- **Project Portfolio** representing the planning of projects approved in the budget at a very detailed level, that helps defining the level of risk, planning, benefits in terms of positive impact, deliverables defined, the organization and the budget.
- **Cybersecurity Roadmap** which represents the multi-year guideline of the defined activities for the Cybersecurity area. It aims to ensure a continuous evolution of corporate defenses against cyber risks.
- **Capacity Planning of ICT systems** which is the set of actions and tools allowing IT services to function properly and always have the necessary resources to their optimal delivery, also ensuring their scalability in relation to time series of growth and planned projects. The Capacity Planning process connects to the monitoring process which constantly monitors the level of use of the most critical ICT resources.

Cefla s.c., through its ICT Department, therefore operates according to the relevant consolidated policies to 5 areas of intervention.

02.4.1

Management policies of innovation and digitization projects

The abovementioned policies include the Golden Rules for ICT project management, defining the prerequisites for carrying out a project, and are based on the identification of phases of a digitization project, on the steps and on the typical requirements of each of the phases identified, on the identification of the outputs of each phase.

02.4.1.1

Procurement and development policies for ICT solutions and relations with suppliers

They include the guidelines to consider in acquiring or developing ICT solutions in order to create safe, performing and resilient solutions. They consider aspects such as: separation of environments, correct ways of managing production environments, security policies in the development of ICT solutions, change control, testing procedures, data processing and supplier relationship management.



02.4.2

Policies in support of Business continuity

They include the set of activities aimed at ensuring the resilience of ICT systems with respect to faults and malfunctions, as well as activities aimed at restoring the state of the information system or part of it, with the aim of restoring it to the conditions prior to a disastrous event, including the physical and organizational aspects and the people needed for its functioning.

The main aspects considered are:

- High reliability architectures of critical systems
- Primary data center for the provision of ICT Core services, certified according to the standard ANSI-TIA 942 Tier IV
- High capacity and redundant communication lines
- Safe remote access to ICT services
- Geographical replication of some particularly critical IT services

02.4.3

Policies for the management of information

They include the set of measures for the protection of corporate and personal data, of connected information, ICT systems, communication lines compared to possible cyberattacks.

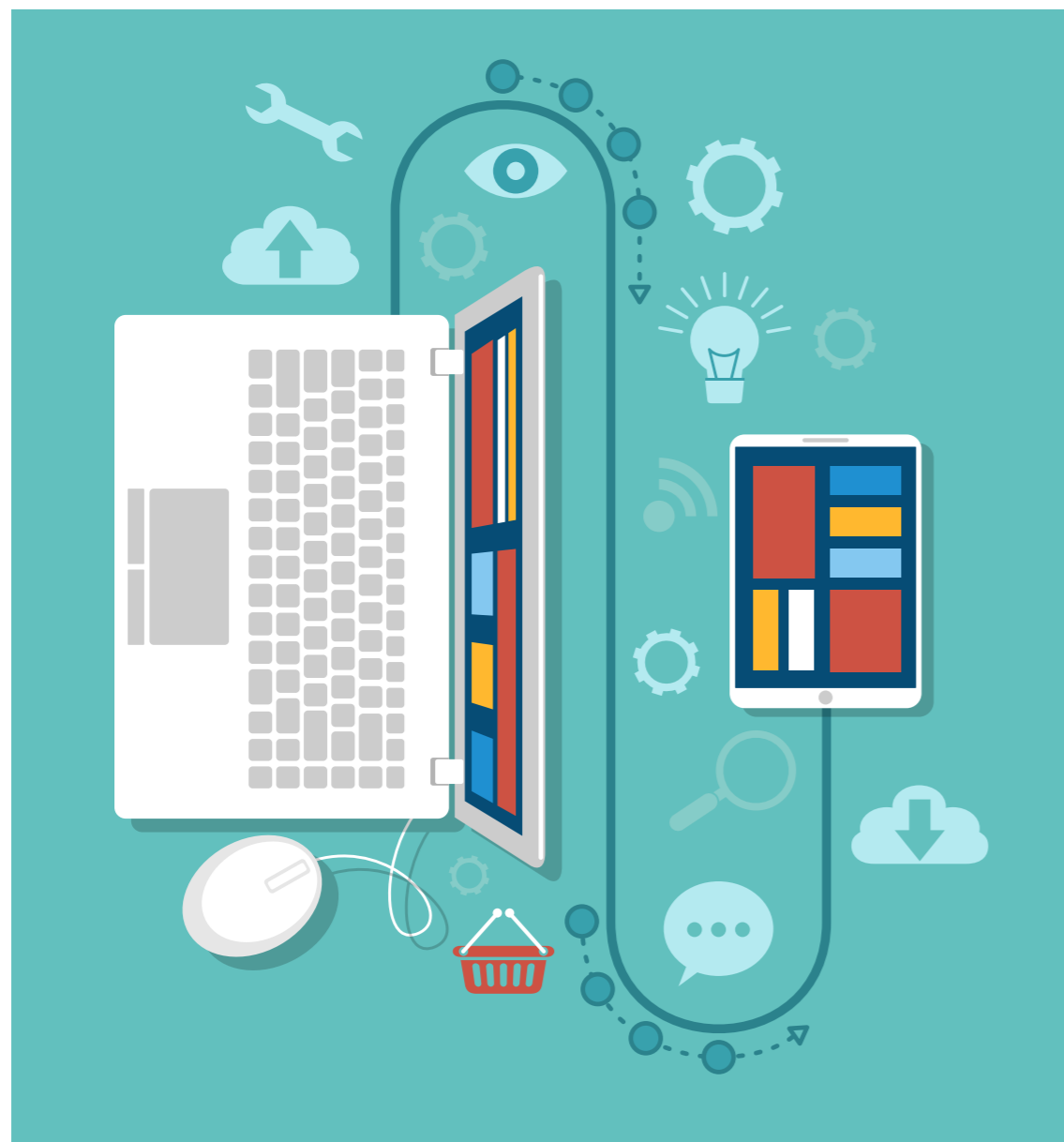
Policies are identified for Cybersecurity, for the management of IT incidents, for the protection of information and data, for monitoring and capacity planning of technological assets and ICT services.

02.4.4

Policies on personal endowments, collaboration solutions and asset management

They include:

- Personal Workplace: Acceptable usage policy
- Workplace Security
- Clean Desk Policy
- E-mail and collaboration tools management
- Mobile Device management
- Assets management



02.4.5

Policies for the management of digital identities and logical accesses

They identify the measures governing the control of logical access to corporate systems and data which must be based on the concept of “minimum privilege”. Particular measures are also identified for the management of privileged accesses.

In support of the aforementioned policies, various projects were completed during 2022, the main ones relating to the areas of Business development and resilience are shown below.

- **Business development area**
 - **Review of Sales Flow and implementation of CRM solution in BU Finishing:** the project has led to an optimization of the customer management flow, by integrating the phases of offer, order management, commission management, service and consolidating data and information in a single digital platform
 - **Project Portfolio Management for I’R&D in BU Medical:** the project permitted to organize the R&D product development activities of the Business Unit Medical, allowing for optimal planning of activities and resources
 - **IoT Platform - AI (Artificial Intelligence) in the Service / Maintenance area:** the project consolidates a commercial proposition that allows us to offer a data acquisition and analysis platform for the BU Engineering customers, based on IoT and AI technologies, to be applied to predictive maintenance and energy efficiency services on systems.
- **Business resilience area**
 - **Cefla Datacenter Migration:** the project envisaged the migration of IT services supporting the Cefla Business in an ANSI TIA 942- Tier 4 certified external data center, therefore equipped with the highest levels of reliability and safety.

In view of the risks associated with cybersecurity and the related possible negative impacts on the business continuity and corporate data security, the following additional mitigation actions, to be implemented next year, have been identified:

- Staff training and awareness
- Implementation of a Disaster Recovery data center (by the end of 2023)
- Strengthening of the internal organization (Area Information Security) and SOC (Security Operation Center) services

Lastly, the following initiatives are noted in the field of staff training and environmental impact reduction:

- a) **Personnel training**
 - Year 2022:** HR initiative for the assessment and development of digital skills. Be-Digital training program
 - Year 2022:** corporate awareness initiative on Cybersecurity issues: Assessment, Phishing Simulation and micro-training

b) Reduction of environmental impact

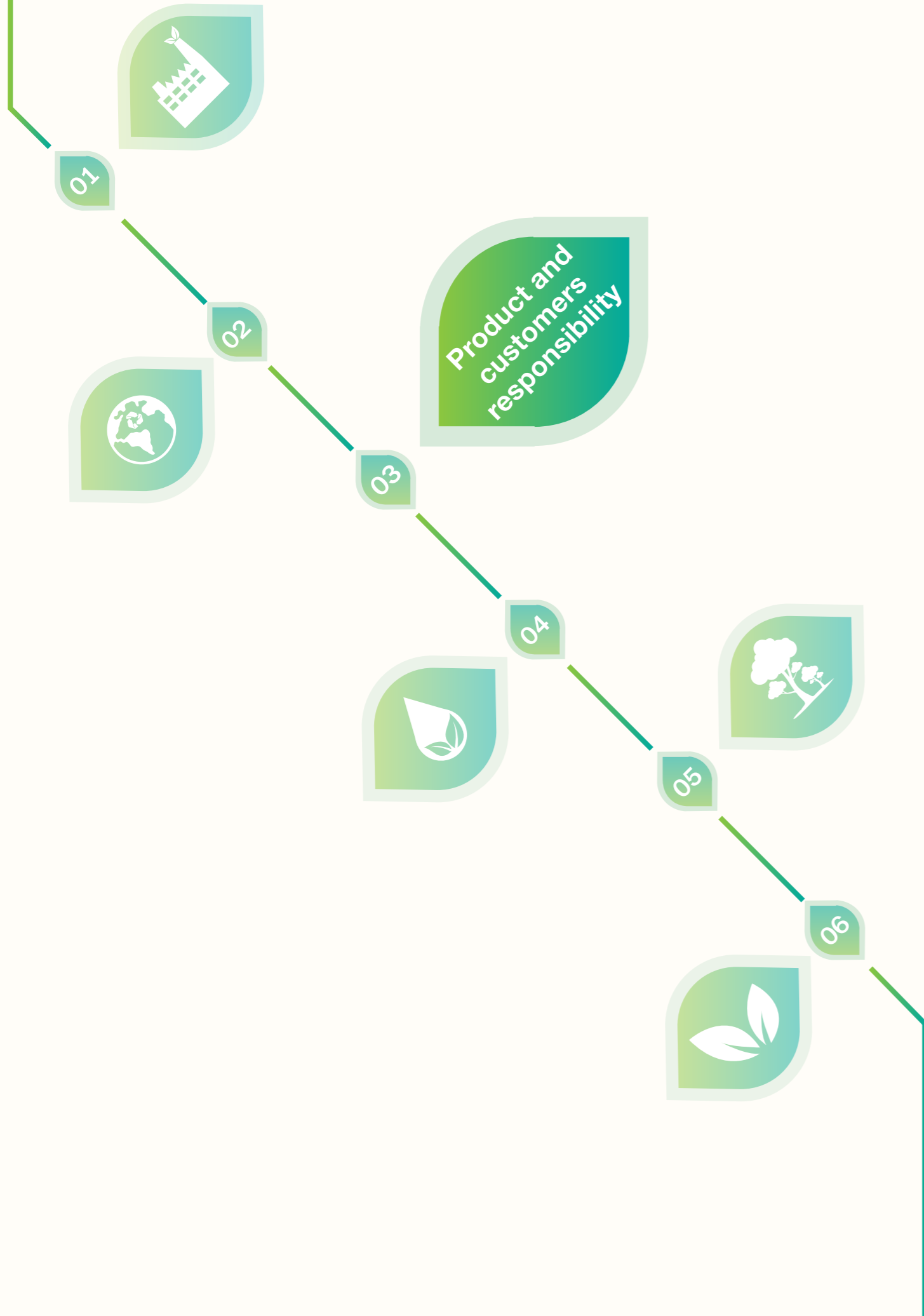
Year 2022: Print in PULL mode. The “pull mode” printing system was extended to the Verona and Pesaro branches. This mode allows the reduction of waste in paper, energy and toner, as it requires the user to authenticate on the printer to collect the sent prints. All prints sent but not collected are automatically cancelled by the system, which has allowed a saving of over 85,000 unprinted pages equal to 7 trees saved and 744 kg of CO2 not emitted.

Year 2022: the PrintReleaf initiative continues, including reforestation actions to compensate for the printed pages, which has allowed the planting of 464 trees. Certificate available at the following link: <https://printreleaf.com/certificates/life-time/d39b-0cb9-10c9-4cfd-adca-a4cccf902c86?locale=it>

The mechanisms adopted for handling complaints are as follows:

- **Collection of Whistleblowing reports (Information Technology reporting scope)** Reference paragraph 2.2
- **Collection of internal reports and tickets** through the internal ticketing system (<https://contactcenter.cefla.it>) reserved for employees. The contact center is managed by the Service Desk Team
- **Weakness reports management** Personnel and collaborators who use the information systems and services of the organization, are encouraged to record and report any weaknesses relating to information security that have been observed or suspected in the systems or services. The report can be made by email (sistemiinformativi@cefla.it) or via the Cefla Contact Center (<https://contactcenter.cefla.it>).

On a defined periodic basis, a review of the reports received is carried out and the improvement actions defined.



Product and customers responsibility

03.1

Business Unit

Cefla is an industrial group active in different production fields. For everyone, there is a dedicated Business Unit:

ENGINEERING | FINISHING | MEDICAL EQUIPMENT

Business Units have their own specific history, products and processes, but they are united by the same mission: to understand in advance which type of innovation will bring an advantage to the consumer, realize it quickly and put it to customer arrangement.

BUSINESS UNIT ENGINEERING

“Technologies to enhance your wellbeing”.



The Business Unit Engineering deals with the design, construction and management of technological systems in the civil, industrial and energy sectors - with studies of feasibility and basic design, engineering and technological design, construction and maintenance - and is divided into 3 Business Lines.

The B.L. EPC CONTRACTING takes care of the management of large, complex works, of international prestige and importance – such as Teatro alla Scala, EXPO 2015, the Porta Nuova complex and the Allianz Tower in Milan, Galleria degli Uffizi in Florence, M9 - Museo del Novecento in Mestre – where technologies are aimed at creating solutions that improve the quality of people’s lives and are functional to environmental protection.



With the B.L. GLOBAL SERVICE, through a highly specialized maintenance engineering partnership, we support customers in the management of their goods from a Full and Global Service perspective, in the industrial, managerial, infrastructure, historical-artistic and contract fields, as well as for production and process plants. Our commitment is increasingly aimed at the computerization and the digitization of services, thus allowing the customer to have each variable under control.

The B.L. ENERGY has been dealing with the building of cogeneration and trigeneration plants for almost forty years, as well as with heat recovery and purification of gas flows, capacity market up to the large district heating plants, that give light and heat to hundreds of thousands of people.



BUSINESS UNIT FINISHING

“The most trusted surface finishing partner, in everything you see”.



Cefla Finishing makes life easier, more comfortable and more enjoyable for millions of people. It does so through innovative technologies to improve the aesthetics, comfort and functionality of many popular products of daily life. The B.U. has a 70 year-long specialization in surface finishing, manufacture of painting machines and systems, industrial digital printing, decoration and coating, designed “turnkey” for the wood, glass, plastic, ceramic, fiber cement, composite materials and metal markets. From the simplest machine to the most complex finishing line, the B.U. proposes a wide range of systems designed to meet productivity needs and efficiency of various industrial sectors, including the furniture and construction, the automotive and aerospace industries ones. Combining vocation for excellence, orientation to competitiveness and respect for the environment, the Business Unit Finishing applies its own knowledge to different contexts, offering integrated solutions, calibrated to the objectives of companies. In addition to a constant and attentive dialogue, proximity to customers is also ensured from a capillary worldwide distribution network and from the presence of production plants in Italy, Germany, USA and China. The long experience in finishing, the numerous patents held and the ongoing digitization process – able to reap the benefits of Industry 4.0 – help offer customers unique opportunities to project their business in the future and end consumers tangible benefits to enjoy every day.

