



**2021**  
**SUSTAINABILITY**  
**REPORT**  
**OVERVIEW**

Rely on good hands



*"Since 1964, Cofle has stood by its customers' side in creating products and services perfect for the moment, yet projected into the future."*

Rely on good hands





Rely on good hands



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## INTRODUZIONE

# LETTER TO STAKEHOLDERS



Dear Stakeholders,

*It is with pride that we present our first Sustainability Report 2021, which is the result of a long-standing commitment.*

*Since the beginning of our history in 1964, Cofle has had a focus on what were not yet called CSR policies, and a strong respect for the environment in which it operated.*

*This behaviour has characterized Cofle throughout its growth and will continue to characterize it in its expansion abroad. In fact, it is our goal to prepare a Consolidated Non-Financial Declaration covering all foreign subsidiaries by 2024.*

*We therefore started our non-financial reporting journey from our Italian locations; the logistics plants in Pozzo d'Adda and our Headquarters in Trezzo sull'Adda, a town located between Milan and Bergamo, an area rich in history and natural beauty. Manufacturing settlements have always been an important part of the history of these areas. We have always found it possible to coexist as an industrial reality even in a context that over time has become a protected park. That is why, in addition to operating a strict and constant control of production waste, in 2014 we installed solar panels in our factories, cutting energy costs and lowering our environmental impact. The privilege of working surrounded by beauty also makes us feel a responsibility to preserve this unique territory.*

*The Group's growth strategy, which to date has a production and commercial presence in six countries, and has further expansion targets, sees its foundations in respect for environmental, human and economic resources, and is also expressed in social projects in support of childhood, education, territorial protection, sport and health.*

*In order to generate sustainable value over time, we have assessed our strengths, but also, and more importantly, we have become aware of the paths needed to improve our impact on ESG issues in the medium and long term. We do not want to simply adapt to existing legislation and rules, but to be leading players in a scenario that will increasingly see companies implementing this virtuous change.*

*Thanks are due to all the people involved, without whose help it would not have been possible to achieve and report on the results; from Cofle employees, to our customers and suppliers, to the partners and shareholders who support and sustain our ambitions for sustainable growth.*

**Alessandra and Walter Barbieri**

COFLE GROUP

# ABOUT US

For more than 55 years, Cofle has been seeking the best for its customers by combining renowned Italian craftsmanship with a modern industrial system and the special ability to work closely with its customers. Today Cofle is a leading company in the design, production and worldwide marketing of control systems and control cables for the off-road vehicle, automotive and automotive after-market sectors.





COFLE GROUP

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# WHAT WE DO

## LEADER IN OEM

The Cofle Group is a recognized world leader in the agricultural, earth moving equipment, commercial vehicle and premium automotive sectors, offering a diverse range of **highly customized products** with the highest levels of quality, service and innovation. Our success is based on our special ability to develop reverse-engineered and co-engineered products, perfectly in line with our customers' requirements, all manufactured with obsessive attention to detail.

This is the OEM Division of the Cofle Group.

COFLE GROUP

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# WHAT WE DO

## LEADER IN AFTER MARKET

Renowned global leadership built on incomparable service, quality equal to the original, and a complete range of replacement products such as control cables, brake hoses, EPBs, with a competitive price positioning. This is the After Market Division of the Cofle Group.



COFLE GROUP

# VISION AND MISSION



## MISSION

DISTRIBUTE PRODUCTS AROUND THE WORLD THAT IMPROVE THE SAFETY AND THE QUALITY OF LIFE OF THE END CUSTOMER AND CERTIFY THE EXCELLENCE OF OUR BRAND



## PURPOSE

BEING AT OUR CUSTOMERS' SIDE CREATING QUALITY CUSTOMISED PRODUCTS. PERFECT FOR THE MOMENT. YET PROJECTED TO THE FUTURE

## VALUE CREATION



## VALUES

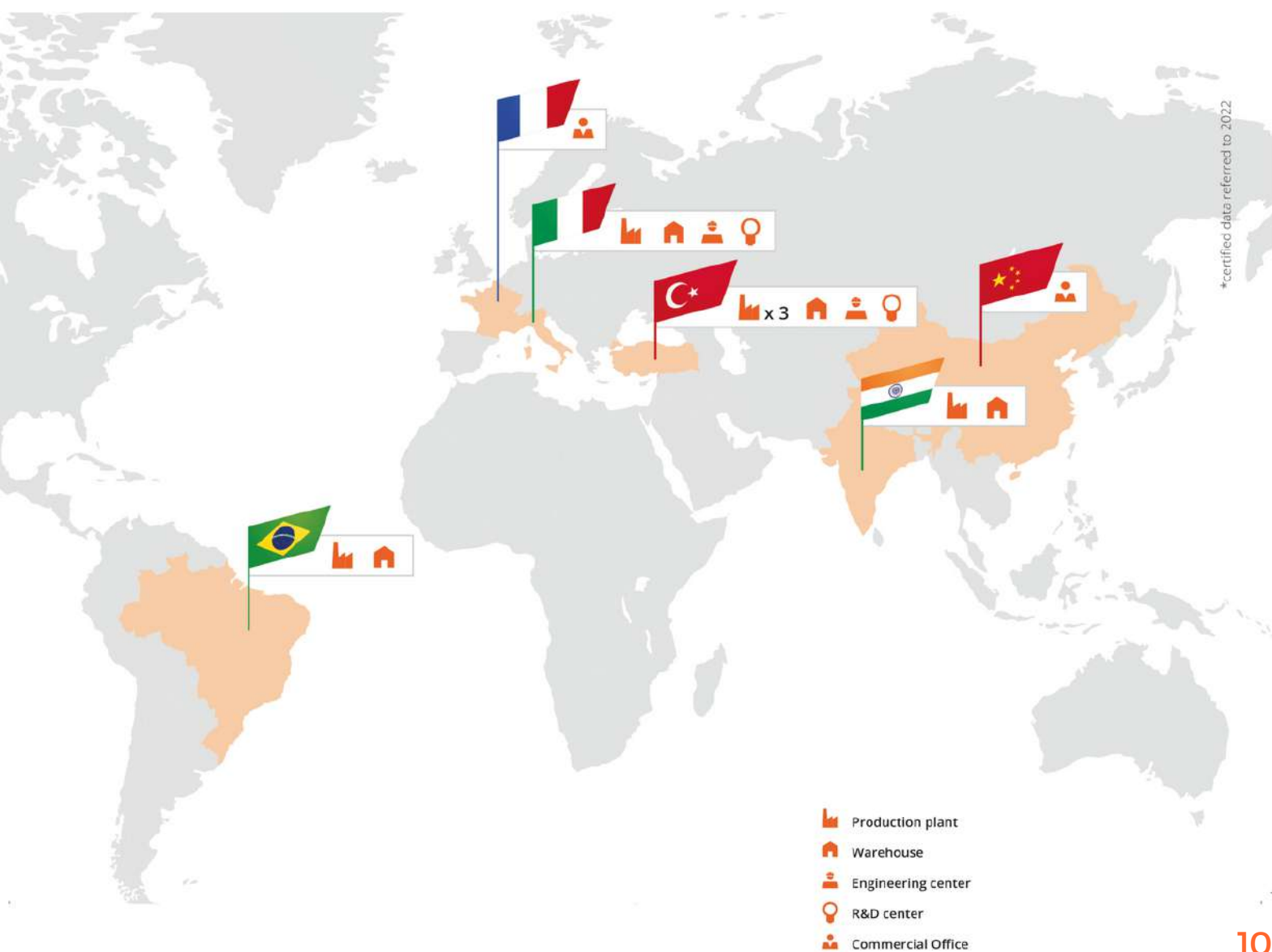
SKILLS  
CONCRETENESS  
DETERMINATION  
SAFENESS  
HONESTY  
TEAM SPIRIT  
SOLIDARITY  
RESPECT FOR THE ENVIRONMENT

