



ENERGY IN MOVEMENT

Sustainability Report 2022 - 1 January 2022 - 31 December 2022

CHERUBINI

Cherubini S.p.A. is an Italian company which, for over seventy years, has dedicated itself to the production and distribution of moving sun protection systems. Founded in 1947 from the artisan craftsmanship of the Cherubini family, today this company, headquartered in Bedizzole in the province of Brescia and active in six countries around the world, has a team of over 290 people who work daily to develop solutions that contribute to the future of “well-living”.

The goal of Cherubini’s first Sustainability Report is to provide all stakeholders with the opportunity to evaluate the company’s initiatives and results achieved in the areas of environmental, economic and social policy. A voluntary choice that reflects its dedication to transparency and awareness of best practices in Italy and around the world by drawing on the most widespread international standards of non-financial reporting. This Report marks an important step in Cherubini’s on-going process of evolution and details the commitment of a company with a responsible outlook toward the future.

www.cherubini.it

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1 Expect More

- 6 Our roots: in brief
- 7 Scenario
- 9 Cherubini: Tocco Italiano since 1947
- 12 An international perspective
- 13 Made in Cherubini
- 16 Our commitment to responsibility
- 18 Economic-financial results
- 18 Economic value generated and distributed
- 19 Strategic investment for digital transformation
- 20 Ethics, transparency and integrity
- 22 Materiality Analysis

2 Attention to detail: listening and solutions

- 26 Customer orientation
- 29 Product quality and safety
- 31 Value partnership

3 Beyond expectations: tradition and future

- 33 Product innovation and development
- 35 Eco-design and circular economy
- 37 Smart building and home automation
- 40 Clean energy and energy efficiency
- 41 Sustainable packaging

4 Growing together: ingenuity and passion

- 43 Cherubini People
- 47 Occupational health and safety
- 50 Training and Skill Development
- 52 Roots in the local area

5 Methodological note

- 55 GRI index
- 55 General information
- 56 Specific statement





Expect More

**ENERGY IN
MOVEMENT**



[GRI 2-22]



A work by artist Massimo Uberti created for Cherubini.

Dear Reader,
Constant evolution has always been the basis of everything we do. We look for new challenges, not just expectations and results. Our growth is guided by a well-defined strategy and, of course, every strategy is based on its own story. Ours has its roots back in 1947 and, over time, we have been able to transform it, revitalising ourselves day after day.

It was on this basis that in 2022 we embarked on a process of transparency to inform our stakeholders of the sustainability initiatives and results obtained involving the environment, people and the economy. **Now, we are pleased to share with you the Group's first Sustainability Report**, a document we are not required to produce, but which reflects our commitment to a responsible outlook for the future. This initiative was taken in a year fraught with numerous challenges. The energy and supply crises—the latter triggered by the Russian-Ukraine conflict—caused a major increase in prices that severely impacted global value chains. Coupled with these is climate change, whose consequences require companies to increasingly integrate sustainability into their way of doing business.

However, 2022 was also a year of growth and rich in opportunities which Cherubini was able to take on with flexibility and resilience—qualities of a company that has experienced rapid expansion in recent years by adapting to new international markets. This can be seen in the results it has attained, with revenues of over €60 million, an increase over the €54 million of the previous year. Also significant was the growth process launched in 2020 with the acquisition of DECHO S.r.l. and WiDom S.r.l. to develop domotics solutions, followed in 2022 by D&B S.r.l. (now Cherubini Electronics) and, more recently, the addition of Cherubini Mi-Metal in 2023. Thanks to these latter two acquisitions, the Group entered into the production of digital cards, thus enhancing its range

of integrated systems solutions for roller shutters and garage doors and uniting them into a single brand.

This growth through acquisitions and the drive toward integration resulted in the reorganisation of our corporate governance, now formally a part of the company's articles of association and based on international best practices. In addition, the need to revise the production model led to the transformation of the Group's digital ecosystem, with the adoption of the new Microsoft Dynamics 365 software system. This has made it possible to adopt more flexible and streamlined processes by computerising procurement spreadsheets and logistics management.

Thanks to our roots and the results we have achieved, we look to the future from the standpoint of the values that guide the Group's strategic outlook: innovation, internationalisation and integration. Innovation remains our priority, together with co-design, to create state-of-the-art solutions in the evolution of the smart home. Our aim is to expand beyond our current limits by consolidating our presence in Western and Asian markets and pursuing an acquisition strategy to continue to offer our customers integrated solutions for future living.

The evolution achieved to-date would not have been possible without the support and trust of the Cherubini family and the contribution of the people who comprise our team. Our first Sustainability Report is not a point of arrival, it is a point of departure to demonstrate our commitment to responsibility and it is on this note that we want to continue to grow, together with those who choose us.

Francisco Sanchez, CEO di Cherubini
October 16, 2023



Our roots: in brief

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

Expect More

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



LISTENING



developed in-house and launched on the market in 2022



in Italy and across the world



indirect emissions generated in 2022 compared with 2021



in 2022 out of a total of 267 employees

MADE IN CHERUBINI

from concept to distribution, Cherubini manages every phase



Scenario

Sustainability is no longer optional. Back in 1972, the Club of Rome indicated the need to review the growth model of human activity, illustrating how global ecosystems would reach a point of no-return within 100 years¹ if the trend were not reversed quickly. Fifty years later, the situation does not seem to have improved and pursuing development that allows the current generation to satisfy its needs without compromising those of future generations is increasingly urgent.

In addition, continued global geopolitical tension, inflationary pressure and the raw material crisis are slowing growth internationally, **with record global debt of \$304.9 trillion.**² In addition to widening the gap between the rich and the poor, including in the most developed countries,³ these factors highlight the need to develop policies capable of guaranteeing social-economic stability, protecting the environment and promoting social justice.

Over the past 170 years, human activity has caused the emission of large quantities of greenhouse gases into the atmosphere, causing a global temperature rise of approximately 1.1°C compared to pre-industrial levels.⁴ The international community has taken action by defining goals, strategies and shared agreements for sustainable development. With the 2030 Agenda, the United Nations defined the 17 Sustainable Development Goals (SDGs) designed to guide global efforts toward new ways of deploying natural resources that respect the environment and people, while supporting proper economic growth.

With the Paris Agreement, prepared during the Conference of the Parties (COP21) in Paris in 2015, the majority of the world's governments drew up a shared goal to limit the temperature rise to 1.5°C compared with the pre-industrial average. This commitment was reconfirmed during COP27 in Sharm El-Sheik in 2022.

Despite the efforts made to-date, current initiatives do not seem sufficient to combat climate change. Without proper action, it is estimated that temperatures will increase +3-4°C by 2050.⁵ **However, the recent report by the Intergovernmental Panel on Climate Change (IPCC) has noted that this trend could still be reversed.**

¹Massachusetts Institute of Technology (MIT), Limits to Growth, 1972.

²Institute of International of Finance (IIF), Global Debt Monitor, 2023.

³World Inequality Lab: World Inequality Report, 2022.

⁴Intergovernmental Panel on Climate Change (IPCC), Climate Change 2022: Impacts, Adaptation and Vulnerability, 2022.

⁵The European House – Ambrosetti elaboration of IPCC data, Sixth Assessment Report, 2022.



Within this context, **the European Union (EU) has taken on a leading role in approving the Green Deal, which is a package of strategic initiatives aimed at making Europe the first carbon neutral continent by 2050.** To achieve this target, the European Commission (EC) has set the interim goal of reducing emissions by 55% compared with the 1990 levels by 2030, through the “Fit for 55” package approved in July 2021.⁶ The strategy will be implemented by activating two “Twin Transitions”, one green and one digital, that will mutually enable and feed each other. Technology is a fundamental catalyst for an effective sustainable transition. The costs for generating renewable energy have already decreased by over 89% in ten years,⁷ but the contribution of disruptive 4.0 technologies is still fundamental to meeting the goal of climate neutrality.

The European framework is based on the transparency of the economic system to allow consumers, through their choices, to accelerate the transition with the support of the financial sector, by focusing on three key initiatives. First, the **Corporate Sustainability Reporting Directive (CSRD)**, which starting in 2026 will extend to approximately 50,000 companies in Europe the obligation to publicly report both financial and non-financial environmental, social and governance performance—nearly five times more than the current application requirement.⁸ Second, the **Taxonomy on Sustainable Finance**, whose goal is to define a shared classification of which economic activities can be considered sustainable.⁹ Finally, the proposed **Corporate Sustainability Due Diligence Directive (CSDD)**, which sets a single standard to assess, prevent and manage potentially negative impacts that could arise along the value chain regarding the protection of human rights and the environment.¹⁰ These initiatives will play a crucial role in guiding companies toward an increasingly transparent sustainability commitment by aiding them in attaining European climate goals.