BUSINESS UNIT MEDICAL EQUIPMENT

“The most recognized provider of CBCT imaging and dentistry solutions, chosen to deliver a high-quality healthcare experience.”.



The Medical Equipment Business Unit supports professionals through all the clinical phases of their activity with an offer of dental units, intra- and extra-oral, 2D and 3D digital radiology, diagnostic and image management software, dynamic instrumentation, sterilization systems and medical devices for implantology and oral surgery. Technological evolution and strong customer orientation are the hallmarks of a continuously growing group, that has conquered leadership positions through a multi-brand reality. As the first European manufacturer of dental units e dental supplies, Cefla Medical Equipment implements design and industrial synergies to ensure products that meet the best quality standards in all areas of expertise. Cefla positions itself as a global partner for doctors and radiologists eager to grow professionally, offering safety and well-being to patients, through the best standards of treatment and prevention. The fundamental guidelines are respect for the person, efficiency and the creation of value for the customer. All this is expressed by operating at an international level, providing a close-to-the-user technical assistance service, enhancing capillary distribution partnerships and developing new markets. Anthos, Castellini, Stern Weber, MyRay, NewTom, Mocom and BioSAFin are the brands that establish the excellence of the Business Unit. Behind each brand there are precise values and a unique story: a leading industrial reality, with global perspectives and specific territorial skills.

GROUP COMPANY: C-LED

“Customised solutions for LED and industrial application”.

C-LED is the leading manufacturer of innovative LED-powered technologies and solutions.

The company is specialized in the design and manufacture of electronic applications, customized lighting solutions, wireless connectivity systems and UV LED technology solutions. The areas of expertise range from the industrial sector to retail and from lighting systems for horticulture to public lighting.

Among the most recent innovations, the creation of lights for growing plants in greenhouses and through vertical farming really stands out: studying the effect, intensity and colour of light on the plant growth, C-LED has perfected high-tech lamps ideal for every type of production, in different contexts.



03.2

Innovation, research and development

In 2022, Cefla developed sector-by-sector research, development and innovation activities, both for the benefit of the Business Units with an industrial vocation, and of the Business Unit Engineering. In addition to the continuation of the projects started in the previous year, during the year further efficiency improvement projects of the product portfolio on the market and for the organization and departure of new research, development and innovation activities were launched, both on more consolidated businesses and on new businesses.

For 2022, the costs incurred for research, development, innovation and functional and aesthetic improvement activities the product, expansion of the product range, re-engineering of processes, digitization and exploration of new activities amounted to 11.9 million euros, approximately 27% more than investments in 2021, of which 95% related to Cefla S.C., mainly focused on the following projects.

INVESTMENTS IN INNOVATION RESEARCH AND DEVELOPMENT	2020	2021	2022
<i>Investments R&D</i>	10,7 M	9,5 M	11,9 M
<i>Innovation/Revenues</i>	2,3%	1,6%	1,8%
<i>(Innovation/Innovation Y-1)-1</i>	10,8%	12,1%	26,6%

Business Unit Engineering:

- Studies for the efficiency of energy generation systems and new infrastructure information technology, to achieve economic savings and better environmental protection, to the advantage of large customers oriented towards the efficiency of energy management systems. Implementation of information security management policies, in order to safeguard the operational continuity of the generators
- Digital management services for the work islands of large customer, with factories that produce technologically advanced goods and continuing field data collection with radio protocols. Digitization study of the water purification process, by monitoring the data acquired in LAN-free mode, for optimization of maintenance
- Digitization of processes within the life cycle of order productions, replacing paper records with accessible digital repositories to scale up efficiency and improve approval flows
- Digitization of order productions for the **BL Energy**, analysing discrepancies between the budget and the final balance, to offer better visibility of the order's trend and to prevent negative margins.

Business Unit Finishing:

Sustainability-driven topics are no longer exclusively about a company's vision or vocation: they rather enter in an increasingly important way in the decisions of consumers, suppliers, customers and market. All development initiatives, in fact, concern the reduction of waste, the optimization of consumption, and in general, a more careful management of resources such as raw materials and energy. All activities that reflect positively on the costs of organizations, either of Cefla and of our Customers. In consideration of this, during the year 2022, a series of initiatives were activated on the Finishing product portfolio, relating to ESG topics.

As far as the ENVIRONMENT is concerned, specifically, the following developments have been activated and prosecuted:

- Development of a version of Single Pass Printer Roll-To-Roll, aimed at entering the sector of coil sheet metal printing
- Development of a platform of UV drying ovens, expanding the range of UV ovens, equipping them with latest generation LED lamps with air or water cooling systems

With regard to SUSTAINABILITY, specifically, the following developments have been activated and prosecuted:

- Development of a Single Pass Printer Roll-To-Roll version, aimed at industrialization of a common module machine for the Edge Banding & Wrapping & Labels businesses
- Print quality monitoring system, for automatic setup correction e head alignment
- Development project for the new Cartesian robot iBotic equipped with a new user experience, time-free colour change station TimeSkip, avoiding production interruption, alternating two spray tools, with management of piece entry and exit automation, reducing maintenance and tool cleaning times
- iBotic Cartesian robot with advanced features for painting plastic components in the automotive sector
- Development of a new functionality for mixing two-component paints, with reduction waste and quick colour change
- Continuing development of the UV oven, with excimer lamps, and of the UV-I Inert oven, for UV varnish drying
- Development of devices that allow drying cycles with shorter and longer times productivity
- Design of an improved platform for Transfers, with expanded configurable functionalities, new optional features, advanced interface and better software integration with the other line machines, also with attention to the production flow efficiency, the rationalization of assembly, new arrangements for shipping in safety.
- C-Cloner: tool for the 3D digital simulation of the production processes of in-line finishing machines for line layout and machine parameters optimization, in order to improve performance and reduce production costs

- Smartedge platform: new application tools on the edges of flat panels, with double delivery vacuum technology, to increase the thickness of the applied paint, with improvement of quality and reduction of installation spaces
- New range of Solar Coater roller machines for applications on technical glass, with thickness reading system and precision adjustments of the applicator rollers
- Smartcoater platform: development of a new Cook Pro applicator machine for pots and pans, for application of paint or printed decorations
- Smartcoater platform: development of a new applicator machine for contemporary painting of the two faces of the panel with different coatings
- New tool/robotic wrist for iGiotto, dedicated to spraying windows and fixtures on overhead line, with spray angle positioning and new, size-reduced geometry, to improve flexibility and application result
- Development of Brushing System for edges on stacked panels.

Medical Equipment Business Units:

Business Line Treatment

- Development of a new platform for floor and column dental units, with increased performance and rationalization of production in the Variety Reduction Program perspective, development of innovative functionalities solutions, to increase the technological content of the dental units in the range
- Conclusion of the project for the improvement and enhancement of the surgical instrument by ultrasound integrated in the dental unit (Surgison)
- New curing light with performance enhancements to extend the range of composites on which it can operate
- New graphical interface for the monitor & touch-screen panels to support the Doctors' tablet, with new features and intuitive usability that facilitates and speeds up the choices of Doctors
- Conclusion of the studies on the reprocessing of the handpieces, for better cleanability, sterilization and reapplication to new patients

Business Line Sterilization

- Studies for the total renewal of the Autoclave range currently in the catalogue, which ensure increased performance; better interaction with the user; rationalization of the range
- New devices for the semi-automatic maintenance of handpieces and turbines, implementing the Lubrication and Bleeding or the complete Cleaning, Disinfection, Lubrication and Bleeding cycles
- Functional improvements to sterilization platforms, usability improvements; studies to complete the supply with specific disinfection and cleaning liquids

Business Line Imaging

- Evolution of the NNT software package, integrating new instruments and adding new features
- Creation of a New Future SW Platform for Radiological Diagnostics, with new and more modular software architecture, improved user functions, for management of X-ray exams and patient images, which supports future functions specifications for planning the best treatment in clinical and implantology applications
- Creation of a New Platform of devices for extraoral radiological diagnostics, with new features, new hardware, new firmware, new workflow software, expanding the possibility of integrating new panels and extending the FOV (Field of View) perspective on 3D CBCT exams

- Setting the research within the 3D diagnostics to increase the resolution by contrast, improve the accuracy of the volumetric data compared to the Hounsfield scale and potentially get to appreciate, through a 3D examination, even types of fabrics that are not known today fully captured by CBCT. The results will be available for future platforms for Extraoral Radiological Diagnostics
- Setting up the development lines of a New Intraoral Scanner, with significant performance improvement, compared to the model currently available in the product range, with improved performance on scan depth, field of view, scan speed, connectivity
- Setting up the development of a proprietary software, for the creation of a module of a form of order, display and processing of the data acquired by the scanner, sharing on a cloud platform and integration of third-party software, for the completion of digital workflow
- Setting up the development of a new 2D linear module for Diagnostic Radiology in CMOS technology, able to maximize performance in terms of responsiveness and speed of acquisition, for its integration into the platform of machines for Diagnostics Extraoral Radiology

Driven by continuous research into new technologies and innovation, Cefla BU Medical Equipment finalized 3 major acquisitions and mergers:

- On November 30, 2022 after the acquisition of all the shares of Advansid Srl at the end of June, the merger was finalized. The acquisition of Advansid Srl aims at a continuous enrichment of the group's know-how and technological skills, by investing in microelectronic sensors and silicon photomultipliers for new generation digital dental radiographs. This is an innovative technology since LuXimos sensors work at lower doses of X-ray irradiation. In a historical phase marked by the so-called "semiconductor crisis", being able to design and produce sensors and microchips in Italy, has a great strategic value and is to the full advantage of national and European industries.
- On December 20, 2022 the entire share capital of Elettromeccanica F.E.R. Srl was acquired. The company enters the perimeter of the group, as part of an operation of vertical integration of a supply flow of strategic components for the realization of radiological products
- On September 21, 2022 the 60% share of the company EXALENS Srl was acquired, in collaboration with Exabyte Srl, a company that creates and designs software for the dental sector; the subsidiary company EXALENS enters the perimeter of the group and will take care of the development of software technologies exclusively for Cefla and aimed at BU Medical Equipment products, in the radiological field (BL Imaging).

Over the years, Cefla has registered hundreds of patents, entering new business sectors and exploiting new technologies. Faced with a VUCA (Volatile, Uncertain, Complex, Ambiguous) context, in rapid and constant transformation, Cefla proves itself ready to implement the external stimuli and work every day, to spread a culture that can adapt and thrive under different conditions. Cefla people are guided to interpret the most modern megatrends: those related to the world of technology, digitization and socio-demographic and cultural changes. The global knowledge economy needs innovation to be not only a skill, but an integral part of the corporate culture.

Cefla reaffirms its commitment by striving to disseminate a strategic approach that allows to reconcile the development of business models that are both profitable and virtuous, supporting its customers in the deployment of the necessary tools and solutions.

Patents

Cefla exports more than two thirds of the production of its industrial Business Units industries and competes internationally with companies that often have a longer history and very important patent portfolios, such as German companies, for example. In order to be able to compete on an equal footing with its competitors, Cefla has long been carrying out an intense, patent action for the protection of its activities in the field of innovation.

To this end, the company has an in-house Patent Office, which has the task of collecting all the innovations coming from the different BUs in a capillary manner and to try and protect them as best as possible. Particular attention has also been paid to the protection of industrial design in the various sectors. From November 2021, Cefla's Patent Office Cefla is staffed by the Legal Department, which manages the trademarks. The Patent Office works on call for all Cefla BUs, personally and/or managing relations with external patents firms, as regards patents, utility models, design. Within the induction of technical personnel, specific training is provided by the Patent Office.

The capillarity of the protection means that many Cefla products have more than one patent or a design. This has allowed Cefla to fully seize the opportunity offered by the Patent Box, which the company has adhered to since its establishment, in 2015. The first five-year period (2015-2019) closed in 2019: the amount of tax breaks Cefla was able to use is over 8 million euro. Cefla has already presented to Italy's income revenue authority, Agenzia delle Entrate, the application to join the second five-year period, 2020-2024. As it is known, although in both five-year periods participation in the Patent Box implies the existence of a wealth of industrial property, the rules have changed considerably from the first to the second five-year period. In particular, from the second five years, brands and know-hows have been excluded.

PATENTS	2020	2021	2022
Engineering	2	2	2
Finishing ²	314	355	259
Medical Equipment ³	326	318	333
Lighting ⁴	42	62	58
DESIGN	2020	2021	2022
Engineering	-	-	-
Finishing ²	11	16	15
Medical Equipment ³	86	105	99
Lighting ⁴	6	12	6
TOTAL PATENTS	684	737	652
TOTAL DESIGN	103	133	120
TOTAL TITLES	787	870	772

² Finishing includes the CEFLA Deutschland and Duespohl companies.

³ Medical Equipment includes the BIOSAF IN company.

⁴ Lighting includes the C-LED company.

03.3

Certifications

The decrease in 2022, compared to 2021, is caused by an important patent pruning activity.

Patent pruning has made it possible to make resources intended for intellectual property more efficient, abandoning obsolete titles that weren't still arrived at deadline yet, and employing the resources that would have been destined to the payment of renewal fees for new investments in research and development.

In the field of qualified research, during 2022 the activities of Cefla s.c. for MIMEX - a project approved by the commission within the Horizon 2020 program, with Grant number 965486 - have been developed and brought to an end.

For Cefla, the project was an opportunity for a research collaboration with international partners such as Spindox Labs (Italy), Fondazione Bruno Kessler (Italy), Hepsiburada (Turkey) and Metrica6 (Spain).

MIMEX has developed a frictionless micro-shop, namely a method of withdrawing goods, in which the most advanced technologies have been applied - from the new advanced sensors, to sensor fusion, to the recognition of large quantities of images through artificial intelligence, recognition and location of people - only to get to a totally unmanned micro-store where customers freely enter and collect the desired goods, concluding the operation with an online transaction.

The project had concrete results in the opening of a concept store in Trento, followed by the opening of the first two pilot stores in Istanbul and Malaga, as documented on the institutional portal www.mimex.shopping. At the end of the planning activity, in a field in which it was considered very difficult to obtain industrial rights, the inspiration of Cefla project managers led to the achievement of a patent title granted, now converted to PCT.

The Cefla patent also had repercussions in another sector, allowing for development of advanced sensors for the efficiency of the consumption of irrigation water for greenhouse vegetable crops.

MIMEX was the first opportunity for Cefla to participate in a European project: a very interesting experience, that has allowed our staff to grow professionally in the application of structured research and design methodologies, in collaboration with four different international research teams, and that now represents for Cefla s.c. a valid reference, in the context of successfully concluded financed projects.

The search for the highest quality is a common prerequisite for every business choice. Cefla has implemented a path to be told through the results achieved, the patents developed and the certifications that prove the quality of the work in every area: from the management of processes to sustainability, up to the protection of workers. Cefla has adopted a policy of Health, Safety, Environment and Energy, with the aim of strengthening the commitment to sharing the values of respect for health, safety and the environment by the company's internal structure and by those who, such as suppliers and contractors, operate in the corporate context.

The various certifications obtained by Cefla are shown below:

UNI EN ISO 9001:2015 Quality Management System Certification

The Cefla Business Units have confirmed the validity of the UNI EN ISO 9001:2015 certification, which identifies the most widespread standard in the world to guarantee the quality of corporate operational processes. In today's markets, the quality of the product and service is considered an essential feature. What most changed the way to see quality, compared to the past, is a less formal vision of its management, in favour of an orientation towards continuous improvement and the efficiency that must be disseminated to all levels of the company. Since 2015, the company has had a Corporate Quality Office that ensures continuous monitoring and contributes through internal audits and targeted actions, to keep the integration of the quality systems adopted efficient in all the organizational processes, stimulating the achievement of improvement objectives, shared with the corporate governance.