COFLE GROUP

# WORLDWIDE PRESENCE

**7m** cables and systems produced in 2021

**550** employees on 3 continents: these are numbers that make us unique in the world.



## COFLE GROUP

# HISTORY

## 1960'S

in 1964, Bruno Barbieri founded Cofle, introducing an innovative system in the manufacture of control cables for the automotive industry. The first production line was original equipment (OEM) cables for major Italian brands.

## 1980'S

The first factory for the in-house production of cables, inner tubes, sheathed cables, sheathed ducts for pull and push pull cables was established; the start of this process of verticalization of production would enable Cofle to become a company with fully in-house production.

## 2000'S

The company received a strong impetus in its expansion abroad. In quick succession, Cofle DCI and Cofle TK, both in Turkey, and Cofle China were founded. During these years, the foundations were laid for Cofle do Brasil, which started production in 2016, and Cofle Taylor India, which opened in 2019.

## 1970'S

The Company grew rapidly, moving into the new factory within a few years.

The range of control cables for the automotive sector, as well as the range of control systems for agricultural and earth-moving machinery, were significantly expanded. Cofle started distributing its solutions on a global basis.

## 1990'S

These are the years of success for the Aftermarket division: its increasingly strong recognition in the markets led Cofle to create a new logistics centre with a 4.000 square metre warehouse. Cofle began its expansion abroad by founding Tabo in Turkey, dedicated to the production of Aftermarket items originally intended for the Middle East and North African markets.

## TODAY

Cofle is a worldwide Group with a presence in 6 countries, 6 production sites, modern and efficient logistic centres, two design and co-engineering departments and more than 550 employees.



## SUSTAINABILITY

# OUR APPROACH

Cofle is aware of the **economic, social and environmental responsibilities** that arise from its activities and believes that only by assessing and acting concretely within these issues can competitiveness and stability be ensured in the medium and long term.

In implementing this approach, Cofle promotes investments to reduce the consumption of natural resources and their reuse, the efficient use of facilities and buildings, and the transition to the use of renewable energy resources.

A fundamental element for guaranteeing sustainability in corporate choices over time is **human capital**: people, their sense of belonging and responsibility, which is the result of virtuous policies close to the needs of the People, who represent the core of sustainability according to Cofle.



## SUSTAINABILITY

## STAKEHOLDER



The table below describes Cofle's behaviour towards the different categories of stakeholders in order to meet their expectations and maintain a high quality of relations.

STAKEHOLDER	COFLE BEHAVIOUR
<b>OWNERSHIP AND SHAREHOLDERS</b>	Cofle's dialogue and relations with shareholders are characterized by maximum transparency, respecting the principles of accuracy, timeliness and equal access to information, and with the aim of fostering a correct assessment of Cofle's performance.
<b>EMPLOYEES</b>	Cofle recognizes the centrality and importance of human resources in achieving the company's objectives. Cofle is aware that the main success factor of any company is the professional contribution of the people working in it, in a context of loyalty and mutual trust. Cofle protects health and safety in the workplace, both through continuous improvement of management systems and through a health and safety culture based on prevention and the need to effectively manage occupational risks. Cofle considers respect for workers' rights to be fundamental in the management of its business.
<b>CUSTOMERS</b>	Cofle aims to provide its customers with products that comply with requirements, to satisfy customer needs through prompt and competent responses based on fairness, courtesy and cooperation.
<b>SUPPLIERS AND EXTERNAL CONTRACTORS</b>	Suppliers and external collaborators play a very important role in improving the company's performance and competitiveness. Cofle maintains relations with them based on loyalty, transparency and impartiality. And it requires compliance with the principles and requirements set out in this Code.
<b>FINANCIAL AND INSURANCE INSTITUTIONS</b>	Relations with financial institutions are based on the same principles of fairness and transparency that characterize Cofle in its operations. Specifically, the information requested by institutions is provided in a timely and accurate manner, ensuring the fulfilment of credit obligations.
<b>PUBLIC ADMINISTRATION</b>	Cofle maintains relations with local, national and supranational public authorities based on full and active cooperation, transparency, respect for each other's autonomy and the values contained in the Code. Cofle does not provide contributions, advantages or other benefits to political parties and workers' trade union organizations, nor to their representatives or candidates, without prejudice to compliance with any applicable legislation.
<b>COMPETITORS</b>	Cofle recognizes that fair and correct competition is a fundamental element for the development of the company and the market

## SUSTAINABILITY

# STAKEHOLDER ENGAGEMENT

## MATERIALITY ANALYSIS

The commitment to improve its social and environmental performance starts with defining the relevant - material - sustainability issues for Cofle and its stakeholders. The analysis carried out by Cofle follows the steps set out below.

**1**

### IDENTIFICATION OF SUSTAINABILITY ISSUES.

The first step taken by the company was to carefully select the most significant issues by taking into consideration, in addition to the GRI Standards, a combination of factors relating to the organization, such as its mission, values, strategies, environmental quality management systems, Code of Ethics and the risk analyses carried out.

### RELEVANCE OF ISSUES FOR COFLE

The next step was to assign the different issues a priority level, or relevance to the company, a process that involved the internal Sustainability Working Group and the heads of the main departments. The analysis was based on the following criteria: influence of the issue on company performance; risks and opportunities of possible impacts.