⁶ European Commission, Fit for 55, 2021.

⁷ Our World in Data, Why did renewables become so cheap so fast?, 2020.

⁸ Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting

⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment

¹⁰ Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence



Cherubini: tocco italiano since 1947

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

Expect more: our Manifesto

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

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

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

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

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

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



Our Manifesto

EXPECT MORE

We believe in the power of constant evolution.

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

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

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

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

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

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

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



A history that goes back 75 years

1947

From the founding to entering the Swiss market

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

1970

Reorganisation, diversification, expansion

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

1990

Integration of electronic solutions

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

2000

The domotics age

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

2020

The new Smart Home standards

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

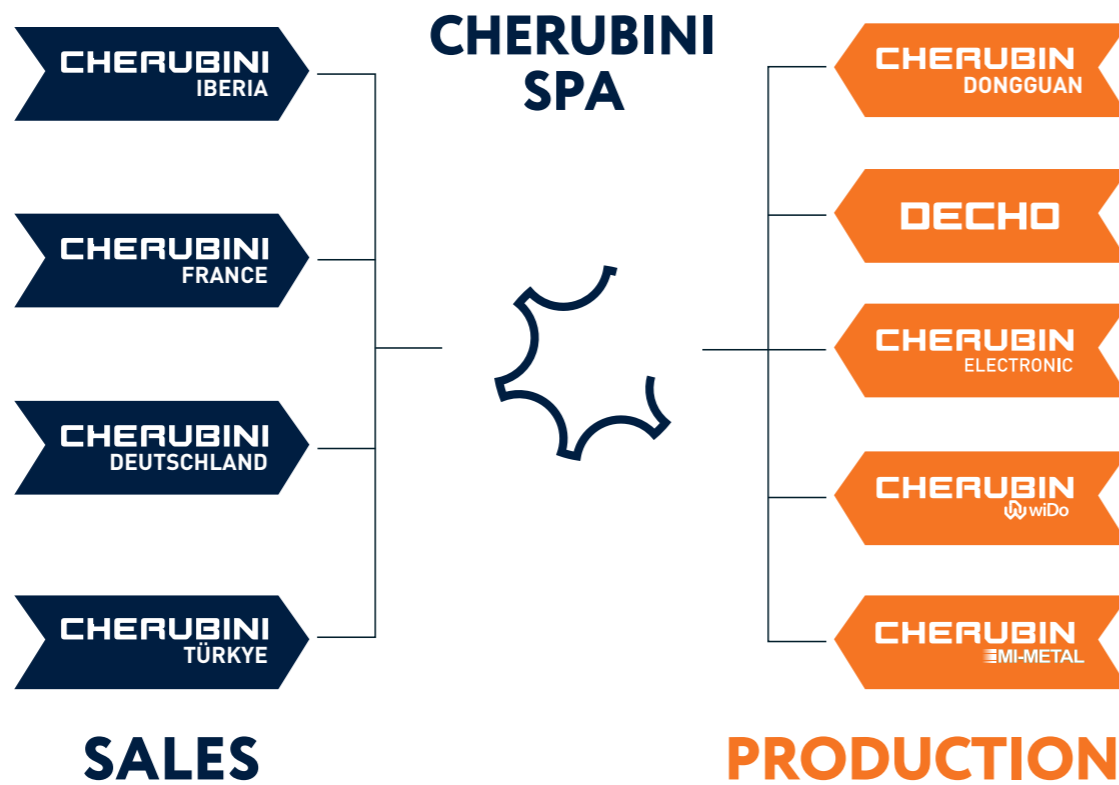


An international perspective

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

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

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



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

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

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

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

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

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

¹The company structure above refers to fiscal year 2023

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



Made in Cherubini

[GRI 2-6]

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

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



Research and Development:

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



Material selection:

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



Integrated production:

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



Quality testing:

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



Logistics and sales:

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



Post-sale service and training:

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



Made in Cherubini

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



MANUAL

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

Manual solutions include:

- **VENETIAN BLIND SYSTEMS:**

gears, stops, brackets and tilters;

- **ROLLER SHUTTER SYSTEMS:**

gears, caps and other accessories;

- **AWNING SYSTEMS:**

gears, operating rods, assist springs and caps;

- **SCREEN SYSTEMS:**

gears and accessories;

- **CRANKS AND UNIVERSAL JOINTS:**

cranks, universal joints, universal joints with plates and other accessories.



ELECTRONICS

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

Electronic solutions include:

- **MOTORS:**

motors for roller shutters, motors for awnings, motors for pergolas and motors for technical blinds and screens;

- **CONTROL SYSTEMS:**

remote controls, climatic controls, control units, receivers and electrical accessories;

- **ACCESSORIES:**

adaptors, motorhead brackets, accessories for manual operation and safety stops.



DOMOTICS

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

Domotic solutions include:

- **DOMOTIC SYSTEMS:**

multi-protocol systems for smart solar protection and Bluetooth systems for smartphone management of home solar protection systems;

- **DOMOTIC DEVICES:**

multi-protocol gateways, actuators for motors and lights, driven switches and keypads;

- **DOMOTIC ACCESSORIES:**

BUS modules, expansion modules, domotic isolators, domotic receivers and transmitters.



Made in Cherubini

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



Venetian blinds:

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



Roller shutters:

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



Awnings:

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



Technical blinds:

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



Pergolas:

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



Sliding roofs:

systems for sliding glass roofs.



Our commitment to responsibility

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

This commitment is built on five cornerstones:

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

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

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



Our commitment to responsibility



Industry, innovation and infrastructure

- €2.9 million invested in the development of a new digital ecosystem in the three-year period 2020-2022
- 11 new products and solutions released by Cherubini in 2022
- €2 million invested in 2022 in research and development of new products
- 31 industrial patents deposited since the company's founding



Clean, accessible energy

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



Decent work and economic growth

- 267 employees with permanent contracts in 2022
- 3 injuries recorded in 2022
- 1938 training hours provided in 2022
- €554,000 donated to local associations and projects in the last three years



Responsible consumption and production

- 94% of waste generated by the company was sent for recycling or recovery in 2022
- 2 products introduced into the French market underwent LCA (Life Cycle Assessment)
- 10-year Cherubini product durability
- 78.5% of expenditure to suppliers headquartered in Italy (approx. 80%)



Economic-financial results

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

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

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

Millions of € (consolidated values as at 12/31)	2022	2021
Income from sales	60.850.543	54.311.299
Gross operating margin	6.236.130	7.859.737
Production output value	63.191.204	60.948.576
Group Profit	1.943.090	3.549.919

Economic value generated and distributed

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

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

¹ Third-party result



Strategic investment for digital transformation

To meet the challenges connected with rapid growth and international expansion, in 2019 Cherubini launched a project whose goal is to carry out a major digital transformation in the company's ecosystem.

It is a four-year project, with the first two dedicated to preliminary activities to renew the IT infrastructure and data integrity. Subsequently, over 2021 and 2022, project activity involved implementation of Enterprise Resource Planning (ERP) and seven vertical applications that impact on business governance and operational control with shared rules and KPIs, improved management efficiency, structured approach to production planning and management of logistics flows, and integration of the CRM into the management ecosystem to facilitate performance monitoring and business model innovation assessment.

This transformation process involved the Operations sector, in particular, with the implementation of new Microsoft Dynamics 365 software systems, including Material Requirements Planning (MRP) to calculate material purchasing plans and the Warehouse Management System (WSM) for logistics management. Optimisation of operations and the use of real-time data has provided Cherubini with enhanced flexibility and efficiency in its production processes.

The investments made in development, the configuration of the new digital ecosystem, and training of employees totalled approximately €2.9 million over the period 2020-2022, of which 70% went to the Operations sector. This configuration process was accompanied by investment in hardware, for example, about 70 tablets for production personnel. Similarly, incoming and outgoing logistics personnel were equipped with handheld devices to automatically record component and finished product flows.



Etica, trasparenza e integrità

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

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

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

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

¹The company structure above refers to fiscal year 2023.