UNI CEI EN ISO 13485:2016 Quality Management System Certification, specific for companies that operate both in the design and production fields of medical devices and related services

The Medical Equipment Business Unit and the BIOSAF IN company have achieved the UNI EN ISO 13485:2016 certification, which is a specific quality management system standard for companies in the medical sector. In 2022, both companies carried out the annual audits successfully, which confirmed the validity of the existing certifications.

Certification in accordance with the new European Regulation 2017/745 EU (MDR) for companies operating in the design and production sector of medical devices

Cefla's Business Unit Medical Equipment has obtained, from the Notified Body IMQ, the certification of compliance with the new European Regulation 2017/745 EU (MDR) which, starting from May 26, 2021, definitively replaced the previous Directive 93/42/EEC and subsequent amendments, regarding the European regulation on Medical Devices.

UNI EN 9100:2018 Quality Management System Certification required by the Authorities and Manufacturers of the aerospace and defence sector

Due to the growing maintenance activities on production plants in the aerospace sector, Cefla Tech, founded in 2019 and controlled by the B.U. Engineering, has immediately obtained the UNI EN 9100:2018 Quality Management System certification relating to aeronautics, space and defence organizations. Such company certification has the purpose of further qualifying the company in its activities of maintenance with high added value for customers, becoming to all intents and purposes an essential player for the efficiency of the customer's production process.

UNI ISO 45001:2018 certification for health and safety management system at work

Cefla's Business Unit Engineering is certified in accordance with the UNI ISO 45001 standard, which identifies the standard for an occupational health and safety management system. For the BU, obtaining this certification is the demonstration of the will of the Cooperative to protect the safety and health of its workers, as well as of the need to manage health and safety aspects in the workplace in a harmonized way, through a system of procedures and control shared by all workers. The implementation of an ISO 45001 certified safety management system allows, in fact, to keep the residual risks assessed and weighted in the multiple activities better under control and, consequently, to reduce employee injuries. The subsidiary Cefla Tech also achieved the ISO 45001:2018 certification in 2021.

UNI EN ISO 14001:2015 Environmental Management System Certification

The certification, extended to the end of 2022 to all Cefla Business Units, satisfies the need to manage environmental aspects in a harmonized way, through a system of procedures and control shared by all workers, confirming the concrete attention and the daily commitment of Cefla. The implementation of the environmental management system helps to keep the value of the business high and, at the same time, to manage environmental responsibility effectively, making it possible to minimize negative environmental impacts generated by incorrect waste management and/or incorrect management of chemical agents, during construction and service activities. The subsidiary Cefla Tech also achieved the ISO 14001:2015 certification in 2021.

SA 8000:2014 Social Responsibility Certification

The SA (Social Accountability) 8000 standard is recognized worldwide and provides for the development and verification of management systems that promote socially sustainable work activities, with advantages for the organization and for all the stakeholders involved, in terms of improvement in corporate risk management, in relations between internal and external stakeholders and the organization and, ultimately, for generalized improvement of reputation. The implementation of a system of social responsibility according to the SA 8000 standard by the B.U. Engineering is the demonstration that for Cefla, the development of an organization is strongly linked to attention to its workers. The B.U. Engineering, as well as stating that their policy and their own Social Accountability system include all the requirements of the SA 8000 Standard, has set up an internal Social Performance Team made up of employees in representation of all company categories, with the aim of divulging as much as the

fundamental principles of Social Accountability to the main categories of reference stakeholders (employees, customers, suppliers and institutions) and to provide feedback for the improvement of the company system. In 2023, the subsidiary Cefla Tech will also achieve the SA 8000 certification.

Certification of compliance with EU Regulation 2015/2067 (F-GAS) and with the Regulation EC 303/2008

Cefla Tech has obtained the F-GAS product certification, in compliance with the DPR 43/2012, and implements the Community Directives on the prevention of the greenhouse effect generated by fluorinated gases (generally called F-GAS) used in both air conditioning and process refrigeration systems. This certification is considered to bring improvement in the management of the operational activities of the B.U., that potentially impact on atmospheric emissions of fluorinated greenhouse gases. The added value of this certification can be expressed both in reputational terms, towards the market and the customers, both in environmental ones. Conformity was assessed according to the prescriptions of the technical regulation RT-29, concerning the installation, maintenance or repair of stationary refrigeration, air conditioning and pump equipment of heat containing certain fluorinated greenhouse gases, in accordance with the provisions of EU Regulation 2015/2067. The B.U. Engineering has also achieved the certification in compliance with EC Regulation 303/2008, concerning installation and maintenance or repair of refrigeration, air conditioning and heat pump equipment.

UNI EN ISO 50001:2018 Energy Management System Certification

The B.U. Engineering is also ISO 50001:2018 certified. ISO 50001 is a certification on a voluntary basis, aimed at supporting organizations in the improvement of their performance in terms of energy efficiency, providing indications and elements to develop an energy management system that can track and feed the improvement process in terms of efficient use of energy. The energy management of real estate assets requires a structured approach, procedural and transversal, between different corporate functions. This is the only way to obtain, in addition to an efficient use of energy in the strict sense, verified with a constant monitoring of consumption, also long-term and coordinated planning improvement interventions on the real estate assets, energy strategies and business processes, in order to achieve maximum energy efficiency and to

minimize the environmental impact of its activities. Knowledge and expertise of personnel and technicians in the field of energy efficiency in plant engineering, and not only that, is extremely important to disseminate and improve the management model of strategies for reducing environmental impacts and primary energy consumption, both in the management of Cefla assets and in the maintenance management of systems' assets of all customers of the B.U.

ISO/IEC 27001:2013 Information Security Management System Certification

Since 2021, Cefla Tech has been certified ISO 27001 for information security for IT services to support engineering processes and service delivery of ordinary and extraordinary maintenance of civil and industrial plants. Indeed, the goal is that to be protected from potential threats to the security of managed information by developing an Information Security Management System (ISMS).

03.4

Stakeholders relationship management

ISO 37001 Anti-Corruption Management System Certification

In 2022, Cefla Tech also obtained ISO 37001 certification for prevention of corruption within the company perimeter. The certification establishes the management system requirements designed to help prevent, detect and respond to corruption, and to comply with anti-corruption laws and voluntary commitments applicable to the business of the organization. The achievement of the ISO 37001 certification confirms the commitment of the company to the transparency of its information and full compliance with the law.

ISO 14064-1 Reporting GHG Emissions Certification

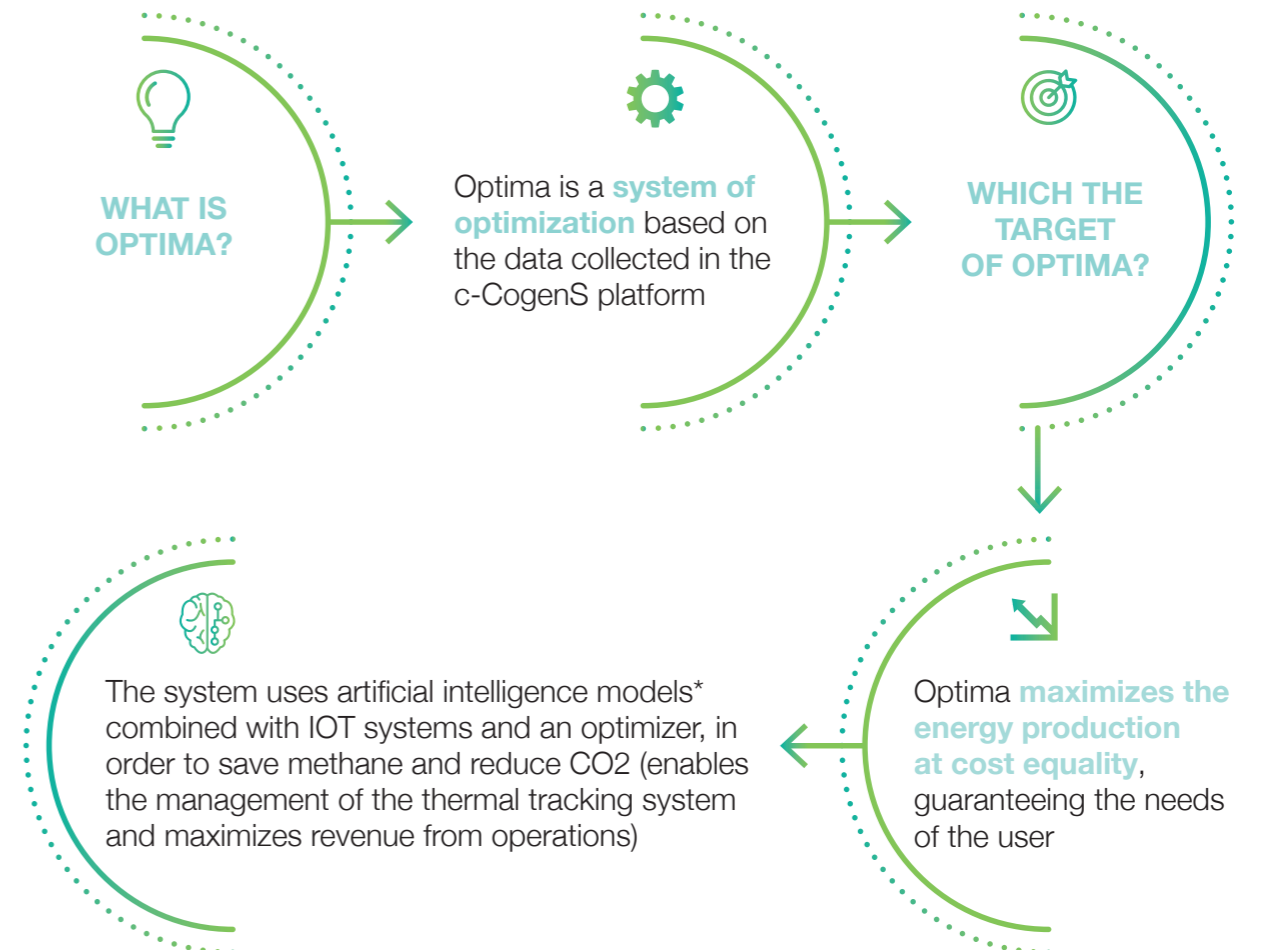
In 2022, for the first time, Cefla Tech reported, resulting in a certification by a notified body, its own greenhouse gas emissions; the 14064-1 certification, in fact, allows organizations to quantify their GHG emissions in order to implement Carbon Management policies and communicate their commitment on the subject of environmental sustainability to its stakeholders.

In 2022, some very valuable research activities have been developed in order to develop efficient services for the company's customers. The three Business Units of Cefla (B.U. Finishing, B.U. Medical Equipment and B.U. Engineering) are constantly listening to the needs of their customers

and, in some cases, this listening took the form of effective ad hoc collaboration, with some customers contributing their own tuning specs of excellent products, allowing Cefla to progress technologically and to be always at the top in the various sectors of interest.

Always looking for the best solutions for its customers, during 2022 the BU Engineering developed two very important projects from the point of view of the sustainability of energy saving and efficiency: Optima and Nova.

The Optima Project



Business Unit/Subsidiary	Certification
BU ENGINEERING	UNI EN ISO 9001:2015 UNI ISO 45001:2018 UNI EN ISO 14001:2015 SA 8000:2014 Compliance with CE regulations 303/2008 UNI EN ISO 50001:2018
BU FINISHING	UNI EN ISO 9001:2015 UNI EN ISO 14001:2015
BU MEDICAL EQUIPMENT	UNI EN ISO 9001:2015 UNI CEI EN ISO 13485:2016 Compliance with new Eueopean Regulations 2017/745 UE (MDR) UNI EN ISO 14001:2015
BIOSAF IN	UNI CEI EN ISO 13485:2016
Cefla Tech	UNI EN 9100:2018 UNI ISO 45001:2018 UNI EN ISO 14001:2015 Compliance with UE regulations 2015/2067 (F-GAS) ISO/IEC 27001:2013 ISO 37001 ISO 14064-1

Based on the analyses and data collected, savings in gas consumption are expected between 3 and 5%, with economic savings based on a standard cubic meter cost. The plan of the project is managed with incremental iterations, in order to guarantee a working prototype in the early stages of the project, and to be able to support training and testing activities to subsequent development cycles.

WE DO NOT SELL A SOFTWARE, BUT A SAVINGS SOLUTION.

Optima is a system that saves methane gas and reduces CO2

FEW BUT IMPORTANT DATA TO LEAD THE FACTORY

Optima collects the data that are really important for both analysers and decision makers

IT IS A SOLUTION THAT "IMPROVES ITSELF", NOT ONLY FLEXIBLE BUT «THAT GROWS WITH THE CUSTOMER»

Optima requires 'constant training', to be 'taken care of' on a daily basis, through the due indications of those who are constantly involved in the project.

Artificial intelligence applied to energy efficiency, combined with Cefla's long maintenance experience, directly on the field. Optima combines maintenance with energy efficiency and is applicable to anyone who produces energy, e.g. a power station for an industrial site.

The Nova project

To support companies in the transition from traditional energy sources based on combustion, Cefla has developed NOVA, a solution that integrates Bloom Energy's Energy Server™ fuel cell module in the CHP version, thus producing electricity and thermal energy and obtaining greater efficiency (exceeding 90%), while reducing emissions of pollutants into the atmosphere.

NOVA is a modular solution starting from a power of 330kW or 660kW, which can be easily customizable in case you need more power, and it's easy to install, thanks to the «plug&play» logic.

Clean and reliable energy, within everyone's reach, to enable companies and communities to take charge of one's own energy responsibly. The innovative solid oxide platform for the distributed generation of electricity by Bloom Energy is changing the future of energy.

This technology looks to the future and provides low-carbon energy, already planning a net-zero emission tomorrow.

Fuel cells are devices that convert the chemical energy of fuels into energy electricity and heat, without combustion, as occurs instead in traditional cogeneration.

At the same power, the electrical efficiency is 20% higher, and the CO2 emissions are cut down considerably.

In a context where companies and communities face growing threats impacting on own energy supply systems (energy shortage, obsolete infrastructure, rising energy costs, climate events, and cybersecurity threats), NOVA adopts an innovative and reliable technology.

The Bloom Energy Server, which Cefla integrates into its solution, is an on-site power generation platform, that provides highly reliable and continuous power, 24/7 and is ready to meet these challenges.

The partnership with Bloom Energy

Our partnership with Bloom Energy expands the offer of clean energy available for companies in Italy and in Europe, to tackle future energy and environmental goals together.

Ours is a perspective aimed at continuous plant innovation, that allows to support the energy transition, i.e. the progressive reduction in using traditional fossil fuels responsible for polluting emissions into the atmosphere, in order to produce clean energy. Highly efficient systems, fuel cells allow to choose between different sources: natural gas, biomethane, biogas, hydrogen blend and hydrogen 100%. This technology produces electricity without combustion, and reduces carbon emissions compared to the network, almost eliminating the harmful particles that cause the smog formation; thus, the obligation to reduce gas, recently approved by the European Union, is also satisfied.

*"This is an important push to continue developing important innovations in the field of sustainability, continuing to invest in this sector with proposals that fit into the path traced by the Green Deal and the energy transition" – underlines **Gianmaria Balducci**, President of Cefla – "In a moment like the present one, where Europe has an extreme urgency to overcome the energy shortage, it's very important to implement the more efficient technologies and fuel cells are certainly innovative, even more because the absence of combustion makes it possible to reduce polluting emissions."*



Human resources⁵

⁵ The data relating to human resources, unless otherwise reported, for the year 2022 refer to the following perimeter: Cefla S.C., Cefla Gest, Cefla Tech, C-LED, BIOSAF IN, Cefla Deutschland, Cefla Finishing Equipment (Suzhou), Cefla North America, CCSFR, Plant Engineering, Cefla Polska, Advansid.

Composition of the workforce and equal opportunities

The world of organizations, in recent years, is turning more and more attention to human resources, since the quality and skills of the latter constitute a real competitive advantage for companies operating in all sectors. As a Cooperative Company, Cefla clearly directs its personnel policy. All companies of the Group are committed to providing their employees with a healthy and safe working environment, through the adoption of equipment, machinery and systems that comply with the safety measures required by current legislation.