**2****3**

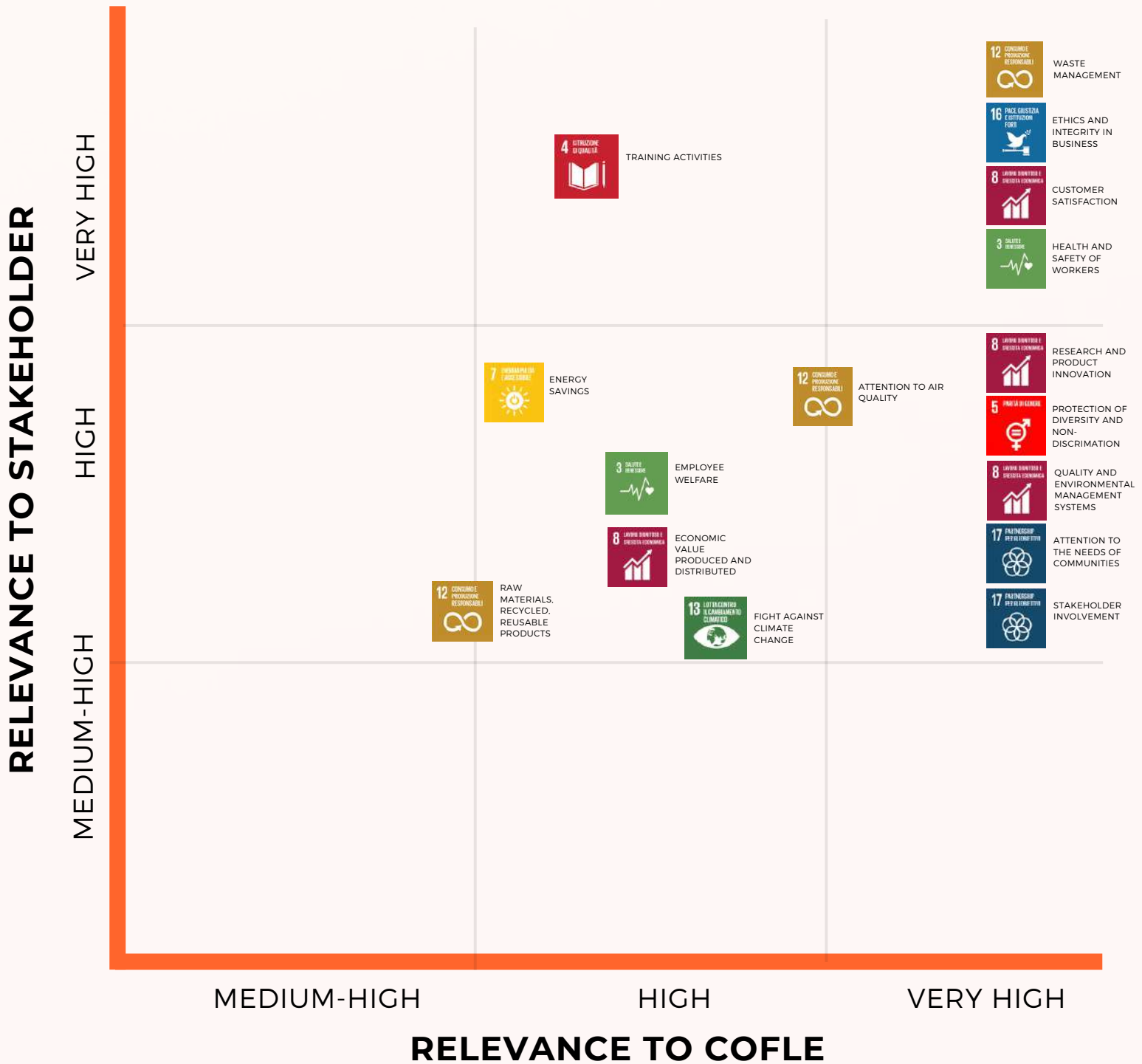
### RELEVANCE TO STAKEHOLDERS

The third phase of the analysis involved the involvement of stakeholders - Customers, Suppliers and Business partners - to determine how relevant the issues considered were perceived to be with the company's business in mind. The stakeholders involved contributed to the work by returning completed questionnaires, demonstrating the quality of the relationships and collaborative climate that the company was able to build over time.



SUSTAINABILITY

# MATERIALITY ANALYSIS



# GOVERNANCE

A surreal, layered landscape. The top half features a cityscape with various skyscrapers, some with grid-like patterns, set against a light blue background. Below this, a dark teal, textured layer contains stylized, rounded hills and trees. The bottom half shows a man in a dark suit, seen from behind, standing on a light-colored, textured ground and looking out over a hazy, blue-toned cityscape. The overall aesthetic is that of a collage or a multi-layered digital artwork.



## GOVERNANCE

# GOVERNANCE, ETHICS AND INTEGRITY



Cofle S.p.A.'s governance system is oriented towards **maximizing value**, controlling risks, maintaining and developing relationships of trust with its stakeholders, as well as **protecting and safeguarding the environment** and the territory for sustainable and supportive development.