Corporate bodies and internal committees

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

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

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



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

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

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

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

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

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

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

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



Materiality Analysis

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

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

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

The materiality analysis was divided into five phases:

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



Expert opinion

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

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

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

Alessandro Minichilli – SDA Bocconi

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

Davide Querzè – FAAC Technologies

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







Claudia Pellegrino – Pellegrino Consulting Services

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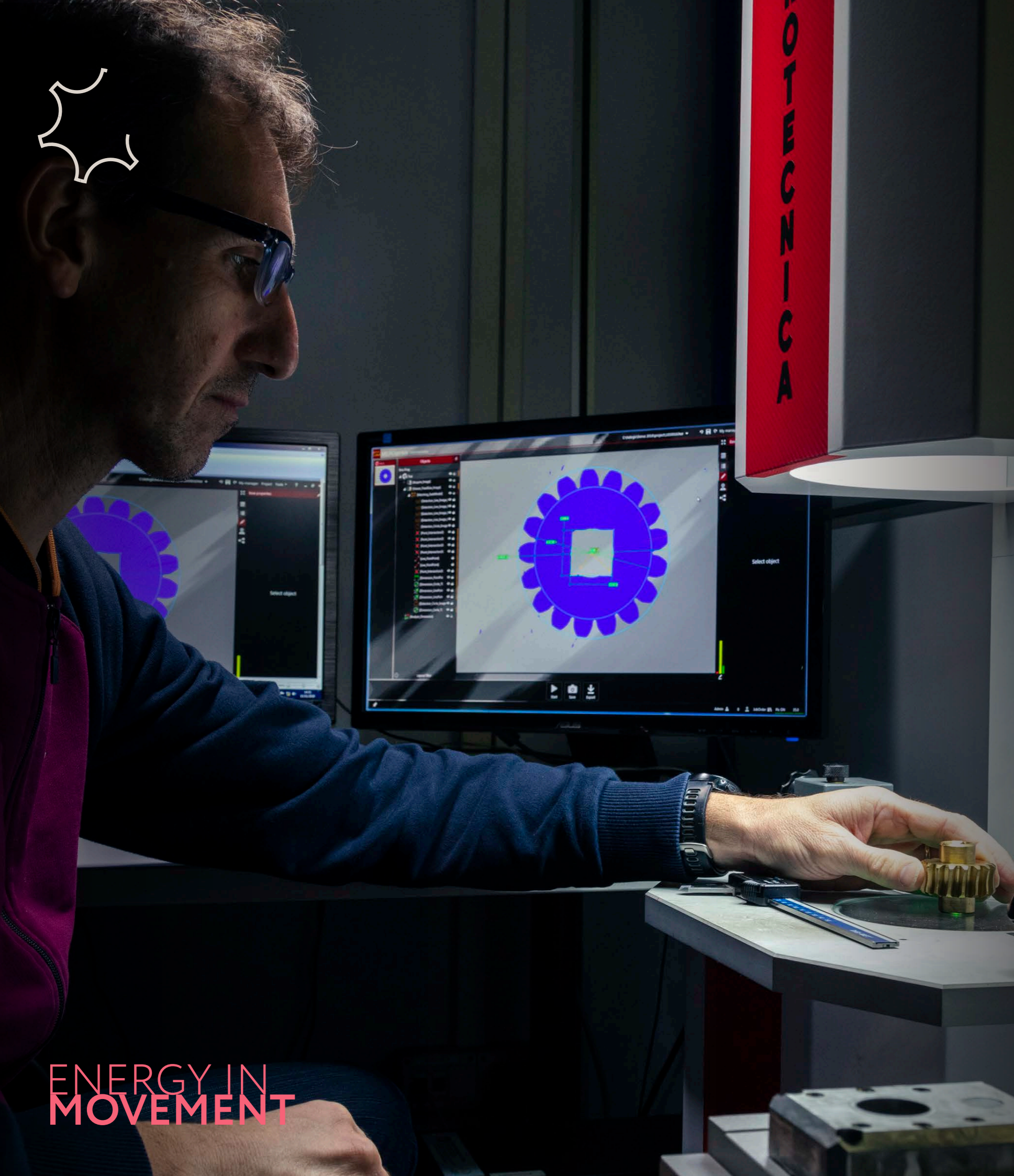
The key issues

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

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

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





Attention to
detail: listening
and solutions

ENERGY IN
MOVEMENT

2

Customer orientation

[GRI 3-3]

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

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

B2B

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


32 hours

of customer training provided through the Cherubini Academy, including online courses on future trends in domotics and new technologies

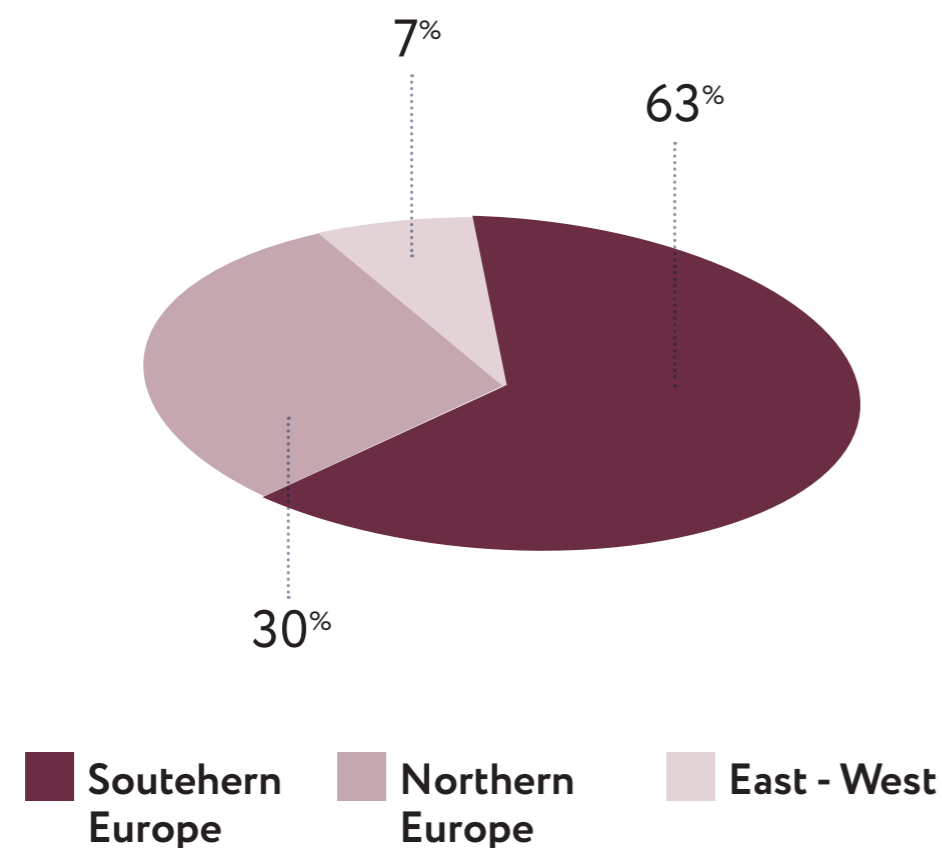
€32 million

€32 million worth of orders due to the presence of 159 active suppliers in 2022



Customer orientation [GRI 3-3]

Geographical distribution of Cherubini Group customers



For Cherubini, customers are central to all phases of the life cycle of its products, starting from the development of innovative solutions, through support during installation and programming, and post-sales customer service. This approach translates into a commitment to flexibility and proximity which require giving maximum attention to customers to identify solutions that best meet their expectations.

The Cherubini Group operates primarily in the business-to-business (B2B) market, in contact with a diversified network of business customers in the following areas:

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

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

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

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



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

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

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

The Academy makes available to its network of installers online manuals that provide detailed instructions for each individual product, including certifications and tutorial videos as a step-by-step guide to product installation and use. The materials are available in the five main languages in which the Group operates: Italian, Spanish, English, German and French, and additional translations are provided based on specific customer needs, for a total of thirteen languages available on the website. Over 2022, 10,780 instruction manual downloads were made, and over 20,000 brochures were distributed. In addition, there were over 15,500 viewings of the tutorial videos, proof of how popular and useful they are with installers.

With support from the sales offices, the Academy team assures that existing material is constantly updated, and offers training courses for the in-house sales network and webinars covering a series of technical themes. The Academy also offers the opportunity to organise customised courses and events tailored to individual customers or groups of customers. In 2022, thirty-two hours of customer training were organised, including online courses. The

themes cover a broad spectrum of issues, including future trends in domotics and new technologies.