People care, training and professional growth, compensation and engagement strategies all represent areas to which considerable importance has been given in phase of defining and updating the personnel policy adopted by Cefla. The three pillars on which this policy is based can be summarized as follows:

1. #SharingCulture

Sharing knowledge and understanding is the key to aiming for excellence. Valorising people means enhancing skills, expanding professional and personal duties, giving value to all the resources.

2. #DigitalTransformation

Equip people with strategic skills to exploit the digital advantages, key components in all trades to produce, interact and communicate in the world of Industry 4.0. Act dynamically and respond to the new needs of the job market.

3. #ContinuousLearning

A training system that is based on different levels of upgrades, from fostering awareness of skills not yet own, to the acquisition of specialized ones, up to the consolidation of the skills acquired on which to develop mastery.

As at December 31, 2022, the Cefla Group's personnel consisted of a total of 1,802 employees.

In line with the average values of the sectors in which Cefla operates, within which men are traditionally employed to a greater extent than women, in 2022 approximately 78% of the corporate population is made up of male employees. Furthermore, over 83% of the total workforce (1,501 employees) is employed in Italy.

NUMBER OF EMPLOYEES	2020				2021				2022			
	Man	Wo-man	Other*	Total	Man	Wo-man	Other*	Totale	Man	Wo-man	Other*	Total
Number of employees	1394	371	-	1765	1289	349	-	1638	1413	389	-	1802
Number of employees on a permanent contract	1375	366	-	1741	1277	342	-	1619	1382	376	-	1758
Number of employees on a fixed-term contract	19	5	-	24	12	7	-	19	31	13	-	44
Number of full-time employees	1378	309	-	1687	1250	277	-	1527	1391	277	-	1727
Number of part-time employees	16	62	-	78	11	56	-	67	22	53	-	75

* Gender as specified by the employee by him/herself.

NUMBER OF EMPLOYEES	2020			2021			2022		
	Italy	Rest of the world	Total	Italy	Rest of the world	Total	Italy	Rest of the world	Total
Number of employees	1577	188	1765	1428	210	1638	1501	301	1802
Number of employees on a permanent contract	1553	188	1741	1409	210	1619	1468	290	1758
Number of employees on a fixed-term contract	24	0	24	19	-	19	33	11	44
Number of full-time employees	1512	175	1687	1367	160	1527	1435	292	1727
Number of part-time employees	65	13	78	61	6	67	66	9	75

* Gender as specified by the employee by him/herself.

As can be seen from the following tables, in 2021 and 2022 the majority of the company population (53%) appears to be classified in the professional category of office worker, while 40% as a worker. The remaining 7% is divided among the middle management category and that of managers. Considering Cefla S.C. alone, the number of executives hired by local community⁶ is respectively equal to 96% in 2020 and 95% in 2021.

EMPLOYEES BY JOB TITLE AND GENDER	2020				2021				2022			
	Women	Men	Total	%	Women	Men	Total	%	Women	Men	Total	%
Executives	1	28	29	2%	1	26	27	2%	1	23	24	2%
Managers	14	76	90	5%	15	75	90	5%	18	66	84	5%
Office Workers	294	638	932	53%	272	599	871	53%	300	664	964	53%
Workers	62	652	714	40%	61	589	650	40%	70	660	730	40%
Total	371	1.394	1.765	100%	349	1.289	1.638	100%	389	1413	1802	100%

EMPLOYEES BY JOB TITLE AND AGE GROUP	2020				2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	14	15	29	-	15	12	27	0	8	16	24
Managers	-	44	46	90	-	47	43	90	0	45	39	84
Office Workers	47	624	261	932	40	567	264	871	72	588	304	964
Workers	78	419	217	714	86	360	204	650	136	359	235	730
Total	125	1.101	539	1.765	126	989	523	1.638	208	1000	594	1802
Percentage	7%	62%	31%	100%	8%	60%	32%	100%	12%	55%	33%	100%

⁶ For calculation purposes, the term "local community" refers to the Emilia-Romagna region.

At Group level, both for 2021 and 2022 the percentage of male employees appears to be preponderant, considering the categories of workers and managers, while the percentage of female employees rises, taking into consideration the category of office workers (about 31% in 2022) and that of managers (about 21% in 2022), up 5% compared to 2021. For this reason, Cefla is committed - both in selection process, role changes and career advancements - to have the professionalism and skills of its employees, as the main driver, regardless of gender in any field.

such account in no field. Moreover, also the distribution of employees according to the three age groups considered (<30 years, 30-50 years, >50 years) varies significantly, according the role. In general, most of the people employed by the Group in 2022 (55% of the total) are included in the age group between 30 and 50 years, but there is also a significant percentage of the population represented by individuals over the age of 50 (32% of the total). Finally, the younger age group (< 30 years) represents 11% of the corporate population, up by one percentage point, compared to 2021.

Consistently with its ideal of protecting all forms of diversity and guaranteeing that everyone has the same personal and professional development opportunities, in 2021 and 2022 Cefla counted respectively 37 and 49 workers belonging to protected categories, defined by the regulations in force in the respective country of reference.

EMPLOYEES BELONGING TO PROTECTED CATEGORIES, FOR JOB TITLE AND GENDER	2020			2021			2022		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	-	1	1	-	1	1	0	2	2
Managers	-	2	2	-	1	1	0	0	0
Office Workers	2	10	12	2	9	11	3	20	23
Workers	6	25	31	6	18	24	5	19	24
Total	8	38	46	8	29	37	8	41	49
Percentage	17%	83%	100%	22%	78%	100%	16%	84%	100%

A structured budget process is planned annually to ensure availability of people necessary, by number and characteristics, for the realization of the business plans and at the same time ensure the conditions for their management, in line with the legislative, contractual, technical-economic and social dynamics. In particular, the activities are as follows:

- analysis of the internal context (resources present in the company, needs in the short, medium and long term, evolution of the population in terms of age and profession, strategies for the sustainability and competitiveness of the business over time) and of the external one (labour market, Future of Work impacts, Digital Transformation impacts, political and socio-cultural system, technologies);
- the comparison of the offer with the demand, obtained from the company's program as a whole and based on individual functions and areas of activity – needs analysis and budget definition. The comparison between supply and demand can develop in a circular manner, through progressive adjustments, also in the light of budget constraints or resources;
- the definition of objectives and activity programs in terms of recruitment, selection, training and development, compensation, work organization and internal mobility etc.;
- control and monitoring of activities to verify their congruence with the strategy.

The Human Resources Budget is approved by Top Management in the first few weeks of January and is monitored monthly.

In an increasingly uncertain context, subject to high turnover phenomena (see the worldwide "Great Resignation" phenomenon), the research and selection process was strengthened.

There is in fact a dedicated area, Talent Acquisition, which has implemented a research and selection process more responsive to both business needs and work market dynamics. There are two main objectives:

- find the right person for the right job in the shortest possible time;
- attract the best candidates, thinking about the organization in the medium-long term;

The personnel search and selection model today is divided into two salient moments, namely that of research and that of selection. The process is lean enough to ensure speed, flexibility and effectiveness.

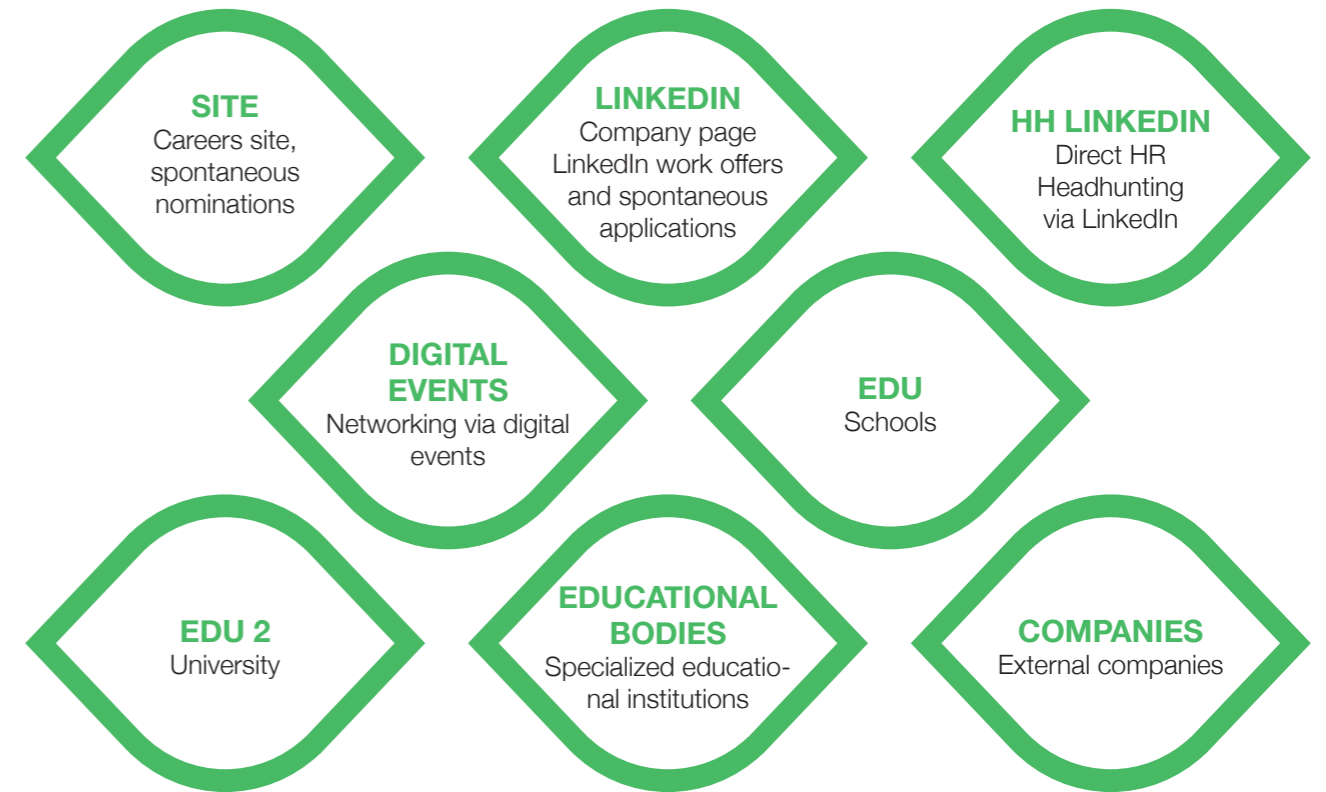
It consists of specific stages, supported by internal sharing tools and it can be activated after the approval on opening a position.

Our research channels can be summarized in 4 macro clusters, moved according to the target (profile, requirements, generation, seniority, territory, etc.):

- EDUCATION channel
- DIGITAL channel
- NETWORKING channel
- PARTNERSHIPS channel

Specifically, let's talk about these 8 primary sources of recruiting engagement.

PERSONNEL RESEARCH CHANNELS



During the entire search and selection process, candidates are constantly followed up in case of doubts, clarifications, support. The people involved in the selection process, find themselves having a corporate "buddy" to refer to, who reassures and keeps them engaged during the necessary time. The network then is constantly fed, cared for and gradually directed towards immediate needs, or expected in the medium to long term ones.

TURNOVER	2020								
	Women				Men				Total
	<30	30-50	>50	Total Women	<30	30-50	>50	Total Men	
Number of employees	23	244	104	371	100	852	442	1.394	1.765
Number of new hires	4	16	2	22	24	86	46	156	178
Number of resigned	5	15	3	23	8	39	42	89	112
New hires rate	17%	7%	2%	6%	24%	10%	10%	11%	10%
Turnover rate	22%	6%	3%	6%	8%	5%	10%	6%	6%

04.2

Development and training of resources

Training in the Cefla Group responds to needs connected to the Business, to organization, to people, to context changes; basically, it acts on two dimensions: capacity/skills (know-how) and behaviors (know how to be).

It is managed through a well-defined and shared process, coordinated between the Business Unit P&O structures and the Corporate P&O Department, which includes specific phases and tools:

Definition of the strategy with the top management, analysis and collection of needs at each department, drafting and approval of a budget, preparation of executive plans, design, implementation, monitoring and evaluation.

The activities that make up the training plan can be classified according to methods and methodologies: on the job (focus on the operational dimension); catalogue courses at an external body (focus on role knowledge and skills); training project-based (made ad hoc, with specific purposes and recipients); internal training, workshops and meetings; e-learning and on the basis of “training axes”, according to the contents and objectives: role, languages, development, digital transformation, compliance.

Induction paths and ad hoc support are included during the entry phase into the company or for internal mobility.

An innovative assessment and training project, focused on digital skills, was implemented during the year. Through a voluntary campaign, created with agile tools – such as web platforms and dedicated apps – was possible to extensively map the level of digital maturity of our people and Deliver, in micro-learning, a multitude of personalized digital contents, with particular attention to IT security issues, to a large part of corporate population.

The Cefla Group has a management system based on company regulations, I and II level procedures and contracts.

The company regulation, delivered to all employees upon hiring, is the document that contains the guidelines that regulate the corporate life of employees, guaranteeing a safer and more adequate performance of the work activity inside the plant and a respectful and polite coexistence between the workers, protecting, at the same time, the image and safety of the company and its workers.

All the employees of the Parent Company and of the Italian subsidiaries are covered by a specific National Collective Bargaining Agreement (CCNL). In the company CEFLA SC the CCNL of the Metalworking Cooperatives is applied; the parent company Cefla S.c., that has most of the resources, has a second level corporate contract, that regulates - apart from the disbursement of a production bonus, calculated on parameters of productivity, profitability and production efficiency - other standards as well, aimed at favour times of work-life balance.

There are also various company regulations aimed at specific categories of employees, with particular professionalism.

TURNOVER	2021								Total
	Women				Men				
	<30	30-50	>50	Total Women	<30	30-50	>50	Total Men	
Number of employees	21	229	99	349	102	756	431	1.289	1.638
Number of new hires	7	29	1	37	30	59	13	102	139
Number of resigned	1	11	3	15	11	74	28	113	128
New hires rate	33%	13%	1%	11%	29%	8%	3%	8%	8%
Turnover rate	4%	5%	3%	4%	11%	10%	6%	9%	8%

TURNOVER	2021								Total
	Women				Men				
	<30	30-50	>50	Total Women	<30	30-50	>50	Total Men	
Number of employees	31	245	113	389	177	753	483	1.413	1.802
Number of new hires	15	34	7	56	87	101	37	225	281
Number of resigned	8	16	6	30	30	90	45	167	197
New hires rate	48%	14%	6%	14%	49%	13%	8%	16%	16%
Turnover rate	26%	7%	5%	8%	17%	12%	9%	12%	11%

Lastly, in relation to Cefla S.C, Cefla Gest, Cefla Tech, C-LED, BIOSAF IN, no cases of discrimination were recorded, either in 2021 or in 2022.

The Group also believes that investing in work-life balance and health and welfare policies dedicated to its personnel, constitutes a fundamental prerogative not only in terms of corporate social responsibility, but also with a view to strengthening the link between the employer and its employees and to allow the latter to carry out their professional activities ensuring maximum productivity.

Regarding access to healthcare, in particular, all the employees not on probation at the Parent Company and at the Italian Subsidiaries, enjoy a healthcare coverage. Within the Parent Company, in particular, the insurance coverage offered to employees are two: a basic policy (DIRCOP), provided by contract and a supplementary one (IPRASS), which guarantees higher liability limits ceilings and wider coverage. Furthermore, workers with the qualification of manager are covered by an IPRASS Managerial policy, which guarantees even greater protection. Finally, for executives, there are three different health policies (FASI, ASSIDAI and WELLION). In all these cases, employees have the option of extending coverage to their family members for a fee prize.