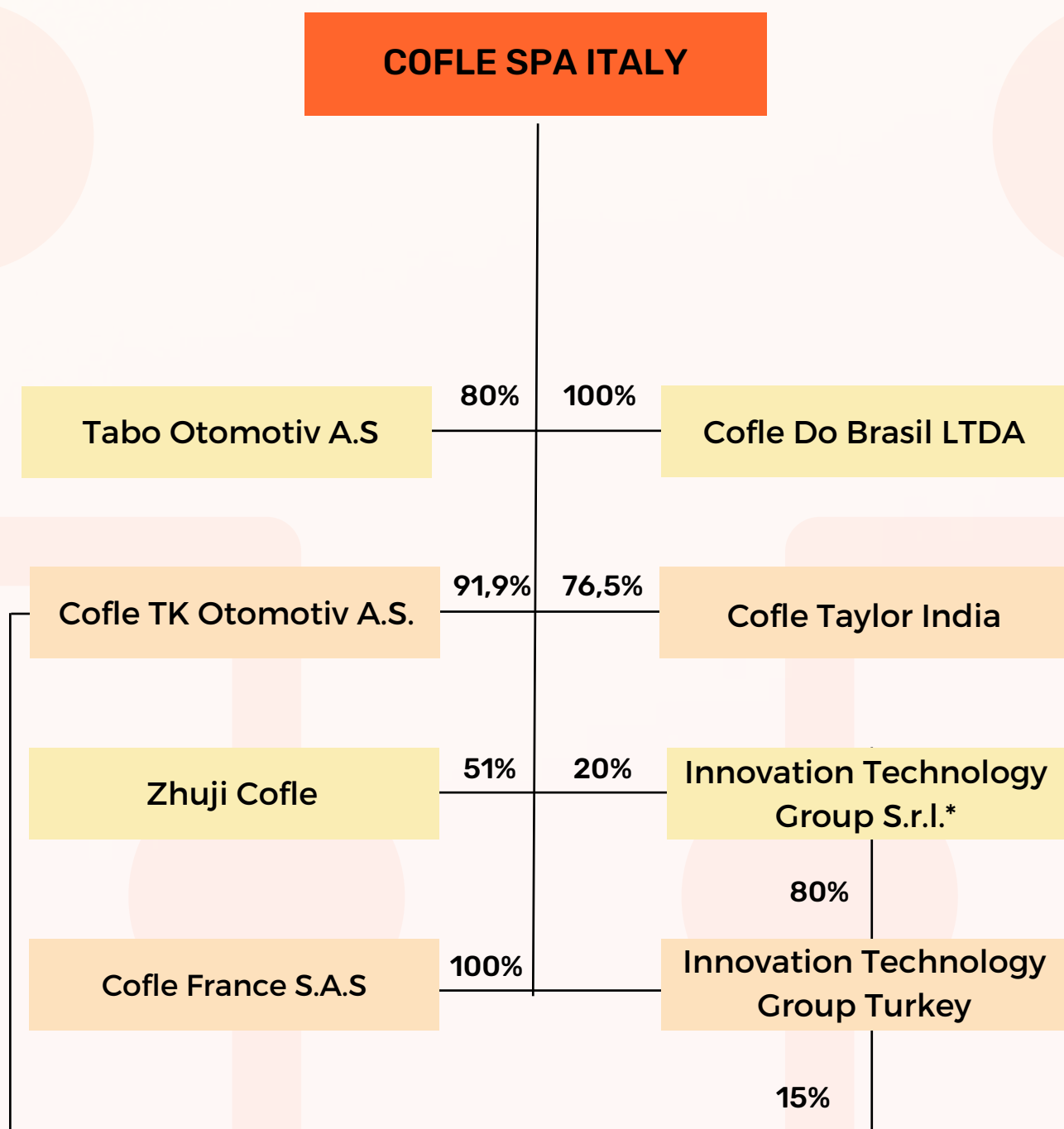
**Ethics and integrity**, beyond mere compliance with the law, are a constant commitment of the company and characterize the behaviour of the entire organization.

Following the listing on the Stock Exchange and the new corporate and **Governance** structure required by the Italian Stock Exchange regulations for listed companies, the company was inspired by and integrated into its own definition of governance some issues included in the Corporate Governance Code issued by Borsa Italiana. This made it possible to ensure, for example, an adequately sized governing body, as well as to guarantee cross-sectoral skills and experience important for the development of the company.



## GOVERNANCE

## GROUP'S STRUCTURE



## GOVERNANCE

# GOVERNANCE AND OVERSIGHT BODIES

## SHAREHOLDERS' MEETING

The Shareholders' Meeting meets to periodically deliberate on matters defined in the Company's Articles of Association and in accordance with the laws in force.

The main tasks of the Shareholders' Meeting are the appointment of the Board of Directors, the Board of Statutory Auditors and the approval of the annual financial statements.

## BOARD OF DIRECTORS

As the governing body, the Board of Directors is responsible for ensuring the company's growth whilst respecting sustainability in the medium and long term, in accordance with the indications received from its stakeholders. The task of this body is to ensure the proper management of the company, through an appropriate system of internal controls and risk management, and with transparency towards the market and its investors. All duties and responsibilities within the Board of Directors or delegated to other parties have been duly decided by the Shareholders' Meeting and are on the company's records. The current Board of Directors consists of five members, one of whom is independent.

## BOARD OF AUDITORS

The Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of the Company on 19 October 2021 and will remain in office until the approval of the financial statements for the year ending 31 December 2023.

It consists of three Standing Auditors and two Alternate Auditors. All members of the Board of Statutory Auditors meet the requirements of integrity and professionalism required by Article 2399 of the Italian Civil Code.

Chairman & CEO  
**Walter Barbieri**

Director

**Alessandra Barbieri**

Director

**Silvio Benedetti**

Independent Director

**Enrico Mambelli**

Director

**Sergio Buoncristiano**

### Statutory Auditors

Chairman

**Giuseppe Rota**

Auditor

**Arturo Carcassola**

Auditor

**Ugo Palumbo**

Supplementary Auditor

**Pietro Longaretti**

Supplementary Auditor

**Luca Perico**

### Audit Firm



## GOVERNANCE

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# CODE OF ETHICS

Cofle S.p.A.'s Code of Ethics represents the company's "constitutional charter", a charter of rights and duties that defines the ethical and social responsibility of each participant in the company organization.

## INTERNAL DEALING PROCEDURE

The Internal Dealing Procedure was approved by the administrative body of Cofle S.p.A. on 25 October 2021 and came into force as of the date of submission to Borsa Italiana S.p.A. of the application for admitting Cofle's financial instruments to trading on EGM.

## INSIDER INFORMATION MANAGEMENT PROCEDURE AND INSIDER REGISTER

The Procedure for Handling Insider Information and the Insider Register was also approved by the management body of Cofle S.p.A. on 25 October 2021.

The purpose of the Procedure is to regulate the management and processing of Inside Information concerning Cofle S.p.A. and its subsidiaries by virtue of the admission of Cofle's financial instruments to trading on EGM, with the aim of guaranteeing the confidentiality of the information and including the list of all those who may have access to Inside Information and with whom there is a professional relationship. The Insider Register, drawn up in electronic format, is updated promptly and transmitted without delay to the competent authority whenever the latter requests it.



# PROCEDURE FOR TRANSACTIONS WITH RELATED PARTIES

The Procedure for Transactions with Related Parties (TRP) was approved by the administrative body of Cofle S.p.A. on 25 October 2021, in accordance with the provisions of Article 13 of the EGM Issuers' Regulations, Article 10, containing provisions on TRP, adopted by Consob with resolution No. 17221 of 12 March 2010, as amended and supplemented.

The Procedure for TRP is aimed at identifying the procedure on the management of TRP carried out by Cofle S.p.A. directly or through subsidiaries, in order to ensure their transparency and substantial and procedural propriety following the admission of the company's financial instruments to EGM.

The Procedure became effective as of the date on which the company's financial instruments began trading on EGM (11 November 2021).



**BORSA ITALIANA**

## GOVERNANCE

## ECONOMICS AND GOVERNANCE

8  
LAVORO DIGNITOSO  
E CRESCITA  
ECONOMICA



**+ 45.7% ECONOMIC VALUE  
PRODUCED**

34.4 MLN €

**+11.5% ECONOMIC VALUE  
DISTRIBUTED TO EMPLOYEES**

**SALARIES AND EMPLOYEE  
BENEFITS**

6.391.840 MLN €

12  
CONSUMO E  
PRODUZIONE  
RESPONSABILI



### INTEGRATED QUALITY-ENVIRONMENT MANAGEMENT SYSTEM

Cofle Italia has an Integrated **Quality-Environment** Management System in compliance with UNI EN ISO 9001 and 14001 standards

The ISO 9001 certification ensures a tool for quality improvement by identifying and satisfying customer needs and increasing the effectiveness and efficiency of internal processes.