Thanks to this centralised information hub, in 2022, Cherubini was able to introduce a QR code on its products which customers can use to access directly the online page containing the instruction manual. This has resulted in the dematerialisation of manuals which are no longer provided in printed form, a saving of 300 kg of printed paper.¹

In addition to these services, **the Group provides ongoing post-sales customer service by guaranteeing direct channels of communication:** a toll-free telephone hotline during working hours, and support from a technical/sales team to solve any and all problems or difficulties. In 2022, nearly 12,000 calls for assistance were received. These channels also make it possible to monitor product trends over time, as well as receive feedback from the customer network.

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

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



Product quality and safety

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

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

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

The team handles the complaint process and customer returns, providing support in the post-sales phase. In 2022, only one case of non-compliance was registered, involving the indelibility of the information on the Windtec product label.

Cherubini assesses the impact on health safety of 100% of the products it sells, starting with the analysis of the materials used to make them. In fact, the company follows a strict handling procedure for substances defined as being of very high concern (SVHC) in concentrations higher than the limits set by ECHA (European Chemicals Agency). This procedure involves notifying ECHA and detailed inclusion of the materials in the substances of concern data bank (SCIP) contained in products. SVHC substances and their maximum concentrations, both for finished and semi-processed products, are specified in the Candidate List that is updated every six months.



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

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

In response to these regulations, Cherubini products conform with the standardisation requirements of a number of countries, and they bear the symbols or logos that attest to product conformity with specific standards or technical requisites awarded by independent certification bodies. Cherubini conforms to five markings:



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



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



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



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



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



Value partnership

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

The manufacturing sector is exposed to supply chain risks on a global level. In recent years, social-economic factors and geopolitical tensions have caused interruption and uncertainty in supplies that have impacted on production and logistical supply chains in terms of reduced availability, longer supply times and an increase in raw material prices. **Cherubini, in a phase of rapid growth, has even greater need to guarantee production continuity and safeguard itself in the face of these uncertainties.**

In 2022, Cherubini launched a diversification process of its supplier pool, a process that started with mapping the probability of risk and assessment of the use alternative materials to reduce costs. A number of criteria were taken into consideration in the selection process: economic and financial factors, technical expertise, technological know-how, safety, quality of the products or services provided, and climatic and geopolitical risks.

In 2022, Cherubini S.p.A. had 159 active suppliers, with orders worth approximately €32 million. 8.4 suppliers out of 10 are located in Italy, representing 78.8% of the total expenditure. The remaining share of suppliers is found primarily in Asia (18.8% of total expenditure), with a smaller percentage in other European countries and the United States.

Today, the majority of Cherubini supplies includes components coming from the Group's production subsidiaries, including motors, gears, control units and remote controls, which represent 29% of total expenditure. This is followed by labour-related costs (16%), including materials farmed out for third-party production, such as adaptors, rings and digital cards. Supplies also include mechanical parts (25%), such as rotors and stators, cardan joints and gears, and electronic components (12%), such as microchips, circuits, transmitters and receivers.

GRI 204-1 | Proportion of spending on local suppliers

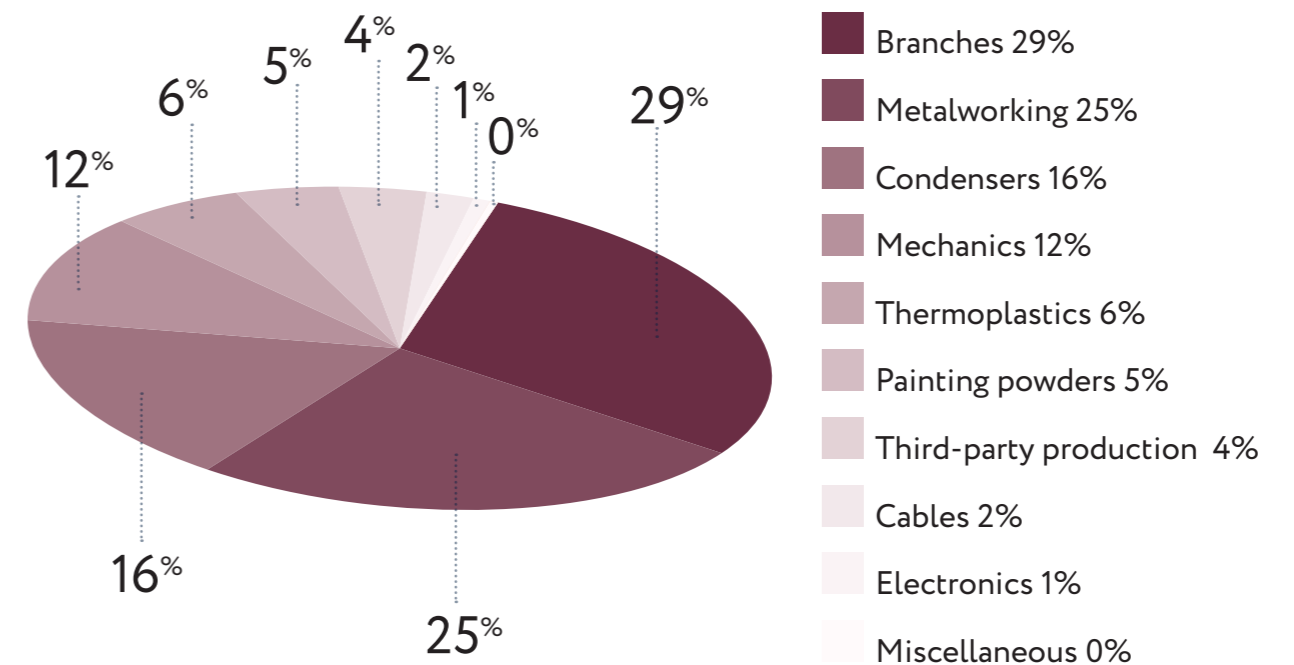
	2022			2021			2020		
	No. suppliers	Expenditure ('000€)	Expenditure (%)	No. suppliers	Expenditure ('000€)	Expenditure (%)	No. suppliers	Expenditure ('000€)	Expenditure (%)
Italy	134	25.843	78,8%	149	29.772	(%)	148	22.942	(%)
Southern Europe ¹	4	187	0,6%	5	389	1,1%	3	18	0,08%
Northern Europe ²	11	508	1,5%	8	284	0,7%	9	204	0,8%
East ³	8	5.788	18,8%	9	4.809	13,6%	8	2.529	9,9%
West (USA)	2	17	0,05%	1	6	0,01%	2	7	0,02%
Totale	159	32.343	100,0%	172	35.256	100,0%	170	25.700	100,0%

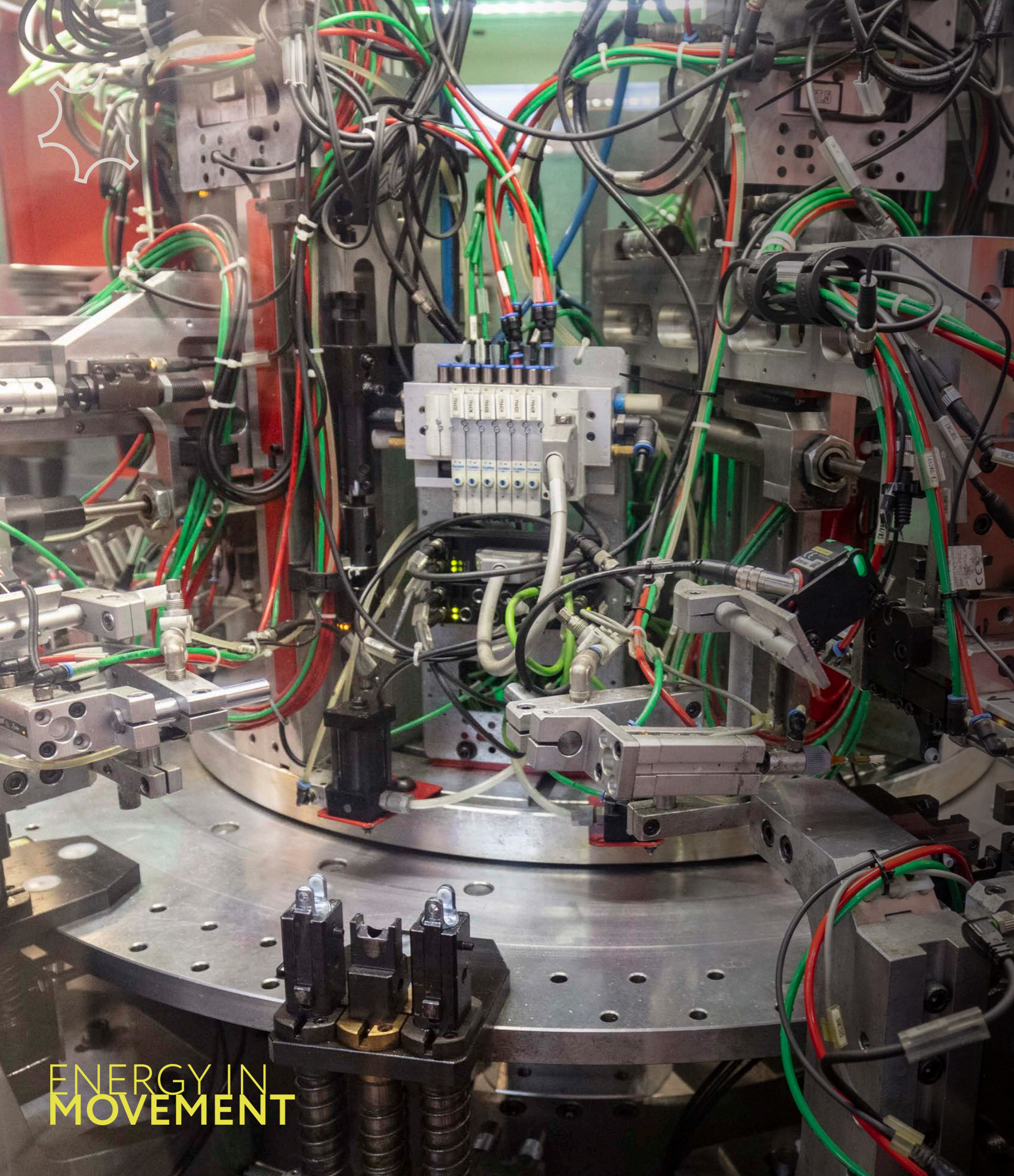
¹ Includes the following countries: Hungary, Spain, France, Turkey, Switzerland