Initiatives implemented to guarantee employees access to various forms of assistance supplementary healthcare are certainly not the only projects in the field of “corporate welfare” initiated by the Group in recent years. By way of example, the main programs promoted from the group include:

- 30-minute time flexibility and the possibility of reducing the break to 45 minutes
- flexibility of hours to carry out therapies
- paid leaves for placing children in nursery school and kindergarten
- work-life balance of 12 hours per year, for workers who cannot take advantage of the time flexibility or remote working
- 20% wage supplement for the first three months of parental leave
- the possibility given to mothers and/or fathers employed in all Italian companies of ask for a part-time work period, until the eighteenth month of life of their children is completed
- thirty-two (32) hours of unpaid medical leave granted to CEFLA SC employees, and 8 additional hours of paid leave granted to employees aged 50 or more
- an agreement with a Imola bank, regarding personal loans to employees at a subsidized rate
- several agreements entered into between the parent company and numerous sales outlets, in order to guarantee a discount to employees in possession of the corporate attendance badge
- the provision of scholarships for the children of employees who fall within certain categories (particularly deserving university students; young people enrolled in summer camps with agreements with Cefla; students enrolled in the first three years of high school, intending to undertake a study experience abroad)
- the possibility, offered to all employees of Italian companies (with the exception of executives) to benefit from a “welfare bonus” which, in 2022 was equal to 200 euros per person;
- Petrol Bonus of € 200.00 paid to Cefla and C-Led employees;
- the faculty given to Cefla employees to choose the destination of their own performance bonus to welfare programs in different percentages (25%-50%-75%-100%), by applying the coefficient of 1.2 (1 euro premium = 1.2 euro welfare)
- attendance bonus for Parent Company employees
- regarding the Insurance Policies: CEFLA has activated a professional and non-professional policy (with different liability limits, based on the level of insured employees), coverage is active for all members, for employees from the 7th level up and

- for all regular business travellers
- managers are paid annually a specific Life and Accident Policy, provided for by the CCNL.

Furthermore, each of the subsidiaries abroad independently defines and implements specific corporate welfare programs. Such programs can include, for example:

- supplementary health coverage for the benefit of employees
- flexible working hours for mother employees
- trips and organized business dinners at certain times of the year
- paid masters and specialization courses in areas of interest to the company of reference
- paid days off for the management of any problems related to private life

WELFARE INITIATIVES – FULL-TIME WORKERS	2020	2021	2022
Life insurance	151	147	175
Healthcare	1.638	1.467	1683
Coverage for invalidity and impairment	746	701	721
Parental leaves	1.639	1.469	1614
Pension arrangements	1.582	1.413	1658

Each employee can directly contact the dedicated HR representative, present in each Business Unit of the group, thus making the complaint management more immediate and effective.

For more administrative issues (e.g. payslips, attendance system, refunds etc.) specific e-mailing channels can instead be used, which also guarantee a targeted and dedicated response to the single need. In particular, for the Italian companies of the group, we are talking about reports and/or complaints regarding wages or attendance, channelled into two e-mail boxes: paghe@cefla.it and presenze@cefla.it

A “complaints box” has also been set up - initially established following the SA8000 certification for the Business Unit Engineering - and physically placed in the company, where employees can enter their own “message”.

Health and safety on the workplace⁷

Cefla SC gives primary importance to the health and safety of workers and, for this reason, pursues fundamental objectives, such as:

1. Operate in compliance with the standards, laws and provisions in force at a national, international, regional and local level, including commitments signed with interested parties;
2. Improve the working conditions and environment, by reducing the dangers and risks related to the single activities;
3. Reduce injuries and accidents at work;

In confirmation of the objectives that Cefla s.c. had set itself in 2021, in 2022 it proceeded to update its own Group Health, Safety and Energy Policy, available to all employees through the specific internal website.

In addition, three Health Safety Environment policies have been prepared specifically for each of the BU, also available on the abovementioned site.

The punctual and complete implementation of the above requires active participation of workers and their Safety Representatives (RLS).

The Employer (General Manager and B.U. Manager) has the necessary spending autonomy, without budget restriction, to carry out the delegated functions. An annual budget is attributed to Employers, by virtue of the powers conferred. For interventions that should exceed the expected budget, the Board of Directors must be informed, without prejudice to the right to act independently and without spending limits, for urgent and undelayable interventions, by promptly notifying the Legal Representative or the Board of Directors.

The B.U. Directors, in collaboration with the Head of the Prevention and Protection Service and those responsible for the areas concerned, proposes to the General Director, for approval, the general lines and budgets for infrastructural and management interventions to be carried out within the Business Unit to the extent applicable, in order to ensure compliance services and working conditions that are suitable and compliant with current legislation. The improvement interventions are planned on the basis of the results of the evaluations of risk, the analysis of dangerous events (accidents and near misses), the outcome of internal audits.

⁷ The quantitative data in the health and safety paragraph, relating to accidents and occupational diseases, refer to the following perimeter: Cefla S.C. (including the B.U. Engineering sites), C-LED, Cefla Tech, BIOSAF IN, Cefla Gest.

All indicators relating to injury rates are monitored and evaluated. In the perspective of prevention, even near misses are punctually analysed, i.e. those events which, although they did not cause an injury, could have caused it.

It is through careful investigation for the identification of the primary cause of all these events that Cefla implements that continuous improvement process which is the basis of every occupational health and safety management system.

EMPLOYEES INJURIES AT WORK	2020	2021	2022
Number of recordable injuries	8	8	9
Number of worked hours⁸	2,338,959	2,350,540	2,466,385.12
Recordable injuries at work rate⁹	3,42	3,40	3,64

Between 2021 and 2022 there is only one more injury recorded, so, as a result, the rate of accidents at work remained almost unchanged. Calculation of injuries relating to employees excludes accidents while traveling. Most injuries refer to: wound, cut, laceration, crushing of upper limbs during activities or handling components or using tools or work equipment.

NON-EMPLOYEES INJURIES AT WORK	2020	2021	2022
Number of recordable injuries	1	2	7
Number of worked hours	237,534	349,191	442,878
Recordable injuries at work rate⁹	4.21	5.73	15.80

⁸ The rate of recordable work injuries was calculated using the following formula: (The number of recordable work injuries / Number of hours worked) x 1,000,000.

⁹ The rate of recordable work injuries was calculated using the following formula: (The number of recordable work injuries / Number of hours worked) x 1,000,000.

As regards non-employee workers, in 2022 there were seven recordable injuries at work, while in 2021 there were only two. For this reason, the following actions have been undertaken, in order to minimize the risk of new injuries:

- ANALYSIS OF NEAR MISSES AND DANGEROUS SITUATIONS, THROUGH TWO-MONTHLY MEETINGS WITH AREA REPRESENTATIVES.
- TECHNICAL INSPECTIONS,
- INTERVIEWS WITH WORKERS,
- QUARTERLY MEETINGS WITH RLS.
- INVOLVEMENT OF THE HSE IN THE PROJECT CHOICES OF WORK LAYOUTS, IN THE IDENTIFICATION OF MACHINERY AND EQUIPMENT OF WORK

The calculation of accidents relating to non-employee workers includes only provisory workers. The main types of injuries appear to be the same as for employees.

Cefla plans and monitors, through an IT management system, the mandatory training on safety, fulfilling the related legal obligations through the annual "Plan of training". Monitoring of the safety and environmental training plan, in order for it to be respected, is carried out, for the parts of its competence, by the Service of Prevention and Protection. The provision of information and training is traced through the collection of signatures at the time of the training session through the attendance register and through the provision of specific certificates of attendance or in-depth learning. The training contents and needs for new hires have been identified, the change of tasks and the need for supplementary training on staff in general and on supervisors and managers. Furthermore, following the provision of information and training, the most appropriate tools have been identified to verify the effectiveness of both, through a final exam and/or a learning test.

TYPE OF TRAINING ¹⁰	2020		2021		2022	
	Hours	Participants	Hours	Participants	Hours	Participants
General training	208	52	144	36	156	39
Specific training	1,515	204	4,127	499	3,792	490
Other	4,062	583	6,074	847	4,521.5	735
Total	5,785	839	10,345	1,382	8,469.5	1,264

Cefla S.c. has adopted an organizational model compliant with Legislative Decree 231/01 which provides a precise definition of the different profiles of responsibility in terms of Health and Safety and the Environment and the main sources of risk.

¹⁰ The data reported relating to health and safety training refer to the following perimeter: Cefla S.C., CLED, Cefla Tech, BIOSAF IN.

The structure of responsibilities and control activities in the field of environmental management are articulated parallel to those of health and safety management, and are formalized in organizational charts divided by Business Unit.

The planning of the Health and Safety Management activities are defined through risk analysis (reported in Risk Assessment Documents, Safety Operational Plans, Consolidated Documents Evaluation of Interference Risks, ...), from the analysis of the dangerous events (accidents/near misses), from the outcome of internal audits. Goals and milestones are documented through the Safety Programs. Actions to improve or activate can be included in the management review or in specific projects, and for each action the person responsible for its realization, the implementation time and available resources are clearly identified.

Routine maintenance interventions are periodically planned and carried out on the machines and plants, to guarantee the continuity of the process.

CEFLA plans and monitors training, through an IT management system, the mandatory training on safety, fulfilling the related legal obligations through the annual "Plan of training".

In particular, training and/or information and training interventions are carried out in case of:

- hiring;
- job placement of temporary workers, seconded workers, interns and apprentices;
- transfer and change of job (if the new job involves risks or environmental impacts different or additional to those general or present in the job already performed);
- introduction of new work equipment or new technologies, new substances and dangerous preparations;
- designation/appointment of the worker to specific tasks that expressly require the obligation of training (e.g. workers in charge of firefighting activities, first aid, use of the forklift, use of overhead cranes, work at height, activities in confined spaces, etc.).

Within 60 days of entry, or in any case before the expiry of the contract or parting, all workers who do not already have it, receive the mandatory training, provided for under the national State-Regions Agreement.

Personnel intended to work in the production areas and in construction sites/external activities is then entrusted to the Department/site/area Coordinator, or in any case to the person in charge for training on internal procedures and on how to carry out work safely entrusted to him and for a period of training in the workplace, along with already experienced personnel, until the achievement of skills and abilities deemed sufficient to operate autonomously.

The operating staff is also periodically updated on the theoretical and practical aspects and on the work procedures inherent to one's own activity, as for specific needs and with various methodologies such as, for example:

- direct instruction and/or awareness raising by direct superiors, also through training tools such as OPL, SOP, work instructions, etc.;
- internal and external education and training courses.

All education/training activities are carried out with knowledge of the peculiar language and culture of the personnel to which they are directed, using simple terms and repeating, where appropriate, the instructions provided until positive transposition of the same is confirmed.

The Company has taken steps to create company emergency teams for firefighting, first aid and, although not mandatory, has already equipped its plants with three defibrillators since many years ago.

Cefla, to facilitate worker participation and consultation in the context of development, provides for three modes of communication:

- from Management to the Worker, through meetings, service communications, procedures and provisions;
- from the Worker to Management, also through the consultation of the RLS and RLSA, communication during meetings and assemblies;
- at a transversal level, among personnel regardless of the roles held.

The main reasons for communication are: dissemination of the policy, objectives and the achievements related to the management system, outcome of risk assessment and evaluation of environmental aspects, personnel information and training, operations information relating to services, updating of the procedures for the execution of services and activities, communications to be forwarded externally and management of obligations, as well as of the level of application of the management system and the results of internal audits, as well as of those of the Body of certification.

Communication can take place through meetings and assemblies; written communications and e-mail; C_PLACE and corporate sites; use of corporate bulletin boards.

The Corporate Communication function effectively manages external communications relating to the corporate image and information, while reports, requests of information and anything else pertaining to system management are managed by the Secretariat of Management, paying particular attention to the moments of reception, of registration, response and choice of actions to be taken following the communication.

Workers participate in the aspects concerning safety and health also through the RLS e RLSA appointed by them, the RLS are always consulted in the following cases:

- Updating of risk assessment documents;
- Periodic quarterly meetings;
- A meeting following art.35 Legislative Decree 81/08 is held annually, participated by the RLS together with the Competent Doctors, Employers and Prevention and Protection Service Managers.

The Company has taken steps to create company emergency teams for firefighting, first aid and, although not mandatory, has already equipped its plants with three defibrillators since many years ago.

To allow the pursuit of business objectives and carry out and improve its own processes, Cefla identifies the need for resources (human, economic-financial, infrastructure

and work environment) and plan their availability for individual processes and projects.

The resources necessary to implement and maintain the System, in order to improve its Effectiveness, are identified and defined by the Directors of the B.U., along with the Human Resources function, the managers involved and according to the production needs to respond to market demands, the resulting workloads and their impact that these processes have from an economic point of view. Verification of correct attribution and management of resources is periodically verified by the Directors of the B.U.

An internal Prevention and Protection Service has been set up, to deal with the HSE issues and the functions and subjects involved have been identified in the organization chart in the prevention and protection process, with explanation of the related responsibilities (Employer, RSPP, Workers' Representatives, managers, supervisors, etc.). With relevance to the risk of ionizing radiations, a radiation protection expert has been appointed, as defined by Legislative Decree 101/20, to ensure correct risk assessment and compliance with specific legislation, as well as training and information of workers subject to potential danger.

Routine maintenance interventions are periodically planned and carried out on the machines and plants to guarantee the continuity of the process. The maintenance of infrastructure, systems and internal services of the offices and the factory to ensure continuity of the process, is entrusted to third parties and is managed by the Maintenance function of Cefla SC.

At least once a year RSPP, Employers, Company Doctor and RLS meet for the review of the following elements: examination of DVRs and any injuries or diseases, any new Personal Protective Equipment (based on the assessment of the risk) and situation of training and information for workers; the competent doctor also presents its own report on surveillance visits. The meeting may generate new risk assessments to be carried out and improvement actions, that are formalized in the minutes.

A frequent and formalized consultation relationship has been established between RSPP and RLS (at the request of one or the other or in any case, on a scheduled basis) where the Representatives of Workers for Safety expose any reports and dangerous events and the progress of prevention and protection measures are analysed. Periodic meetings are also scheduled between SPP and the supervisors of the various production areas. The B.U. Engineering has a certified SSL (Health and Safety) system according to the ISO 45001:2018 standard. In particular, for the purposes of protecting health and safety at its plants and construction sites, it has set up a management system aimed at keeping risks under control, while improving health and safety performance. The subsidiary Cefla Tech has been ISO 45001:2018 certified since 2021, too.

04.3.1

Covid-19 emergency management

The verification activity continued also for the year 2022, until the deadline of April 30, 2022, concerning the possession by both employees and outsiders of the green - pass, whose expiry date was required by current legislation.