The ISO 14001 certification process stems from the need to use a valid tool to help integrate environmental issues into production strategies. In this way, the company reduces pollution risks, achieving a process of continuous and positive interaction with the environment.



## GOVERNANCE

# R&D/QUALITY

In addition to the usual equipment, COFLE's measurement laboratory is also equipped with a range of state-of-the-art equipment for carrying out 3D dimensional checks on the physical properties of materials and the resistance of surface treatments.



*"Quality means go beyond customer's expectations by continually improving. Quality is not by chance; instead the result of a continuous intelligent shared effort"*

SALT SPRAY  
CHAMBER

ENVIRONMENTAL  
TEST CHAMBER

EFFICIENCY  
MEASUREMENT

7 AXES 3D  
MEASUREMENT  
SYSTEM

TRACTION  
TEST

DURABILITY  
TESTING  
BENCH



## GOVERNANCE

# RESEARCH & DEVELOPMENT



## PROJECTS



- Mechatronics (OEM)
- Electronic sensors and controls (OEM)
- Integration of mechanical and electrical systems (OEM & AM)



OEM research and development is based on **co-engineering principles**: Cofle focuses its efforts on disrupting cutting-edge technologies to offer its OEM customers the most innovative solutions.

In a new project, Cofle's OEM R&D department collaborates directly with the customer's R&D department in a co-engineering procedure that ends with the sharing of 3D prototypes. In a re-sourcing tender, however, Cofle is subject to a test-market. If successful, the Group will undertake the next steps in the value chain.

Aftermarket research and development is based on **Reverse-Engineering** principles: Cofle focuses its efforts on staying up-to-date with the latest innovations introduced by car manufacturers.

Cofle's Aftermarket R&D department carries out a detailed analysis of the original product in order to understand its technical characteristics, the raw material used and the quality of the product. Given its vast experience, Cofle's R&D department is often able to provide updates and improvements on the original product.

Research & Development activities employ a total of 28 people between Italy and Turkey, and are carried out internally and externally.

In particular, Cofle Tk has a *Designed Centre* dedicated to the development of new products for the OEM market. ITG (Innovation Technology Group), a subsidiary of the Cofle Group, develops new ideas and technological solutions to create innovative, cutting-edge products for both business areas and the production process.

# ENVIRONMENT





## ENVIRONMENT

# ENVIRONMENTAL AWARENESS

Cofle's focus on the environment starts from considerations regarding the non-sustainability of the linear model of development and resource exploitation, and the need to contribute with its action to the gradual implementation of a circular economy designed to "self-regenerate": materials of biological origin are designed to re-enter the biosphere, and materials of technical origin are designed to circulate within a flow with minimal loss of quality. On the other hand, even from a business perspective, as Michael R. Porter argues, pollution is a form of economic waste, involving the unnecessary, inefficient or incomplete use of resources.

**Emissions** are often a sign of inefficiency and require an organization to perform activities that do not generate value, such as handling, storing and disposing of the waste produced.

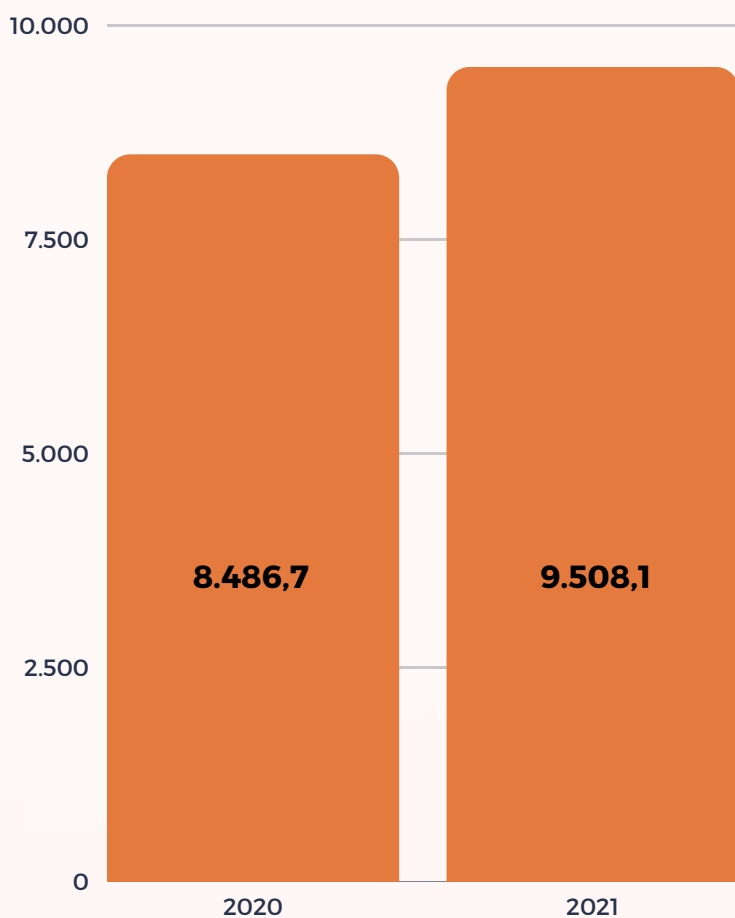
Cofle's **environmental awareness** has developed thanks to its ability to positively assess the "environment" factor and its fundamental role in the company's growth dynamics, as its deterioration can jeopardize the company's ability to compete, to stay on the market and even to operate. These considerations are supported by the fact that Cofle operates within the perimeter of the **Adda Nord Regional Park**.



## ENVIRONMENT

ENERGY CONSUMPTION AND  
RENEWABLE SOURCES

## TOTAL ENERGY CONSUMPTION [GJ]



COFLE S.p.A.'s overall energy consumption is largely derived from the consumption of electricity used by process machinery.