² Includes the following countries: Germany, Sweden, The Netherlands, Belgium, Poland

³ Includes the following countries: China, Hong Kong, Taiwan

Supplier categories – 2022





Beyond
expectations:
tradition and future

ENERGY IN
MOVEMENT

3

Product innovation and development

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

€2 million

invested in 2022 in research and development of new products as well as improvement of technical aspects and functionalities of existing products

 9%

of waste reduction compared to 2021, for a total of 420 tons of waste generated in 2022, 94% of which was sent for recycling or recovery


412.173 kWh

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



Product innovation and development

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

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

11 NEW PRODUCTS AND SOLUTION DEVELOPED IN 2022

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

following areas:

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

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

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

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

Over 2022, Cherubini launched on the market eleven new products and solutions that were developed in-house or in collaboration with customers. Included among these were the adaptor for the Wave Wire Ø58 mechanical motor for roller shutters and screen or roller blind vertical systems. This component reduces motor speed as required by the application and lowers energy consumption. The Group has also developed a star head for the same motors that adapts to non-Cherubini products to facilitate replacement and reduce product obsolescence.

The EnOcean protocol is a technology with low environmental impact because its remote control is not battery-powered. Its operating principle is based on transforming the pressure of the button into energy. This pressure is sufficient to feed the integrated circuit and send the signal to the motor.

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

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

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



Eco-design and circular economy

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

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

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

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

Cherubini products are designed to have a minimum life of ten years, thanks to the use of

high-quality materials. With a warranty of at least five years, they are designed to be repaired easily, offering customers the possibility of solving any defects quickly and reliably.

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

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

Hazardous waste represents 7% of the total and includes by-products of sandblasting or sludge, motor oil, filtering materials, protective clothing, lead batteries and waste containing mercury. Non-hazardous waste accounts for 93% of the total and includes paint waste, wash water, plastic, paper and cardboard packaging, used components and devices, batteries, and a range of metals including copper, bronze, brass and aluminium.

¹ European Commission, Circular Economy Action Plan, 2022.

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



94% DEI RIFIUTI PRODOTTI SONO STATI INVIATI A RICICLO O RECUPERO NEL 2022

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

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

Waste generated and destined for disposal amounts to 6% of the total and is primarily comprised of paint and varnish waste, washing liquids, sludge and other filtering materials.

GRI 306-3: Waste generated¹

Waste produced (tons)	2022	2021	2020
Hazardous waste	29,0	17,4	5,1
Non-hazardous waste	391,1	444,2	196,2
Total waste produced	420,1	461,6	201,3

GRI 306-4: Waste diverted from disposal²

Waste diverted from disposal (tons)	2022	2021	2020
Hazardous waste	132,0	16,8	4,6
<i>Recycling</i>	-	-	0,1
<i>Other recovery operations</i>	132,0	16,8	4,5
Non-hazardous waste	262,8	313,0	158,2
<i>Recycling</i>	79,4	78,0	70,9
<i>Other recovery operations</i>	183,4	235,0	87,3
Total waste diverted from disposal	394,8	329,8	162,8

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

GRI 306-5: Waste sent for disposal³

Waste sent for disposal (tons)	2022	2021	2020
Hazardous waste	3,3	0,5	38,5
<i>Landfill</i>	-	-	0,4
<i>Other disposal operations</i>	3,3	0,5	38,1
Non-hazardous waste	22,0	131,3	-
<i>Landfill</i>	-	-	-
<i>Other disposal operations</i>	22,0	131,3	-
Total waste sent for disposal	25,3	131,8	38,5

²Ibid.

³Ibid.



Smart building and home automation

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

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

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

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

Cherubini META ecosystem

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

A solution for everything

A smart system, always at your fingertips.

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

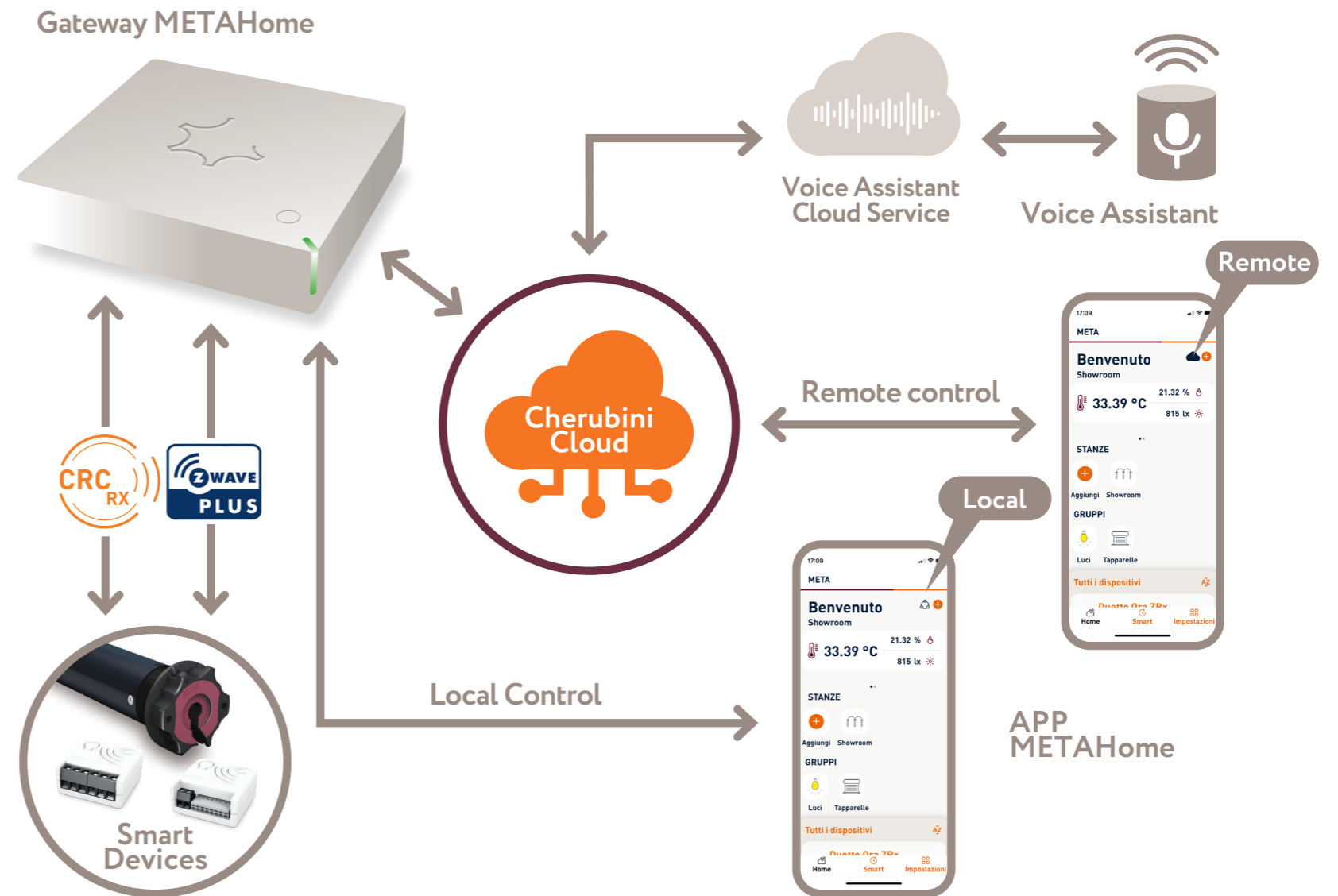
¹ European Commission, Making Our Homes and Buildings Fit for a Greener Future, 2020.