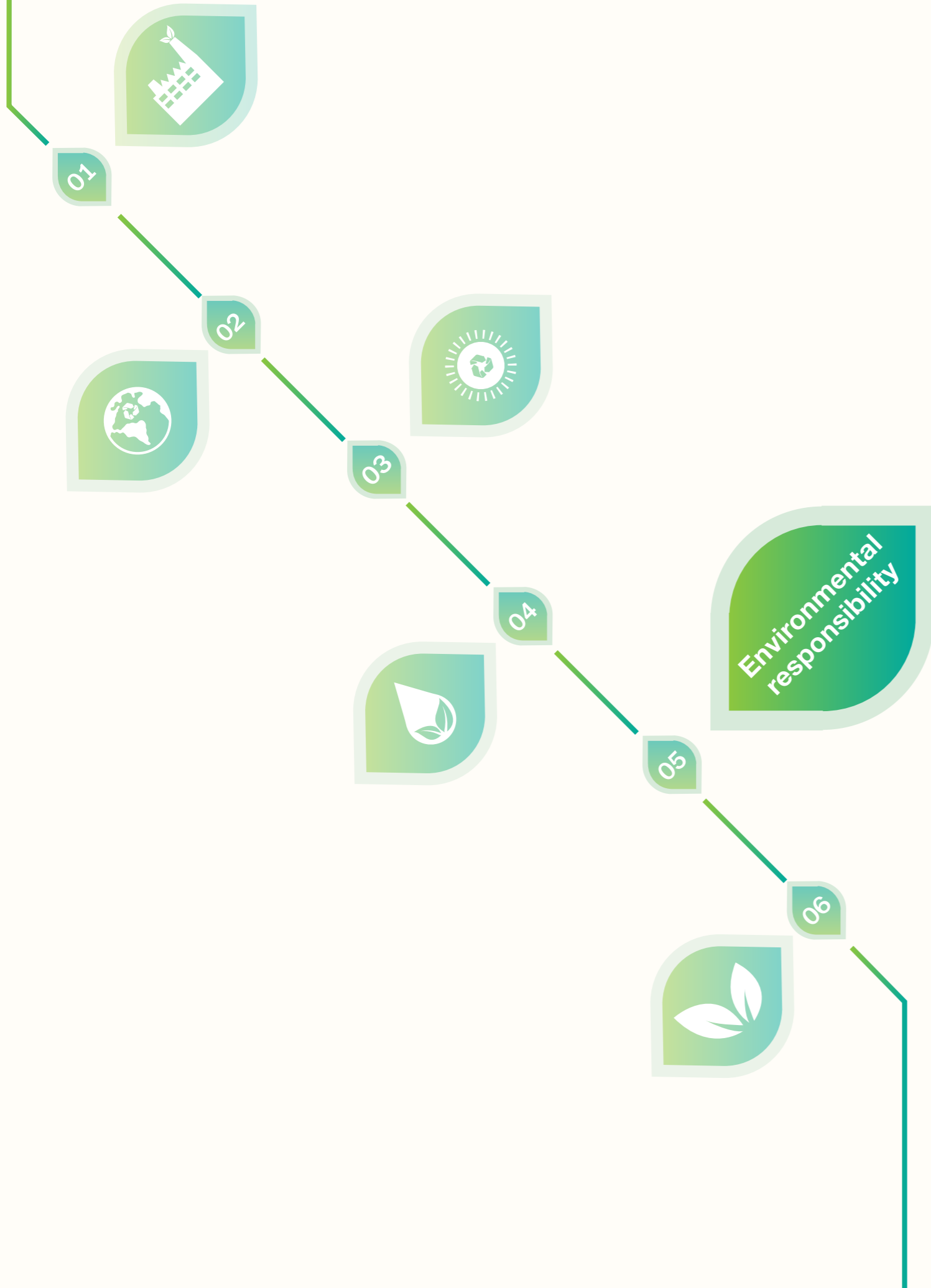
The monitoring of events related to COVID-19 also continued through the communications received from employees to the specially adopted company e-mail address: coronavirus@cefla.it.

Also, during 2022, the company population was informed about the expected regulations in terms of Pandemic, through Official Communications containing summary instructions referable to concrete actions, useful for understanding the new prevention measures and the behaviours to be adopted in the company.

The actions taken to safeguard and protect Group employees, consistent with the indications of the health authorities and sometimes even more restrictive, concerned:

- obligation to use the mask even in situations where the required social distancing was guaranteed;
- use of remote-working which, starting from July 1, 2022 has been governed by an experimental agreement signed by Cefla with the trade unions (expiry date: December 31, 2022). This agreement provided for the use of one “remote” day per week and was aimed at the categories of employees who could carry out their own work in this mode. For the so-called “fragile” workers and for parents of children under 14 years, the use of remote-working was carried out in compliance with the legislation in force;
- strict adherence to the safety protocols defined by laws, ordinances and others provisions of the competent authorities for workers;
- maintenance of the cleaning methods in the workplace, envisaged by the Covid-19 legislation, with specific disinfection and sanitization procedures;
- purchase of Personal Protective Equipment: masks, goggles, gloves, dispensers with disinfectant gel;
- Company canteen: all the diversifications of the time slots of the canteen have been maintained, in order to avoid gatherings both at canteen access and on the occasion of the meal. Social distancing and the protective panels placed on canteen tables have been maintained, too.

Even when the containment measures eased, Cefla continued to maintain high level of attention, without reducing the actions introduced.



Environmental responsibility

Cefla SC pays primary attention to respect for the environment and energy saving. For this reason, Cefla pursues fundamental objectives, such as:

1. Operate in compliance with the rules, laws and provisions in force at national, regional and local level, including commitments signed with stakeholders;
2. Reduce energy consumption;
3. Safeguard the environment and prevent environmental accidents;
4. Reduce impacts on the environment.

As reported in the Health and Safety, Energy and Environment Policy, in this area Cefla is committed to:

- Promote and disseminate the culture of energy efficiency and environmental protection at all corporate levels, through awareness, information and training;
- Implement the prevention and protection measures aimed at avoiding potentially dangerous situations from arising, like wasting energy as well as minimizing environmental impacts, for both normal working conditions and emergencies;
- Verify compliance with the standards and provisions on energy management and environment;
- Define and review improvement objectives in the field of energy efficiency and environmental protection and implement the related programs;
- Evaluate the adequacy, efficiency and effectiveness of the measures adopted;
- Research and implement progressive and continuous improvement, starting from the stage of design, working conditions, processes, infrastructures and services, taking into account technological progress;
- Involve suppliers, contractors and subcontractors in implementing the policy by encouraging the purchase of goods, works and services congruent with the above principles and objectives indicated.

Cefla's health, safety and environment management system is divided into two macro areas:

- Integrated Quality, Safety, Environment, Social Responsibility system for the BU Engineering, for the management of construction sites and service. This system is certified according to the ISO 45001:2018 standard for the Environment and according to the SA8000 standard for Social Responsibility. Plus, the system is also certified for the Environment according to the ISO 14001 standard. The subsidiary CEFLA TECH, always linked to the BU Engineering, has obtained the ISO 45001 certification, the ISO14001 certification, and the SA8000 certification, for Social responsibility, too. Moreover, in 2022 Cefla Tech also achieved obtained the ISO14064 -1:2019 certification in 2022, for verifying the organization's carbon footprint.

- Health, Safety and Environment management system of the Finishing and Medical Equipment BUs. Environmental certification has been obtained for this management system, according to ISO 14001 standard, in 2022.

There is also an Energy Management System certified according to the ISO 50001 standard.

Cefla S.c. has adopted an organizational model compliant with Legislative Decree 231/01 which provides a precise definition of the different profiles of responsibility, in terms of Health and Safety and Environment, and the main sources of risk.

The structure of responsibilities (proxies/proxies) and control activities in the environmental

management area is articulated in parallel with those of health and safety management and is formalized in organizational charts divided by Business Unit.

The planning of environmental surveillance and control activities is defined through site environmental analysis. Environmental objectives and targets are documented through Environmental Programs and through Environmental Analysis. Appropriate measures are taken to avoid any risks and safeguard the external environment, checking periodically the continuing absence of risk and in compliance with the provisions of Legislative Decree 152/2006, in particular for waste management (and all aspects related to them), the management of emissions into the atmosphere and water discharges. Cefla monitors its emissions with self-checks carried out by accredited external laboratories, punctually complying with the expected authorizations requirements.

The procedures for monitoring progress of the Environmental Program are also defined within the Program itself. The surveillance plan is intended to allow verifying the implementation of the planned actions and their effectiveness, and, consequently, the presence of any non-conformities, thus making it possible to act promptly, with targeted corrective actions, if necessary.

The reporting of complaints, non-compliance or the presence of situations that could generate them (potential non-conformities), is transmitted to the reference HSE via e-mail or other documentation (e.g. audit report, NC report). Possible reports from external parties are sent to the Cefla institutional email address, which forwards it to the competent body. During the periodic meetings between HSE and RLS or with the supervisors of the various areas, any reports are exposed and any dangerous occurrences in the environmental filed are matter are analysed.

Staff education, training and awareness is considered a primary factor to ensure the effectiveness of environmental processes and objectives. In particular, the personnel involved in the management of environmental matrices, is trained in relation to its own business, with dedicated instructions.

CEFLA SC has defined verification documents to ensure the monitoring and measurement of The main activities and operations that can generate significant impacts on the environment.

The documents define which checks and which measures to carry out, as well as the methods of collection and data interpretation, in order to:

- monitor the trend of the company's environmental performance;
- check the position of the company, with respect to legal and regulatory environmental requirements;
- check if the System is correctly implemented in the company.

The monitoring activities can be carried out both by internal and functional structures and by qualified external subjects, in compliance with the sampling and analysis methodologies provided for by regulatory provisions, by national and international standards (UNI, ISO, BSI, and others) or, in the absence of similar references or to improve them, by criteria defined by the company and validated by competent bodies or authorities.

05.1

Materials management

Cefla SC declares that, based on the technical analyses on the composition of the materials of the medical device products (dental chairs, x-ray equipment, autoclaves), the average share of recyclable material is 90%. Cefla's calculations are in line with the state of the art of recycling percentages reported by some of the most important consortia of waste, such as "Remedia", which reports for "Group 4 of WEEE waste" (medical devices included) a percentage of recyclable materials of 90.92%.



05.2

Energy efficiency and emissions¹¹

During 2022, Cefla achieved the important objective of extending to the BUs Finishing and Medical Equipment the certification according to the ISO 14001:2015 standard of our Environmental Management System, already certified for the BU Engineering.

The achievement of this certification is an important distinctive and competitive element, which documents and highlights Cefla's commitment to safeguarding the environment, to the conscious use of natural resources and in preventing pollution, in a sustainable way and in full compliance with the applicable, mandatory and voluntary environmental regulations.

Cefla, aware that its production and distribution activities cause impacts on the environment, invests resources to constantly improve its performance, trying to identify and implement innovative solutions.

Among the various projects, a process of dematerialization of documents and adoption of electronic signatures started, which led to an 11% reduction in paper consumption in 2022 compared to 2021.

During 2022, various interventions were implemented to reduce the consumption of energy through containment measures relating to winter heating and summer air conditioning and other technical/management measures, the adoption of behavioural measures in the efficient use of energy as well as structural and plant investments.

RENEWABLE AND NON-RENEWABLE FUEL CONSUMPTION ¹² (Gj)	2020	2021	2022
Natural gas for heating	59,582.21	31,823.50	32,458.72
Automotive fuel for corporate fleet	16,196.26	19,471.67	20,492.22
of which diesel	16,196.26	19,471.67	19,270.38
Total consumption from non-renewable sources	75,778.48	51,295.17	52,950.94

¹¹ The data reported in the paragraph Energy efficiency and emissions for the years 2020 and 2021 refer to the following perimeter: Cefla S.C., C-LED, Cefla Tech, BIOSAF IN.

¹² Conversion factors: Department for Environment, Food & Rural Affairs - DEFRA 2021.

ELECTRICITY CONSUMPTION (Gj)	2020	2021	2022
Electricity purchased from NON-renewable sources	24,955.10	11,503.32	10,719.07

SELF-PRODUCED ELECTRICITY CONSUMPTION (Gj)	2020	2021	2022
Total self-produced electricity	4,920.56	7,186.26	6,453.72
of which tot. electricity consumption	3,849.87	6,014.51	5,157.23
of which tot. electricity sold	1,070.69	1,171.75	1,296.49
Total electricity consumption (purchased + self-produced)	28,804.96	17,517.84	15,876.30

As far as emissions are concerned, Cefla monitors both direct (Scope 1) and other indirect emissions (Scope 2). Scope 1 emissions refer to natural gas consumption and fuel to power the company fleet, while the emissions of Scope 2 relate to the purchase of electricity from non-renewable sources. To calculate this second category of emissions, location- and market-based approaches were used, which respectively provide for the accounting of the deriving emissions from electricity consumption, by applying national average emission factors for the different Countries where electricity is purchased and the determination of GHG emissions, deriving from the purchase of electricity, considering the specific emission factors communicated by suppliers.

DIRECT SCOPE 1 EMISSIONS PER SOURCE ¹³ (ton CO ₂ eq.)	2020	2021	2022
Natural gas for heating	3,360.40	1,794.83	1,819.56
Automotive fuel for corporate fleet	1,212.69	1,457.94	1,534.31
Diesel	1,212.69	1,457.94	1,442.87
Gasoline	/	/	91.44
FGAS	870.90	684.04	879.62
Total SCOPE 1 emissions	5,444.00	3,936.80	4,233.49

¹³ Conversion factors: Tema International Comparisons 2020; DEFRA 2021. The value of tons of CO₂ eq. deriving from FGAS is not available for 2019 as the benchmarks have changed.

The FGAS (fluorinated gases) considered in the calculation of Scope 1 emissions, refer both to the emissions deriving from their use during the production process and to the emissions deriving from air conditioners. In fact, FGAS are found within various devices and systems. Among the most common are those of refrigeration, air conditioning and heat pumps.

INDIRECT SCOPE 2 EMISSIONS - PURCHASED ELECTRICITY ¹⁴ (ton CO ₂ eq.)	2020	2021	2022
Market-based approach	3,181.78	1,466.67	1,366.68
Location-based approach	3,583.83	1,652.01	1,539.38

ENERGY EFFICIENCY INITIATIVES IMPLEMENTED FROM CEFLA DURING 2022:

In 2022, following the Russian-Ukrainian conflict, the situation of the energy markets already stiffened due to the COVID 19 pandemic, has degenerated into a real one global energy crisis. Gas prices have hit record highs and this has made it essential to implement efficient energy management processes.

In line with the national guidelines of the sector, CEFLA, already engaged on the subject of the energy efficiency of its buildings for years, has identified a series of interventions, which were implemented according to the following hierarchical order: reduction of waste, optimization of energy use and consumption, efficiency of systems and, finally, investments and innovative projects on the subject of energy.

Below are some of the actions undertaken by Cefla at the Via Bicocca plant:

- Completion of LED relamping of not yet replaced lighting fixtures
- Optimization of the management of office/factory lighting systems and night-time dimming of the motorway front and car parks
- Design of the new building and of the Medical Equipment office buildings, recently renovated with a view to energy saving
- Improvement of the heat recovery process deriving from the compressor circuit (heat recovery for sanitary hot water in the changing rooms)
- Efficiency of the heating system of the "Colombarotto" production area, with optimization of the distribution of vector fluids and reduction of load losses
- Improvement of the forklift battery recharging management system
- Compartmentation of the office floors of the executive building through sliding doors
- Efficiency improvement of CED cooling systems, optimization and alienation of plants (cabins, refrigeration plants, pumps).