The production process is flanked by other auxiliary processes carried out in support, such as:

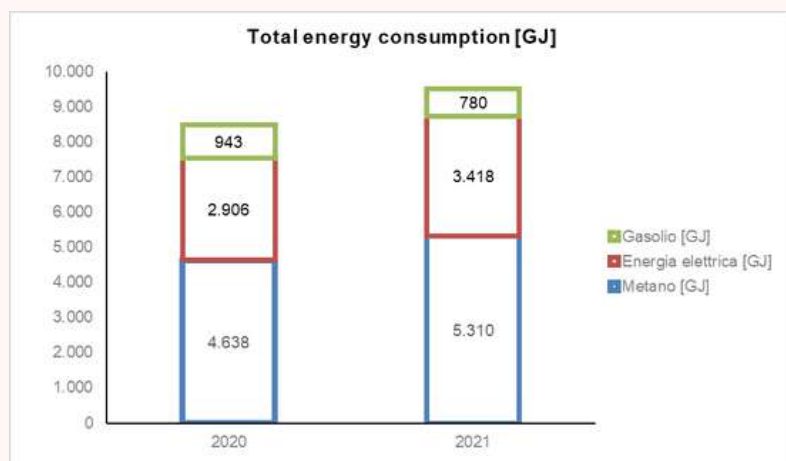
- compressed air: the compressors and compressed air system provide the air flow needed to operate the machinery and the sleeve cleaning system;
- extraction and filtration equipment: the emissions produced by the various stages of the production process require dedicated extraction and purification systems.

In addition to the main process and auxiliary ones, there are general plant utilities, i.e. systems that are not strictly connected to the production process but are functional to it.

The main general plant utilities are as follows.

:

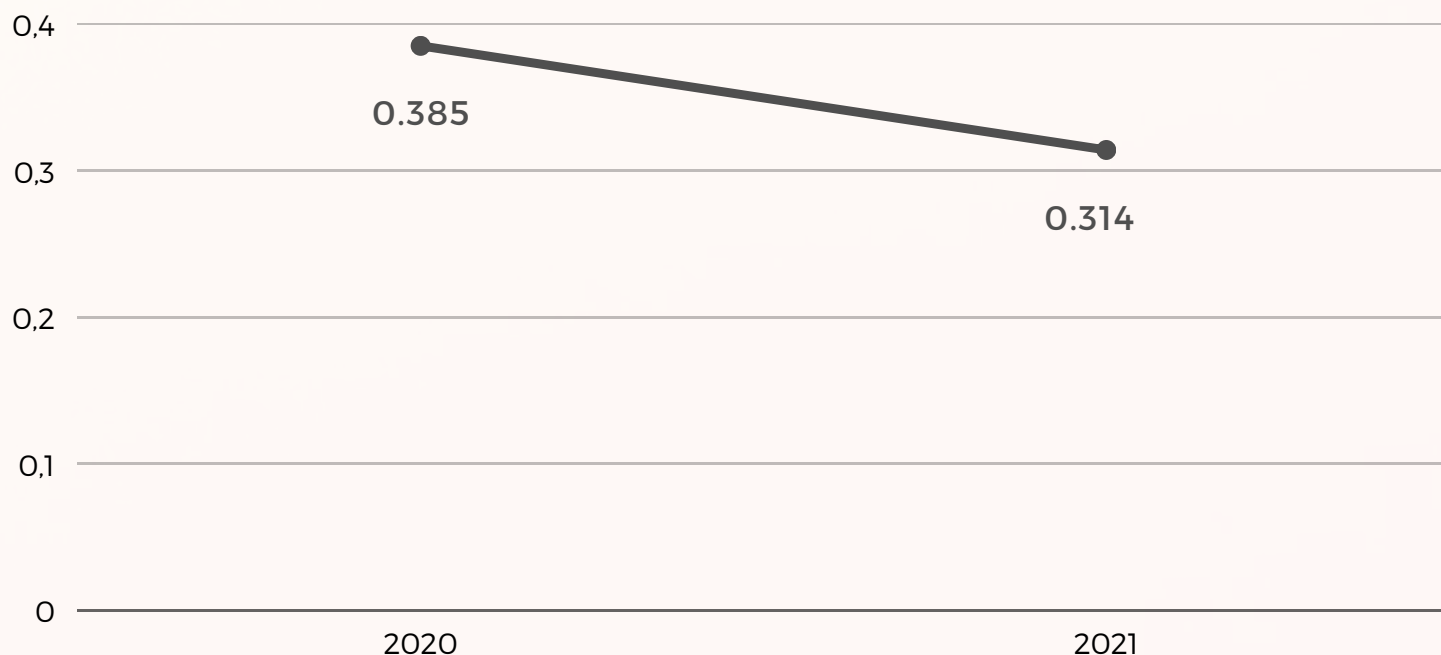
- air-conditioning: there is an air-conditioning system consisting of fossil-fuelled thermal and summer air-conditioning systems;
- lighting: the existing lighting system, which is present in all areas, is mainly composed of low-pressure sodium and neon type luminaires, installed in the halls where the production process takes place and in the office building;
- offices and changing rooms: this sub-area includes the utilities and related consumption inherent in these rooms such as: domestic hot water production, electrical equipment, etc.



## ENVIRONMENT

ENERGY CONSUMPTION AND  
RENEWABLE SOURCES

## ENERGY INTENSITY INDEX [GJ/M€]



## ENVIRONMENTAL HIGHLIGHTS

**-18.8%**

TOTAL ENERGY  
CONSUMPTION PER EURO OF  
REVENUE (2021 V. 2020)

The energy intensity index, calculated as total energy consumption per thousand euro of revenue, shows a decrease of 18.8%, compared to 2020, due to an increase in energy consumption (+12.0%) less than proportional to the increase in net revenue (+37.3%).

**44.7%**

POWER FROM RENEWABLE  
SOURCES  
[-29 TCO2E EMITTED]

Since 2016, the company has been equipped with a **solar photovoltaic system** that covered 10.5% of its electricity needs in 2021, compared to 9.6 per cent in 2020. This was the result of an increase in the plant's electricity production (+16.1%) and an increase in the share of self-consumption (+29.8%) compared to the energy sold to the national grid.

**10,5%**

ELECTRICITY NEEDS  
COVERED BY PHOTOVOLTAIC  
SYSTEM

## ENVIRONMENT

# RAW MATERIAL CONSUMPTION, RECYCLING AND REUSE

The raw materials needed by Cofle for its production process are metals - aluminium and zamak mainly - and plastics.



MATERIE PRIME E MATERIALI		2020	2021
<b>Aluminium [t]</b>		<b>44,06</b>	<b>100,57</b>
	% from recycling	95.8%	96.5%
	% raw material	5%	5%
<b>Zamak [t]</b>		<b>36,87</b>	<b>56,13</b>
	% from recycling	97%	97%
	% raw material	3%	3%
<b>Plastic [t]</b>		<b>84,31</b>	<b>152,66</b>
	% from recycling	0%	0%
	% raw material	100%	100%
<b>TOTAL RAW MATERIALS [t]</b>		<b>165,24</b>	<b>309,36</b>
	<b>% from recycling</b>	<b>47,2%</b>	<b>49%</b>
	<b>% raw material</b>	<b>52,8%</b>	<b>51%</b>

As confirmed by the foundries from which the company obtains its supplies, there is now an established commitment to increase the consumption of scrap and recycled materials out of the total raw material delivered to the furnace, with the following twofold advantage:

- a) valuing the contribution to material recovery and recycling;**
- b) contributing to the reduction of GHG emissions related to the non-extraction of raw materials**

The purchase of plastic material for the extrusion and filming process at the Trezzo sull'Adda site is made from local suppliers, resulting in a reduced logistical impact.