² The European House – Ambrosetti elaboration on data from DigitalEurope, Gese and Andrae & Edler, 2022.



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These solutions include:

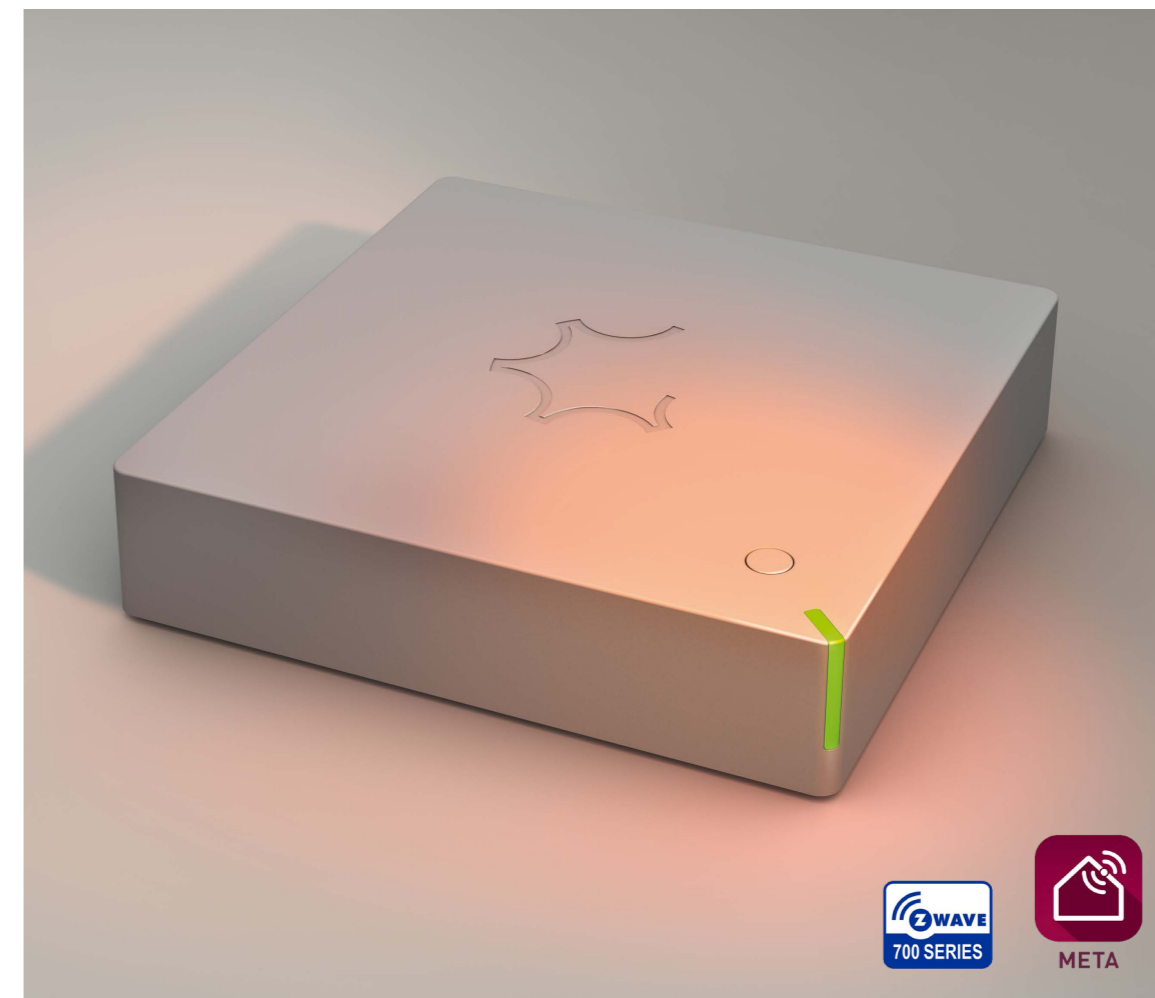
- **The new generation of Cherubini motors** with integrated dual-radio.
- **The METAHome app** for smart control of the home environment.
- **The METAHome gateway** to set automatic functions for well-living.
- **Sensors and modules** to monitor and manage domestic devices and spaces.

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

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

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

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



Clean energy and energy efficiency

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

In 2022, Cherubini consumed approximately 4,673,000 kWh of energy (-16% compared with 2021). 49.4% is from direct consumption, for example natural gas excluding mobile consumption. The company has launched a process to gather data regarding direct consumption by the company vehicle pool. **50.7% of Cherubini's total energy consumption is from indirect consumption**, both from purchases off the grid as well as internal production by photovoltaic panels.

15.3% of Cherubini's indirect energy consumption is from renewable sources. Specifically, the photovoltaic installation on the roof of the Bedizzole plant has a capacity of 371,080 kWh and annually produces 412,173 kWh of energy thanks to the 1,430 modules installed on a surface area of 363 m².¹ In 2022, the installation produced 456,956 kWh of energy, of which 79% was used internally and 21% sold on the market. During the year, Cherubini was able to increase the amount of renewable energy consumed compared with 2021, resulting in a -20% reduction in natural gas consumption and non-renewable energy.

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

GRI 302-1: Energy consumed in the company

Direct energy consumption (kWh)	2022	2021	2020
Natural gas consumption (Cherubini S.p.A.)	2.310.150	2.777.989	-

Indirect energy consumption (kWh)	2022	2021	2020
Energy from renewable sources (photovoltaic – Bedizzole)	360.844,0	294.405,0	377.660,0
Energy from non-renewable sources (Cherubini S.p.A.)	1.272.549	1.704.830,5	1.273.464,3
Energy from non-renewable sources (Decho)	593.121,0	700.042,0	388.841,0
Energy from non-renewable sources (Dongguan)	136.217,0	101.025,0	74.590,0 ¹
Total indirect consumption	2.362.731,0	2.800.302,5	2.114.555,3

Total energy sold (kWh)	2022	2021	2020
Energy from renewable sources (photovoltaic – Bedizzole)	96.112,0	109.227,0	54.184,0

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

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

Scope 1 emissions (t CO2)	2022	2021	2020
Natural gas emissions (Cherubini S.p.A.)	471	566	-
Total	471	566	-
Scope 2 emissions ² (t CO2) ³	2022	2021	2020
Scope 2 Location based (tCO2)	744,26	882,10	666,08
Scope 2 Market based (tCO2)	914,00	1.144,12	793,01

During 2021, Cherubini implemented an energy efficiency initiative that involved replacing incandescent light bulbs with LED lights in the plastic stamping department in Bedizzole. This resulted in a major reduction in energy consumption from lighting, with a wattage reduction from 400W to 250W per installed unit. Overall, daily consumption in the plastic department decreased from 6.4 kWh to 4 kWh over the span of two work shifts.

Simultaneously, Cherubini carried out in-depth analysis of the department's energy consumption which is currently responsible for nearly 75% of overall energy consumption. The primary goal of the analysis was to evaluate the opportunities for improving energy efficiency. Currently, the plastic stamping department has twenty-four presses, of which twenty-two are hydraulic and two are hybrid. The latter type was introduced to increase production capacity and reduce energy consumption. Analysis revealed that replacing hydraulic presses with hybrid presses would result in a major impact on energy consumption.

A further area of improvement in energy efficiency involves auxiliary equipment, such as the component conveyor belts and the mills, which contribute about 25-30% of the overall energy consumption of the presses in use. To optimise functioning of the belt motors and reduce consumption, installation of electrical timers is currently being assessed. This solution would not only result in reduced consumption, but would also contribute to reducing the maintenance required for the belt fabric and ball bearings.

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





Sustainable packaging

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

Cherubini uses 100% recyclable cardboard in its packaging that is differentiated by size to guarantee maximum product protection. Motor packaging is generally smaller and protection is mainly

provided by paper and cardboard. Manual products are larger and are protected by plastic material. For each product package and/or shipment, 10-15% is in plastic material, of which only 2-3% is currently recyclable.