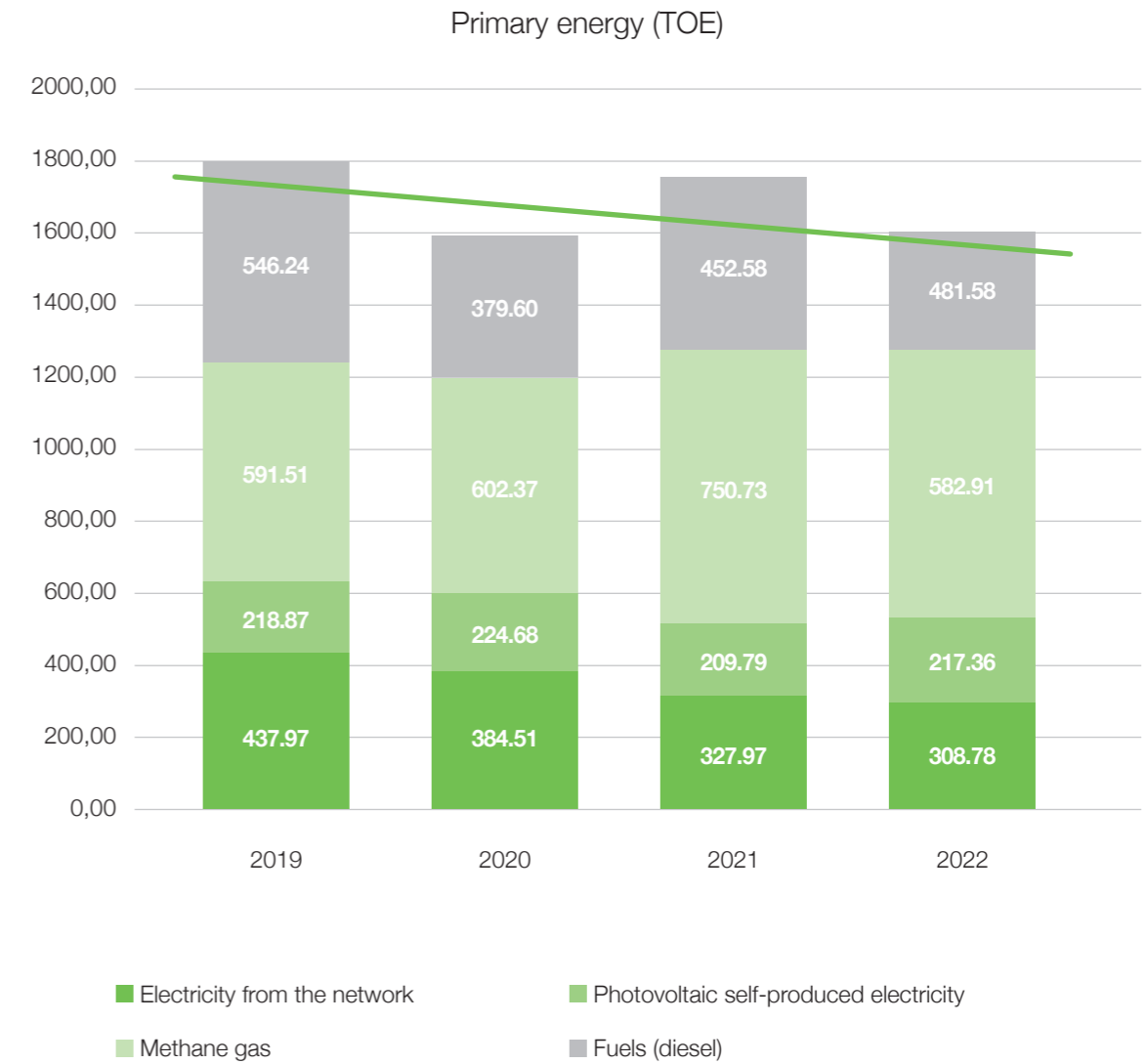
¹⁴ Conversion factors: Tema International Comparisons 2020 (LB value); European Residual Mixes "AIB" 2021 (MB value).

Thanks to the actions and interventions implemented, the following improvements were obtained:

Cefla S.C. - Via Bicocca 14 production site - Imola (BO) year 2021			
PRIMARY ENERGY VALUE	U.M.	HEAT	TEP
Electricity from the network	kWh	1,753,876	327.97
Photovoltaic self-produced electricity	kWh	1,121,850	209.79
Methane gas from the network	Smc	898,003	750.73
Automotive fuel (diesel)	liters	526,254	452.58
Total TOE - year 2021			1.741,07

Cefla S.C. - Via Bicocca 14 production site - Imola (BO) year 2022			
PRIMARY ENERGY VALUE	U.M.	HEAT	TEP
Electricity from the network	kWh	1,651.235(*)	308.78
Photovoltaic self-produced electricity	kWh	1,162.350	217.36
Methane gas from the network	Smc	696,069	582.91
Automotive fuel (diesel)	liters	559,976	481.58
Total TOE - year 2022			1,590.63

Primary energy in years 2019 - 2022



TONS OF OIL EQUIVALENT

$\Delta 21-22 \Rightarrow - 151 \text{ TOE}$

TONS OF OIL EQUIVALENT

$\Delta 19-22 \Rightarrow - 200 \text{ TOE}$

05.3

GHG emission factors

Energy vector	Unit of measurement	Tons of CO ₂ equivalent emitted			
		2019	2020	2021	2022
Site electricity consumption (from the network)	t CO ₂ eq	630.26	553.32	651.84	627.10
Methane gas consumption	t CO ₂ eq	1,396.69	1,429.55	1,781.64	1,405.55
Fuels (diesel) consumption	t CO ₂ eq	1,690.77	1,174.99	1,400.87	1,490.63
Total of CO₂ emissions generated per year	t CO₂eq	5,736.73	5,177.86	5,855.35	5,545.28



TONS OF OIL EQUIVALENT

Δ21-22=> - 310 Ton CO₂ eq

With a view to innovation consistent with the energy transition, **in the Via Bicocca plant**, in place of the traditional cogeneration plant, a Fuel Cell system will be installed, namely a device that converts the chemical energy of combustibles into electricity and heat, without combustion, therefore without emission of CO, NOx, SOx and polluting components typical of the combustion process from an endothermic engine or from traditional flame combustion systems.

This system will also enable to save up to about 350 ton/CO₂ per year, thanks to the contribution of the thermal energy produced in the form of hot water and electricity self-consumption for the plant.

Water and waste management¹⁵

The Group promotes responsible management of water resources and waste, by evaluating constantly applicable solutions for the reduction of water consumption and waste generated. In line with this objective, in 2021 Cefla completed the refurbishment of the plant of drinking water distribution.

The following table shows the main types of water withdrawal divided for fresh water and other types of water.

SOURCE WATER WITHDRAWAL (IN ME-GALITERS) PER TYPOLOGY	2020	2021	2022
Groundwater	0.63	0.61	0.86
Fresh water (≤1.000 mg/l total dissolved solids)	0.63	0.61	0.86
Other water typologies (>1.000 mg/l total dissolved solids)	-	-	-
Third parties water resources - water suppliers	24.24	22.27	27.19
Fresh water (≤1.000 mg/l total dissolved solids)	13.55	9.29	11.86
Other water typologies (>1.000 mg/l total dissolved solids)	10.69	12.83	15.33
Total water withdrawal from water stressed areas	22,0	21.07	27.18
Surface water	22.10	21.07	27.18
Total water withdrawal	46.98	43.95	55.23

The Cefla Group punctually complies with current legislation on production and waste management. As can be seen by observing the following table, in 2022 about 96% of the waste generated by the Parent Company and by the Italian subsidiaries falls into the category of non-hazardous waste. In addition, a decrease in value can be seen in 2022 total hazardous waste. The significant increase in non-hazardous waste reported in 2022, compared to 2021, is mainly due to the following factors: 3,244 tons relating to BU Engineering construction sites which have never been accounted for in previous years, 996 tons relating to construction sites for extraordinary works and for extraordinary maintenance activities carried out in some company offices.

¹⁵ The data reported in the paragraph Water and waste management refer to the following perimeter: Water withdrawal - Cefla S.C. and Italian subsidiaries.

WASTE PRODUCED ¹ (ton)	2020	2021	2022
Total non-hazardous waste	1,516.55	785.08	5,115.87
Total hazardous waste	348.70	222.84	190.94
Total waste produced	1,865.25	1,007.92	5,306.81

The waste produced by the organization is entrusted to authorized third-party companies which carry out storage operations for the subsequent launch of disposal or recovery operations.

The following tables show the waste destined not for disposal, divided by type. "Other disposal operations" means operations other than incineration and landfilling, while "other operations recovery" refers to operations other than recycling and preparation for reuse.

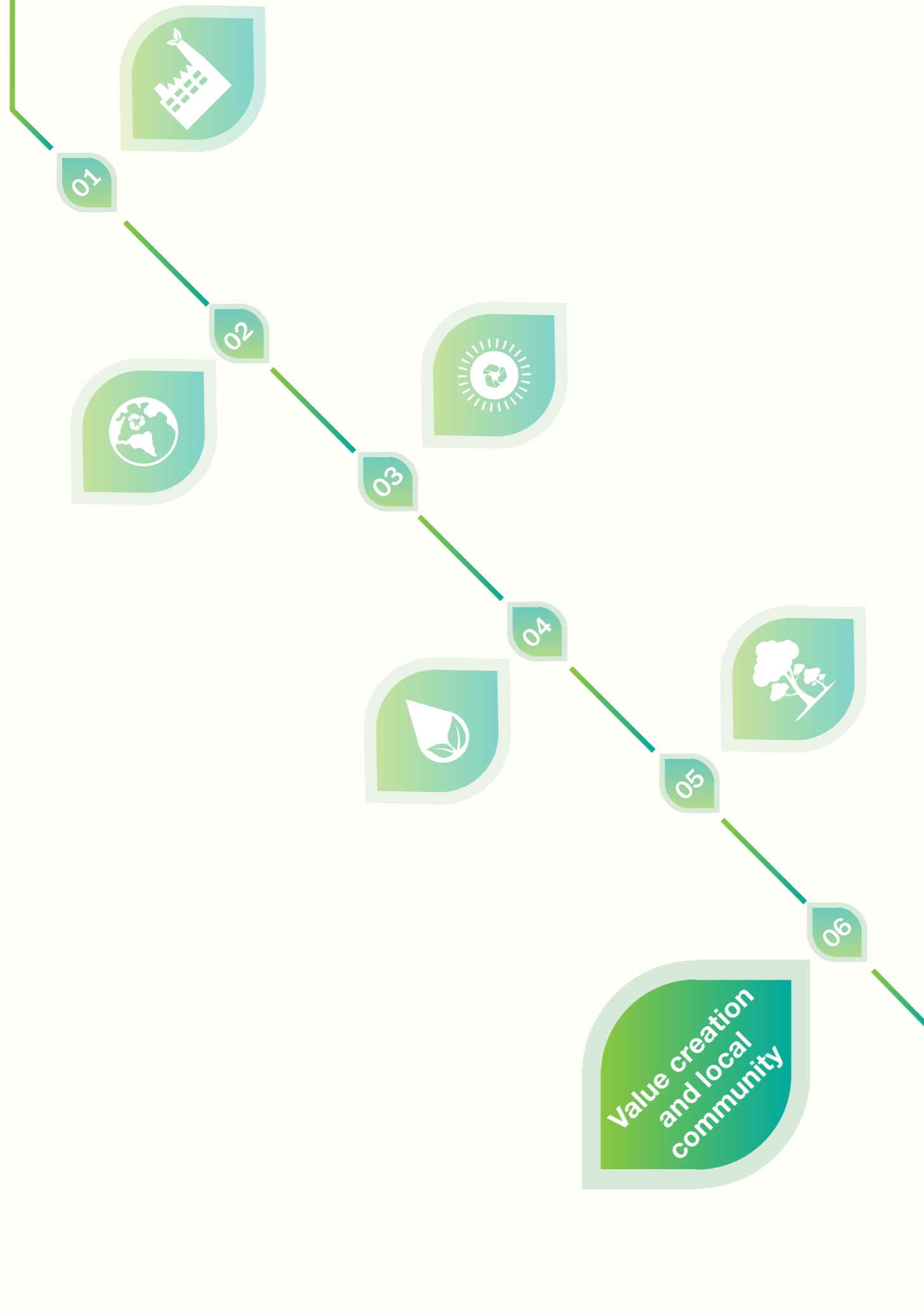
WASTE DESTINED TO DISPOSAL (ton)	2020	2021	2022
NON-HAZARDOUS WASTE			
Other disposal operations	27.99	7.01	144.19
Total non-hazardous waste	27.99	7.01	144.19
HAZARDOUS WASTE			
Other disposal operations	267.85	137.92	92.89
Total hazardous waste	267.85	137.92	92.89
Total waste destined to disposal	295.84	144.93	237.08

WASTE NOT DESTINED TO DISPOSAL (ton)	2020	2021	2022
NON-HAZARDOUS WASTE			
Recycling	163.72	180.00	341.86
Other recovery operations	1,461.26	778.07	4,629.83
Total non-hazardous waste	1,624.98	958.07	4,971.69
HAZARDOUS WASTE			
Other recovery operations	80.86	84.96	98.05
Total hazardous waste	80.86	84.96	98.05
Total waste not destined to disposal	1,705.84	1,043.03	5,069.74

As regards scrapped electronic components, a separation is performed of the components by type (electronic boards, brass, copper, etc.), in order to favour their recycling. There are three compactors for the reduction of volumes of plastic, paper and cardboard. Cefla is a member of the Consortium for the collection of used neon, while exhausted toners are entrusted to a company that carries out recovery activities. Cefla, or third parties acting on its behalf, as a manufacturer of EEE (Electrical and Electronic Equipment), arranges for the collection, treatment and disposal through an authorized intermediary of WEEE (Waste from Electrical and Electronic Equipment), replaced by new EEE purchased by the user.

In order to raise awareness and encourage employees to reduce the use of plastic, starting in 2021, Cefla made water dispensers available and distributed to employees water bottles made with recycled plastic, thus significantly the use of single-use plastic bottles.

Another initiative always aimed at raising awareness is the collaboration with Print Release, a company that created the first online platform for planetary reforestation, based on the concept that the printing activity consumes the cellulose of the trees. Cefla has thus decided to participate in reforestation projects and, in this way, to contribute to reduce the effects that the organization has on the environment, by helping to plant trees in the areas of the planet that need them most.



Value creation and local community

06.1

Financial indicators

The consolidated financial report of the Cefla Group as at December 31, 2022 presents Revenues and Gross Operating Margin at the highest levels historically achieved by the Group: Revenues amount to € 650 million (+13.3% on 2021), the Gross Operating Margin (EBITDA) is equal to € 91 million (+32.9% on 2021). The Net Profit is € 61 million (+22.2% on 2021). A summary of some aggregates taken from the Annual Financial Report is presented below, accompanied by some financial indicators explaining the ability in creating value expressed by the Group over the last three years.

FINANCIAL DATA (K€) ¹⁶	2020	2021	2022
Revenues ¹⁷	474,488	573,803	650,243
Gross Operating Margin	57,534	68,675	91,298
Net Profit	31,569	50,293	61,464
Operating Cash Flow ¹⁸	62,586	79,805	50,892
Long-term debts ¹⁹	87,046	68,956	58,094
Long-term debts	677,194	726,049	766,494

FINANCIAL INDICATORS	2020	2021	2022
Operating Cash Flow / Net Profit	1.98	1.59	0.83
Net Profit / Total assets	0.05	0.07	0.08
Long-term debts /Total assets	0.08	0.09	0.08

¹⁶ Data taken from the 2022 Financial Statements - Financial Report

¹⁷ The revenue value used for the 2020 financial data does not include the value relating to the assets sold of the BU Shopfitting

¹⁸ From Financial statement

¹⁹ Non-current financial payables / Financial payables for leases / Payables for "PUT" options for the purchase of third party shares

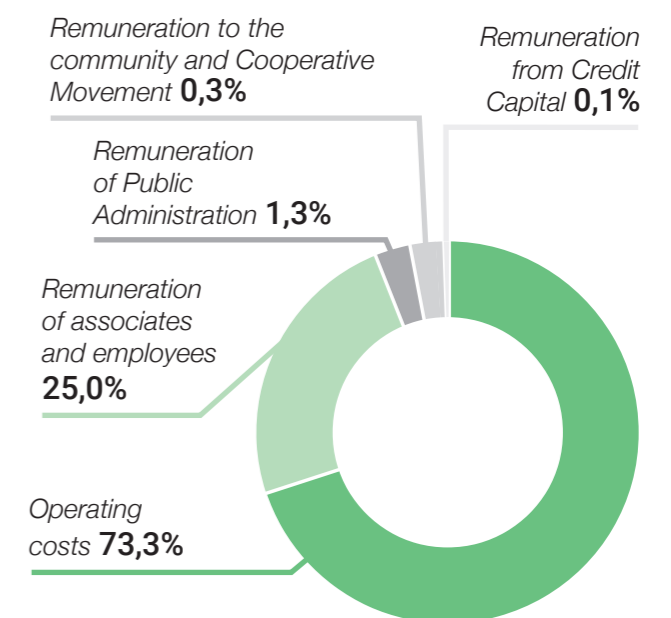
06.2

Distribution of wealth generated

Of paramount importance to sustainable economic performance, is the capacity of the Group to be in contact with the stakeholders of its local area. In the following table the economic value generated and distributed is reported: through a reclassification process of income statement items, further supplemented by components of destination of the net profit, typical of the cooperative model of production and work, to which Cefla also belongs, such as the remuneration of the worker-members and the contribution to Co-operative Movement, it is possible to account for the value generated and how this was then distributed to the stakeholders who interface with the Group on a daily basis.