**96%**  
OF ALUMINIUM AND ZAMAK  
FROM RECYCLING  
[-385 tCO<sub>2</sub>e emitted]



## ENVIRONMENT

# WASTE MANAGEMENT

In waste management, COFLE's activities consist of collecting the waste produced and delivering it to authorized destination plants.

The waste produced is basically divided into two macro-categories: waste assimilated to municipal waste and special waste (hazardous and non-hazardous).

**Municipal waste** consists of dry and separate collections. Each employee is responsible for managing the waste produced in the course of his or her work. The waste produced is destined for recovery or disposal by the companies appointed by the territorially competent municipal administration; the dry municipal waste produced tends to be destined for energy recovery thermodestruction plants, while the differentiated waste are sent to specific recovery and recycling plants.

The **special waste** produced is deposited temporarily, i.e. pending transport and transfer to authorized environmental managers, in covered or uncovered areas depending on the type of waste and in accordance with the indications of Art. 183 of Legislative Decree No. 152/06.

The company adopts the time-quantity criterion, collecting and sending to recovery or disposal operations within a maximum of three months from the date the waste was generated.

Hazardous waste and waste characterized by "mirror entry" are subject to chemical and physical analysis, if necessary, or for proper coding, or if otherwise requested by the parties to whom the waste is delivered. Special waste is delivered, according to company procedures and regulatory requirements, to authorized transporters and handlers.

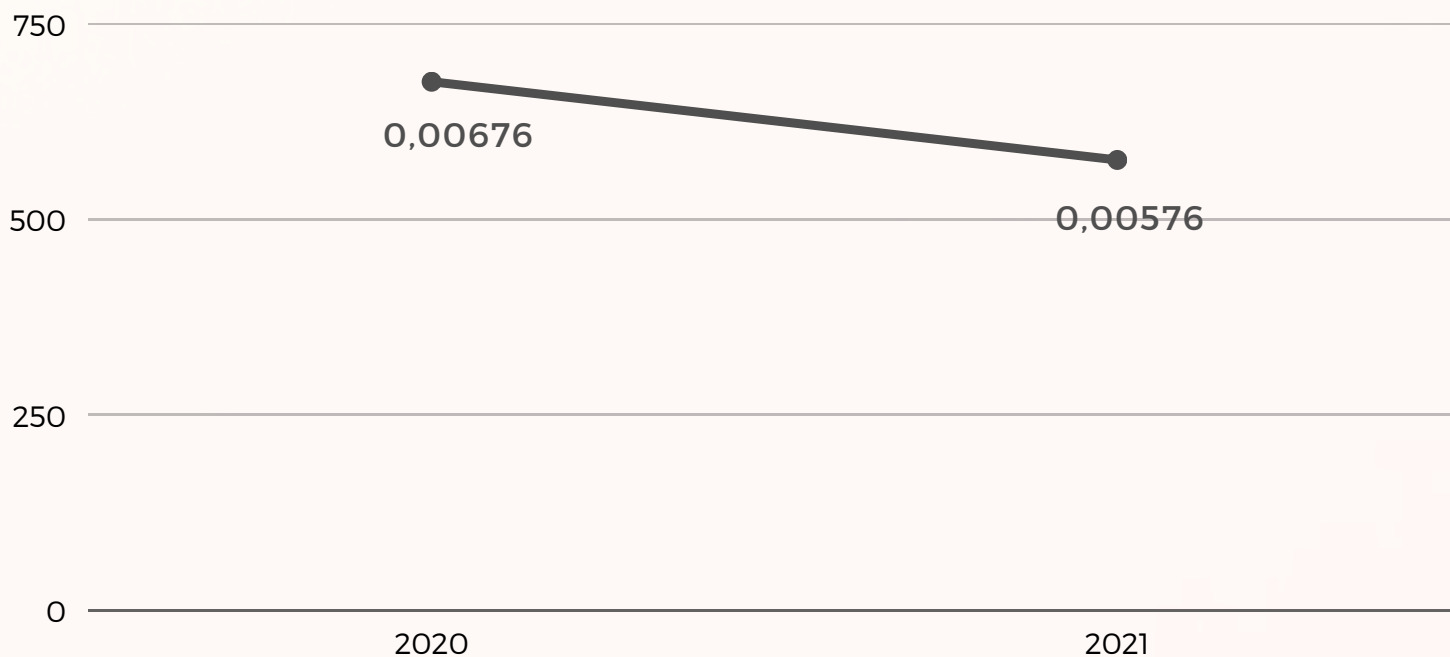
In the case of the delivery of hazardous waste subject to the ADR Agreement (*Agreement for transport of Dangerous goods by Road*), the Company guarantees the fulfilment of the obligations that the ADR itself provides for the shipper (labelling, packaging of goods and transport document).



## ENVIRONMENT

## WASTE MANAGEMENT

**TONNES OF WASTE PER THOUSAND EURO OF REVENUE T/M€**



The indicator tonnes of waste per thousand of revenue decreased by 14.8% in 2021, which, like the other indicators, was also caused by the more than proportional increase in net revenue.

**- 14,8% % TOTAL WASTE PRODUCED PER EURO OF REVENUE**  
(2021 VS. 2020)

**99.3% WASTE DESTINED FOR RECYCLING**  
2021

**40% AVERAGE RECYCLED COMPONENT IN WOOD AND CARDBOARD PACKAGING [-53 tCO2e emitted]**  
(2021 VS. 2020)

**0.8% HAZARDOUS WASTE**  
2021

## ENVIRONMENT

## GREENHOUSE GAS EMISSIONS



Cofle is not subject to the provisions of Directive 2003/87/EC relating to the emissions market, better known as the Emission Trading System (EU ETS). Despite this, Cofle monitors its direct and indirect greenhouse gas emissions according to the **Greenhouse Gas Protocol** by distinguishing emissions into categories or Scopes:

- **Scope 1:** emissions from sources owned and controlled by the organization due to heat production and due to fugitive emissions of climate-changing gases;
- **Scope 2:** Indirect emissions from the production of electricity consumed by the organization and taken from the grid;
- **Scope 3:** Other indirect emissions. This category includes other sources that are not under the direct control of the company, but whose emissions are indirectly due to company activity. Cofle included in this category the emissions from the main consumption of raw materials and materials, packaging and fuels used (extraction and transport), disposal of waste produced and water consumption (withdrawal).