The company is investing in a number of initiatives that will not affect the high quality standards of the product. These initiatives include research into state-of-the-art market solutions, testing of stretch film and tape to guarantee strength and resistance during road, air or sea transport, and exploration of automation possibilities to package manual products. The latter will make it possible to use rolls of high-impact and breakage resistant corrugated paper that would significantly reduce the use of plastic and bubble wrap.

¹ European Commission, Regulation on Packaging and Packaging Waste, 2022.





Growing together:
ingenuity and
passion

ENERGY IN
MOVEMENT

4

Cherubini People

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

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



of new hires in 2022 were women and 30% were under 30 years old



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



training hours provided in 2022, equivalent to 8.95 hours per person across vocational-technical, transversal, and language training



This commitment is expressed through promoting individual development and well-being, key factors in promoting the Group's competitiveness and continuous evolution.

In 2022, the results achieved by Cherubini were made possible by the commitment and dedication of 267 people, 62% of which, on average, are between 30 and 50 years old. 47% of the company's workforce is male, while 53% is female.

38% of our personnel work in the sales offices as employees and managers, while the remaining 62% are spread throughout the various production facilities, of which 65% are female.

94% are employees with permanent contracts, and 95% have a full-time contract. In 2022, the company also enjoyed the professional skills of thirty-four non-employees, including temporary workers, apprentices and freelancers. Part-time contracts account for 5% and were initiated to respond to the specific individual needs of employees.

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

	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy ¹	103	93	196	98	98	196	79	80	159
China	34	7	41	30	6	36	25	4	29
France	1	5	6	1	5	6	1	5	6
Germany	-	8	8	-	8	8	1	7	8
Spain	2	12	14	2	12	14	2	11	13
Turkey	1	1	2	1	2	3	1	2	3
Total	141	126	267	132	131	263	109	108	217

¹ These figures include the number of employees of Cherubini S.p.A., Decho S.r.l., Promech, Widom, and Cherubini Electronics.

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

	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Italy									
With permanent contracts	93	87	180	93	92	185	77	78	155
With fixed-term contracts	10	6	16	5	6	11	2	2	4
Full-time	94	90	184	91	95	186	74	77	151
Part-time	9	3	12	7	3	10	5	3	8
Europe²									
With permanent contracts	4	26	30	4	27	31	5	24	29
With fixed-term contracts	-	-	-	-	-	-	-	-	-
Full-time	3	24	27	3	25	28	3	23	26
Part-time	1	2	3	1	2	3	2	1	3
China									
With permanent contracts	34	7	41	30	6	36	25	4	29
With fixed-term contracts	-	-	-	-	-	-	-	-	-
Full-time	34	7	41	30	6	36	25	4	29
Part-time	-	-	-	-	-	-	-	-	-

GRI 2-8 I Workers who are not employees

	2022	2021	2020
Outsourced labour	31	60	73
Self-employed	1	1	1
Apprentices	2	5	4
Total	34	66	78

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



GRI 2-21 | Annual total compensation ratio¹

		2022	2021	2020
Italy	Ratio between maximum and average compensation	403%	630%	550%
	% average annual compensation increase	0,4%	9,7%	-
	% maximum annual compensation increase	-36%	26%	-
China	Ratio between maximum and average compensation	1830%	976%	1077%
	% average annual compensation increase	-27%	14%	-
	% maximum annual compensation increase	36,8%	3%	-
France	Ratio between maximum and average compensation	292%	255%	277%
	% average annual compensation increase	-2%	9%	-
	% maximum annual compensation increase	12%	0%	-
Germany	Ratio between maximum and average compensation	36%	171%	134%
	% average annual compensation increase	392%	-26%	-
	% maximum annual compensation increase	4%	-5%	-
Spain	Ratio between maximum and average compensation	126%	502%	189%
	% average annual compensation increase	507%	-44%	-
	% maximum annual compensation increase	53%	47%	-
Turkey	Ratio between maximum and average compensation	307%	141%	165%
	% average annual compensation increase	3%	40%	-
		124%	20%	-

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

GRI 405-1 | Diversity of governance bodies and employees

		2022		2021		2020	
BofD by gender and age bracket		Women	Men	Women	Men	Women	Men
under 30		-	-	-	-	-	-
30-50		1	3	-	1	-	1
over 50		1	6	1	5	1	5
Total		2	9	1	6	1	6

		2022		2021		2020	
Employees by gender and professional level		Women	Men	Women	Men	Women	Men
Management		1	5	1	5	1	5
Staff		32	63	30	57	27	50
Blue collar		108	58	101	69	81	53
Total		141	126	132	131	109	108



	2022			2021			2020		
Employees by age bracket	under 30	30 - 50	over 50	under 30	30 - 50	over 50	under 30	30 - 50	over 50
Management	-	4	2	-	3	3	-	3	3
Staff	10	58	27	7	55	25	5	49	23
Blue collar	24	104	38	22	102	46	14	82	38
Total	34	166	67	29	160	74	19	134	63

To promote generational turnover and allow the Group to grow, in 2022, Cherubini hired 33 new people, of which 67% were women and 30% were under 30 years old.

Regarding terminations which were higher than in 2021 (54 compared with 22 in 2021), 14% were for retirement, 20% for contract expiration and 66% were voluntary resignations. Therefore, for the year, the turnover rate was 33%.

GRI 401-1 | New employee hires and employee turnover

	2022	2021	2020
Total hires	33	34	38
of which men	11	17	16
of which under 30	2	5	4
of which 30 - 50	7	10	9
of which over 50	2	2	3
of which women	22	17	22
of which under 30	9	2	4
of which 30 - 50	12	12	12
of which over 50	1	3	6
Total terminations	54	22	15
of which men	22	11	7
of which under 30	3	2	-
of which 30 - 50	23	7	5
of which over 50	6	2	2
of which women	32	11	8
of which under 30	6	1	1
of which 30 - 50	14	8	3
of which over 50	2	2	4
Total employees	267	263	217
Turnover rate	33%	21%	24%



Occupational health and safety

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

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

3 INJURIES RECORDED IN 2022

In 2022, with over 316,000 working hours of its employees, the Group recorded three injuries, of which one required a full recovery period of over six months. Cherubini has launched an in-house consultation process regarding risk prevention issues and improvement of the health and safety of its employees. Starting in 2021, the joint committees—groups of workers who meet and work towards continuous improvement—have been dealing with safety and ergonomics-related issues. No cases of occupational disease or third-party injuries were recorded.

GRI 403-9 | Work-related injuries

	2022	2021	2020
Recordable injuries	3	2	2
Rate of accidents (per million hours worked)	3,2%	6,4%	8,4%
of which deaths	-	-	-
of which with serious consequences ¹	-	-	4,2%
Hours worked (n)	316.834	310.584	239.303

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

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

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



Initiatives for personal well-being

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

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

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



On employee request and as provided for in existing legislation, Cherubini offers the possibility to obtain an advance on severance pay while still employed. This advance is limited to the portion matured and set aside in the company, up to a maximum of 70%, irrespective of the number of years worked.

The Group promotes in-house involvement of employees through joint committees, periodic memos from management and surveys of the atmosphere within the company. At Cherubini, joint committees are working groups that meet regularly every fifteen days with the goal of developing initiatives to promote comfort and safety in the Bedizzole and Correzzana facilities. It is the first structured participatory initiative that stimulates the creation of a broad-based sense of responsibility based on the application of the Lean philosophy—an organisational work method which, among its primary characteristics, promotes employee engagement and highlights their expertise.

During 2022, Cherubini performed a survey of the atmosphere within the company, the goal being to assess employee satisfaction level to identify any areas for improvement. Employee participation in the survey was about 50% and, overall, respondents judged the Group a good professional environment in which to grow and work, with a satisfaction index of 4-out-of-5.

To guarantee employee involvement in the company's growth, in 2021 a **new performance award** was introduced which will gradually increase over the next three years to a maximum of €1,600 in 2023. To receive this award, three variables are taken into consideration: absenteeism, not including serious

illnesses and hospital stays; service level, calculated methodically for both the manual and motors lines regarding customer-requested data (25%) and whether the delivery date was met (25%); and efficiency, calculated on the increase in value produced and redistributed on the basis of a manpower requirement coefficient.