CONSOLIDATED ECONOMIC VALUE (K€)	2020	2021	2022
Revenues ²⁰	532,010	573,803	650,243
Other profits	3,678	6,210	6,467
Financial profits	11,627	15,846	8,853
Total economic value generated by the Group	547,315	595,858	665,564
Operating costs	369,254	389,248	446,163
Remuneration of associates and employees	123,179	132,571	145,178
Remuneration of community and Cooperative Movement	1,206	1,645	2,523
Remuneration of Credit Capital	2,002	602	1,457
Remuneration of Public Administration	3,461	7,134	19,602
Total economic value distributed by the Group	499,103	531,200	614,922
Total economic value withheld by the Group	48,213	64,658	50,642

As can be seen from the table above, the largest part is destined under operating costs and is equal to 72.6%. To members and employees 23.6% is destined, the share of which, through wages and salaries, represents the second most significant item of the economic value generated. The portion of value intended for the public administration in the form of taxes and fees accounts for 3.2% of the economic value produced. Donations and membership fees match to 0.4%, while the capital credit and risk to 0.2%.



²⁰ The revenue value used for the consolidated economic value of 2020 includes the value relating to the assets sold of the BU Shopfitting

The management of suppliers in Cefla is an aspect of pivotal importance. Given the diversity of operations of the organization, a strategic and integrated management of relations with its suppliers is a key aspect to monitor, and that needs high attention from the organization itself.

Cefla's organizational model, with respect to the procurement area, is Divisional by business unit and centralized in relation to common services and corporate investments. A "federative" logic is therefore implemented, born from the fact that diversification of the organization includes activities with completely different cultures and product and market logics.

For this reason, Cefla manages relations with its suppliers through formalization of the general conditions of purchase, which regulate the purchase orders, prices, timing, management of any delays, guarantees and other elements aimed at defining in a clear and transparent manner the procedures for carrying out orders.

Furthermore, the control of suppliers has intensified, thanks to the achievement of the 37001 certification by the subsidiary Ceflatech, which extended the control mode also to all the suppliers of the BU Engineering.

The business units procure themselves independently according to their quantitative and qualitative needs, sharing at group level:

- Centralized supplier coding;
- General conditions of purchase;
- 231 Organizational Model;
- Ethical code;
- Privacy.

In general, Cefla makes use of material suppliers to carry out its activities useful for the production of machinery, as well as service providers, aimed at satisfying the company's end customers. The organization is committed to implementing responsible management in economic, social and environmental terms of the supply chain, favouring projects and initiatives for the development of the economies of the area in which it operates. The construction of solid relationships with its suppliers is of fundamental importance for Cefla, in order to ensure a balance between competitiveness, environmental support, expertise and Corporate Social Responsibility, concepts also contained within the Ethical Code.

Cefla undertakes to strictly comply with the payment terms agreed in the contract of purchase, and verifies that the suppliers in turn respect them towards their collaborators and suppliers. In this regard, the organization uses a financial reliability reporting service, made available with a Group agreement with a specialized company.

In 2020, 2021 and 2022 Cefla turned to suppliers from all over the world and numerically they amounted to more than 3,500 for the first 2 years and more than 4,000 for the third. The following table shows the percentage of suppliers Cefla turned to and the percentage of the procurement budget divided by Italy and the rest of the world.

SUPPLIERS	2021		2022	
	Italy	Rest of the world	Italy	Rest of the world
% number of suppliers	84%	16%	82%	18%
% procurement budget	82%	18%	82%	18%

For calculating the percentage of the procurement budget used for locations significant operations and spent on local suppliers, they are considered as "offices significant operations" the companies included in the scope of these Financial Statements of Sustainability and that "local" refers to the location of the headquarters of these companies²¹.

²¹ Imola, Rotello, Bologna, Trezzano Rosa, Meckenheim, Schloß Holte-Stukenbrock, Suzhou, Charlotte, Moscow.

Community involvement and relations with the territory

Despite the Group's international growth in recent years, Cefla continues to maintain proximity to the territory and one's own community as one of its pillars, a value that is inherent in the cooperative.

For this reason, a budget dedicated to donations and contributions is allocated every year to local bodies, such as youth sports associations, sponsorships of events in the municipality of Imola and contributions to non-profit associations. An example of this is AGEOP Ricerca, the Pediatric Hematology Oncology Parents Association which, since 1982, is located in the Pediatric Oncohematology Department of the S. Orsola Polyclinic from Bologna.

In 2022 Cefla engaged on various fronts, both in the health sector and in the cultural and social sphere; in particular, Cefla has donated:

- A computerized tomograph model "CBCT Newtom 7G" at the Montecatone foundation O.n.l.u.s.
- Donation to the S. Giacomo Confraternity for the recovery of the 15th century frescoes of the Sanctuary of Riviera
- A contribution to the scholarship as part of the PhD course in Mechanics and Advanced Engineering Sciences of DIMSAI
- A contribution for the purchase of a new vehicle equipped for the transport of disabled people in wheelchairs at the Auser voluntary association in Imola
- A contribution to the Imola International Academy Foundation to support the purchase of a brand new grand piano to be placed in Palazzo Monsignani
- Donations to the Italian Alpine Club, Sport-Up Imola Sports Association, Diocese of Imola, Xiel, Takeshi and Atletica Imola Sacmi Avis
- Donation to the A.V.I.A.T. of 2 drill turbines, 1 contra-angle for air micro-motor air and 1 air micro-motor, to be used in dental units in Togo

For a total value of € 384,710.50.

Cefla recognizes the importance of the contribution of its employees to its results, for this reason, in 2022, 9 workers were awarded for reaching the milestone of 40 years of continuous work at Cefla s.c. with a clock and an engraving and 54 members for 20 years of seniority in Cefla with a gold medal, in recognition of the journey made together.

These awards aim to reward and consolidate the relationship with Cefla's own corporate population, the most important pillar of the company every day.

Collaboration and partnerships with the school and university world

The 2022 numbers of collaborations and partnerships with the world of schools, universities and training are the following: 30 Pathways for Soft Skills and Orientation (PCTO); 17 between internships and curricular internships (post-diploma training courses, university courses, master); 3 extracurricular internships. The partnership with the systems of professional training is made tighter: in addition to the degree course in mechatronic engineering, Cefla has started the collaboration with the FITSTIC Foundation, which carries out post-diploma training courses to acquire skills in the fields of technology and that, on the territory, are oriented towards computer skills.

The active participation in the Digital Workshop Consortium of the Bologna area, confirms Cefla's attention to building digital skills for young people, linked to multiple topics, such as industry 4.0, digital transformation, automation and robotics. In this project, working tables are established between companies and schools for a constructive, continuous dialogue.

Last but not least, Cefla has a consolidated partnership with ELIS, a non-profit organization Which, along with large industrial groups, universities and research centers and other institutions. trains people to work through participation in initiatives aimed at guiding and helping youth throughout Italy. For example, Cefla is mainly involved in the projects:

ROLE MODEL

initiative that is part of the business school system, in which a team of female colleagues STEM degreed and/or graduate, after a preparatory training course, enter in the classrooms and talk about their professional path, as ambassadors of concrete experiences and of positive personal and professional growth.

DIGITAL ENGINEERING

project that allows young students of computer engineering, in collaboration with the Milan Polytechnic, to work on business intelligence by combining themes of project management through internships in the company.

Methodological note

The Sustainability Report responds to the need to provide non-financial reporting with which to highlight social information, relating to personnel, human rights, health and safety, and environmental information, related to water, energy, emissions and waste.

This document is aimed at all types of stakeholders – citizens, public bodies, public administration, schools, trade associations, etc. – and for this reason, in the editorial choice, it was drafted by adopting a clear and simple language and presenting the data using graphs and tables to make it more understandable and interactive. The indicators representative of the results reflect the measurement of performance, regardless of its positive or negative trend. Furthermore, the data contained in the document were processed and provided by the function managers.

The Sustainability Report of the Cefla Group (also “Cefla”) reports the initiatives and results for the financial years 2022 (January 1 - December 31, 2022) in the economic, social and environmental fields. In line with the principles of comparison, the data and information have also been indicated for the previous two years, with some exceptions indicated in the text.

The reporting perimeter includes all the manufacturing companies of the Group, both Italian and foreign: Cefla S.C.; Cefla Gest S.r.l.; Cefla Tech S.r.l.; C-LED S.r.l.; BIOSAF IN S.r.l.; Advansid S.r.l.; Exalens S.r.l.; Cefla Deutschland GmbH; Duespohl Maschinenbau GmbH; Cefla Finishing Equipment (Suzhou) Co. Ltd.; Cefla North America Inc. Furthermore, the company Euroges S.r.l. was sold in 2021, for this reason it was considered within the perimeter only for the year 2020. Finally, the company Jet-Set S.r.l. was merged with effect from January 1, 2021, for this reason it was reported individually only for the year 2020.

Therefore, within the document, when the “Cefla Group” is mentioned, reference is made to the reporting scope just identified; should there be further perimeter limitations, different from those indicated above, these are duly indicated in the text.

This Sustainability Report has been prepared in accordance with the guidelines of the GRI Universal Standards published on October 5, 2021 by the Global Reporting Initiative (GRI), according to the option in accordance with the GRI Standards.

The data and information collection and processing process was managed by creating a working group made up of the heads of all the areas involved and falling within the reference perimeter.

The document shows the most significant economic, environmental and social impacts of the Group, identified on the basis of the materiality analysis. The report, thus, allows to place the type of activity carried out by the company in a broader context, illustrating the relevant aspects for the sector and identifying the territorial area of reference.

The 2022 Sustainability Report is characterized by the presence of specific references to the situation linked to the Covid-19 pandemic, and the related management methods implemented by the organization.

The Cefla Sustainability Report was approved by the Board of Directors and the General Manager on 06/20/2023.

Cefla’s 2022 Sustainability Report will not be subjected to external audit; however, the organization will consider obtaining certification for future reporting years.

The Sustainability Report is also disseminated on the website www.cefla.com. The contacts for requesting any information contained in this document are provided below:

Cefla SC
Via Selice, 23/a
40026 Imola (BO)
ceflaimola@cefla.it

GRI Content Index

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 2: General Disclosures 2021	2-1	Organizational details	pag. 102-103
	2-2	Subjects included in the sustainability report of the organization	pag. 102-103
	2-3	Reporting period, frequency and contact point	pag. 102-103
	2-4	Restatements of information	No restatements of information on previous reporting periods.
	2-5	External assurance	pag. 102-103
	2-6	Activities, value chain and other commercial relationships	pag. 42-49
	2-7	Employees	pag. 63-65
	2-8	Non-employee workers	pag. 63
	2-9	Structure and composition of the governance	pag. 24-26
	2-10	Nomination and selection of the maximum governance body	pag. 24-26
	2-11	President of the highest governance body	pag. 24-26
	2-12	Role of the highest governance body in monitoring impacts	pag. 24-26
	2-13	Responsibility proxy for the management of impacts	pag. 24-26
	2-14	Role of the highest governance body in the sustainability report	pag. 102-103
	2-15	Conflict of interest	pag. 25-26

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 2: General Disclosures 2021	2-16	Communication of critical issues	No critical issues have been communicated to the highest governance body, since they haven't been detected in the reporting period.
	2-17	Collective knowledge of the highest governance body	pag. 14-17
	2-18	Assessment of the performance of the highest governance body	For the current reporting period, this information is not available, since a structured performance assessment process doesn't exist.
	2-19	Remuneration policy	For the current reporting period, this information is not available, due to data incompleteness. For future reports, the organization will provide further disclosure.
	2-20	Process for the determination of remuneration	For the current reporting period, this information is not available, due to data incompleteness. For future reports, the organization will provide further disclosure.
	2-21	Comparison between total annual fees	For the current reporting period, this information is not available, due to data incompleteness. For future reports, the organization will provide further disclosure.
	2-22	Statement on the sustainable development strategy	pag. 2-3
	2-23	Commitment in policies	pag. 28-29
	2-24	Integration of commitment in policies	pag. 28-29
	2-25	Process to repair negative impacts	For the current reporting period, no complaint processes regarding the possible and effective negative impacts by the organization have been activated.
	2-26	Consultation and doubts expression processes	pag. 27

GRI Content Index

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	For the current reporting period, no significant cases of non-compliance with laws and regulations have been detected.
	2-28	Associations	In 2020 and 2021, Cefla S.C. joined ANIMA Confindustria Meccanica Varia
	2-29	Stakeholder engagement approach	pag. 18-21
	2-30	Collective bargaining agreements	pag. 71
GRI 3 – Material Topics 2021	3-1	Process for the determination of material topics	pag. 18-21
	3-2	List of material topics	pag. 18-21
GRI 201 – Economic performances 2016	201-1	Directly generated and distributed economic value	pag. 96-97
GRI 202 – Presence on the market 2016	202-2	Percentage of senior managers employed from local community	pag. 64
GRI 204 – Provision practices 2016	204-1	Percentage of expense on local suppliers	pag. 98-99
Material topic: Energy efficiency			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 85-87
GRI 302 – Energy 2016	302-1	Energy consumption within the organization	pag. 85-87

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 303 – Water and water drains 2018	303-3	Water withdrawal by source	pag. 91-93
GRI 305 – Emissions 2016	305-1	GHG Direct emissions (Scope 1)	pag. 86
	305-2	GHG Non-direct emissions from energy consumption (Scope 2)	pag. 87
GRI 306 – Waste 2020	306-1	Waste production and significant waste-related impacts	pag. 91-93
	306-2	Management of significant waste-related impacts	pag. 91-93
	306-3	Waste produced	pag. 91-93
	306-4	Waste not destined for disposal	pag. 91-93
	306-5	Waste destined for disposal	pag. 91-93
Material topic: Work conditions and climate and corporate welfare			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 70-71
GRI 401 – Employment 2016	401-1	New hires and turnover	pag. 67-68
		Benefits for full-time employees, unavailable for fixed-term and part-time employees	pag. 70-71
Material topic: Health and safety at work			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 72-77

GRI Content Index

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 403 – Health and safety on the workplace 2018	403-1	Management system of health and safety on the workplace	pag. 72-77
	403-2	Identification of dangers, evaluation of risks and investigation on accidents	pag. 72-77
	403-3	Occupational health services	pag. 72-77
	403-4	Involvement and consultation of workers and communication on health and safety on the workplace	pag. 72-77
	403-5	Training of workers on health and safety on the workplace	pag. 72-77
	403-6	Fostering of workers' health	pag. 72-77
	403-7	Prevention and mitigation of health and safety on the workplace-related impacts within commercial relationships	pag. 72-77
	403-9	Injuries on the workplace	pag. 72-77
	403-10	Professional diseases	pag. 72-77
	Material topics: Development and training of resources		
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 69-70
GRI 404 – Training and learning 2016	404-3	Percentage of employees receiving a periodical evaluation of performances and professional development	pag. 69-70

GRI Standard	Indicator number	Indicator title	No. pages and notes
GRI 405 – Diversity and equal opportunities 2016	405-1	Diversity and equal opportunities	pag. 24-26; 72-77
GRI 406 - Non-discrimination 2016	406-1	Discrimination cases and remedial actions undertaken	pag. 72-77
GRI 413 – Local communities 2016	413-1	Activities envisaging the involvement of local communities, impact evaluations and development programs	pag. 100-101
Material topics: Product safety			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 53-56
GRI 416: Health and safety of customers 2016	416-2	Non-compliance episodes regarding impacts on health and safety of products and services	Regarding customers' health, none of Cefla's Business Units registered cases of non-compliance related to impacts on the health and safety of products and services in 2022.
Material topics: Risk management			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 20; 28
Material topic: Innovation and R&S			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 46-52
Material topic: Product quality			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 53-59
Material topic: Standard /Ethical costs			
GRI 3 – Material Topics 2021	3-3	Management of material topics	pag. 27-32

The organization used GR1 - Fundamental Principles - 2021 version.



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