Cherubini provides its employees with three online platforms: Glickon, an employee experience platform and CLOUDOC, a digital bulletin board that displays pay envelopes and administrative communications. Specifically, Glickon is an internal communication platform used to navigate the company universe and is divided into four sections. The first is dedicated to corporate values and successes, the second to news and current projects, the third is a virtual workout to hone new skills and, finally, the fourth is focussed on self-development and listening. In conclusion, the corporate welfare platform offers all employees the opportunity to make use of advantages, such as the issuing of gift certificates, direct crediting of reimbursements in the pay envelope, request for new contracts, purchase discounts and, finally, a special assistance service.



Training and Skill Development

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

The major transformations of our era require increasingly rapid and flexible response from companies in the way they do business. To meet this challenge, companies are involved in guaranteeing custom training programmes to enable the development of skills and employability of their employees in the medium/long-term. **Cherubini recognises the importance of ongoing refresher training and offers its employees both upskilling and reskilling programmes.**

In 2022, the Group provided, in total, 1,938 training hours, with a per person average of 8.95 hours—26% less than the previous year, but higher than the pandemic period.

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

	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Management	2,13	5,29	4,14	2,89	2	2,36	3,33	4,1	3,81
Staff	14,84	17,42	16,36	11,04	30,1	23,58	4,48	8,04	6,89
Blue collar	5,46	5,85	5,66	11,14	5,21	7,19	3,09	3,21	3,14
Apprentice	-	23,67	23,67	-	4	4	-	-	-
Total	7,77	9,94	8,95	9,04	13,86	12,17	3,37	5,35	4,33

Over the period 2020-2022, Cherubini offered those who work for it a broad range of training initiatives, both for the development of specific expertise and the development of transversal and relational skills. Among the specific training initiatives were foreign language courses, the Lean approach, change management, smart working, implementation of the new ERP system and coaching for top management. Special focus was given to language training which, with a total of 440 hours, allowed employees to acquire or improve their skills in line with the changes in the Group towards an increasingly international outlook. The training initiatives involving the development of transversal skills were dedicated to strengthening relational and leadership abilities (50%), management (30%) and decision-making (20%) skills.

Employees also receive 1-on-1 feedback, individual coaching programmes and self-development clips available on the company platform.

In 2022, Cherubini developed the **Lean Manufacturing Project** to examine the characteristics and ways of applying the **Lean Manufacturing approach**. Through this project, employees were able to explore the method's benefits and applications in four, half-day training sessions dedicated to activity planning, defining the group and its characteristics, managing communication to meet goals, and activity monitoring. In line with this approach and to provide support to the company's rapid growth process, in 2020 Cherubini adopted the agile operating philosophy—a project management model involving rapid and flexible iteration to emergencies that fosters collaboration and adds value incrementally—that is based on the **OKR method** (Objectives and Key Results). OKRs are a tool for defining company goals, designed to enhance the focus, responsibility and awareness of employees within the broader context of improving organisational performance. Through this method, the Group is looking to combat limitations such as slowness, passivity and lack of innovation by promoting a culture based on clarity, transparency and collaboration.

In 2022, a specific course on **change management** was also given that championed the promotion of a growth mentality within the Group by encouraging employees to adopt a positive approach towards new changes in the company. Through exercises and challenges, the ten participants were faced with a number of tests that helped them to acquire awareness about resistance to



change and the possible aids for facing it in a positive way. Course content included exercises in modifying personal habits, demystifying change, transforming will into action, working on concrete examples, transforming techniques into positive automatic responses, and managing goals in movement.

Cherubini places tremendous value on the development of specific skills, and for this reason launched a training project dedicated to the company's middle management. The project focusses on the development of key skills required in the new context of hybrid work. This training, provided in four interactive workshops, concentrated on teaching about new, remote leadership models, digital collaboration tools, time management, and effective communication techniques.

Cherubini also implemented a structured project for the assessment and development of the skills of top management. This project was preceded by an assessment process, launched in 2021, which included 180° feedback, tests and individual interviews. The results of the assessment prepared the way for the management training programme which was able to reinforce key skills, such as leadership, interpersonal communication, relational intelligence, decision-making, project management and personnel development. The success of the initiative provided the impetus for Cherubini to extend this development process to second-level management, planned for 2023.

2020-2022		
Category	No. participants	Avg. no. hours per person
Technical/professional training		
Lean Manufacturing	45	16
Smart working and digital business innovation	12	16
D365 managerial ERP	25	32
Innovation tools and models	9	32
Use of company digital tools and platforms	134	12
Masters in personnel management and administration	1	160
CUOA Masters: management control tools and techniques	1	91
Aspects and techniques of procurement for senior buyers and category managers	1	48
Process analysis and optimisation, control systems, measurement and equipment management	2	48
VVA Sales Training Program: from sales to business consulting	4	12
Ambrosetti Executive Programs	2	12
Transversal training		
Coaching per capireparto	6	6
Coaching per lo sviluppo delle competenze strategiche	3	16
Essere leader: competenze per guidare il cambiamento	3	24
Change Management: dall'intelligenza emotiva alla gestione del conflitto	10	8
Team Building	5	2
Language training		
English	9	32
French	4	10
German	3	40



Roots in the local area [GRI 3-3]

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

Over the three-year period 2020-2022, Cherubini promoted numerous initiatives in support of local associations and entities, contributing over €554,130. These have included local hospitals: Desenzano Hospital and the Brescia Civic Hospital, in the fight against the COVID-19 emergency and to support research into cystic fibrosis and multiple sclerosis. Their support has also included sponsoring sports activities, which in 2022 included the Bedizzolese football club. In addition, Cherubini has supported associations such as Save the Children, making a generous donation of €5,000 for emergency assistance to Ukraine war refugee children.

€554.130
the amount donated in support of local associations and entities over the three-year period 2020-2022

“Chiavi di Casa” Project

Since 2018, Cherubini has supported the “Le Chiavi di Casa” (Keys to the House) Foundation, an organisation involved in caring for people with disabilities by supporting them in realizing projects for living independently. The Foundation’s mission is to aid families wishing to launch personalised projects for their children’s future by aiding their autonomy to the extent of their individual capabilities.

Among the initiatives promoted by the Foundation, of special importance are the Vita Indipendente (Independent Life) residential projects. These involve the creation of three facilities located in Granarolo dell’Emilia and Castel Maggiore. Each facility hosts three different groups of people with disabilities, offering personalised support based on the level of autonomy of each individual. The Foundation also collaborates to create home educational programmes designed to strengthen the independence and relational skills of the people with disabilities. Since 2018, Cherubini has supported the Foundation through donations totalling €40,000.

Cherubini places major importance on creating a dialogue with local schools and opens the company’s doors to young people to promote a sense of entrepreneurship to build constructive relationships. In 2022, Cherubini confirmed this commitment, obtaining for the second year the Bollino di Confindustria per l’Alternanza di Qualità (BAQ) and the Bollino di Confindustria Imprese in ITS (BITS). The BAQ seal was awarded to Cherubini for the quality of its on the job training initiatives, thus underscoring the company’s commitment to providing high-quality work-study programmes. The BITS seal was awarded for the partnership initiatives with local technical secondary schools, demonstrating its awareness of the importance of spreading a technical culture and STEM (Science, Technology, Engineering and Mathematics) subjects.

In 2022, eight apprenticeships were created with the participation of students from primarily local professional schools. Students were given the opportunity to be part of on-the-job training programmes in technical and computer fields, receiving extremely positive assessments from their expert colleagues, and for 40% of the apprentices, it resulted in being hired with a permanent contract. As further confirmation of Cherubini’s commitment to openness, on 15 April 2022 the company welcomed a group of fifteen French students from the institute, BTS Négociation Digitalisation de la Relation Client (Digitalisation of Client Relations Negotiation). During the visit, the theme of new approaches to customer relations in our global world and the equilibrium between physical and digital interaction was explored. The main questions of interest and debate were the philosophy of customer centricity, the phygital approach to B2B relations and continuous experimentation.

Over the course of the year, Cherubini also signed the Brescia Sustainability Pact 2050 during FUTURA EXPO 2022, one of the major events in Italy that brings together businesses and people to discuss sustainability-related themes. This pact is an ambitious and courageous challenge whose goal is to transform the Brescia area into one of the most prosperous and advanced in Italy by 2050. Cherubini’s commitment as part of the pact includes mapping its emissions, developing measures to reduce them, implementing concrete programmes to meet this objective and neutralising any residual emissions by 2050 through additional offsets.





Methodological note

ENERGY IN
MOVEMENT

5

Methodological note

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

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

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

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

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

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

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



GRI index

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

General information

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



Specific statement

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





CHERUBINI