GREENHOUSE GAS EMISSIONS			
		2020	2021
<b>Scope 1</b>			
Emissions from thermal plants for methane combustion	tCO2e	266.8	305.7
Emissions from thermal plants for diesel combustion	tCO2e	47.6	31.7
<b>Total Scope 1 emissions</b>	<b>tCO2e</b>	<b>314.4</b>	<b>337.4</b>
<b>Scope 2</b>			
Emissions for electricity consumption from the grid - location based	tCO2e	211.7	246.2
Emissions for electricity consumption from the grid - market based	tCO2e	304.2	343.6
<b>Total Scope 2 emissions - location based</b>	<b>tCO2e</b>	<b>211.7</b>	<b>246.2</b>
<b>Scope 3</b>			
Metals and alloys	tCO2e	139.0	258.6
Plastic	tCO2e	262.7	475.7
<b>RAW MATERIALS</b>	<b>tCO2e</b>	<b>401.7</b>	<b>734.4</b>
Wood packaging	tCO2e	1.0	34.4
Plastic packaging	tCO2e	182.5	226.7
Cardboard packaging	tCO2e	66.0	82.7
<b>PACKAGING</b>	<b>tCO2e</b>	<b>249.5</b>	<b>343.8</b>
Methane	tCO2e	34.5	52.1
Diesel	tCO2e	14.5	12.0
<b>FUELS USED - extraction and transport</b>	<b>tCO2e</b>	<b>49.0</b>	<b>64.0</b>
Waste Disposal	tCO2e	0.8	0.6
Recovered waste	tCO2e	3.1	3.7
<b>WASTE PRODUCED - disposed of and recovered</b>	<b>tCO2e</b>	<b>3.9</b>	<b>4.2</b>
Water taken from the aqueduct	tCO2e	1.5	1.0
<b>WATER CONSUMPTION - withdrawal from aqueduct</b>	<b>tCO2e</b>	<b>1.5</b>	<b>1.0</b>
<b>Total Scope 3 emissions</b>	<b>tCO2e</b>	<b>705.7</b>	<b>1,147.5</b>
<b>Total Scope 1+Scope2</b>	<b>tCO2e</b>	<b>526.1</b>	<b>583.6</b>
<b>Total Scope 1+Scope2 + Scope 3</b>	<b>tCO2e</b>	<b>1,231.8</b>	<b>1,731.1</b>

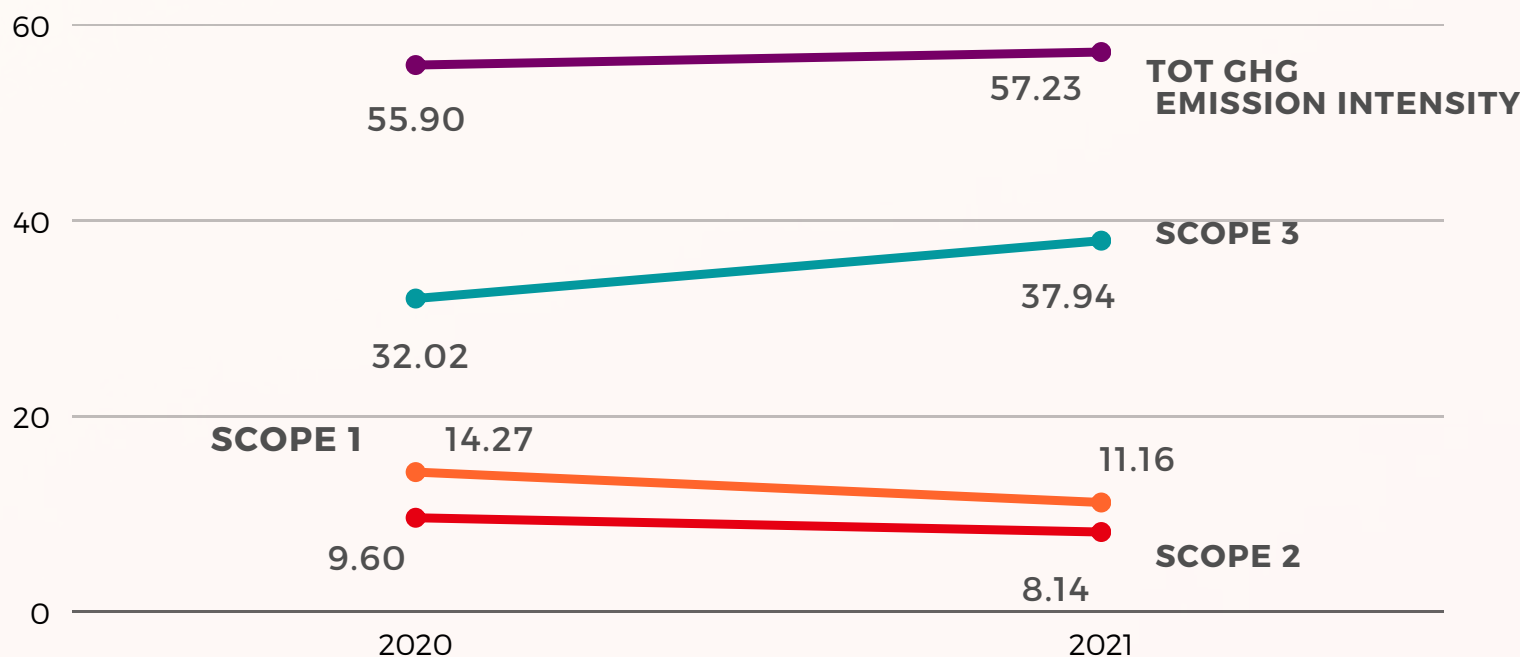
## TOTAL 2021 EMISSIONS

- tCO2e **Scope 1:** 337,4
- tCO2e **Scope 2:** 246,2
- tCO2e **Scope 3:** 1.147,5



## ENVIRONMENT

## GREENHOUSE GAS EMISSIONS


**GHG EMISSION INTENSITY  
(tCO<sub>2</sub>e/mln revenues)**


In 2021, total greenhouse gas emissions amount to 1,731.1 tCO<sub>2</sub>e and are mainly determined by indirect Scope 3 emissions, which account for 70.1% of total emissions

The increase in Scope 3 emissions compared to 2020 is caused by increased consumption of raw materials and materials, packaging and fuels used.

The increase in indirect Scope 2 emissions is due to the increase in electricity taken from the grid, while the increase in Scope 1 emissions is due to the increase in methane combustion for heat production.

Greenhouse gas emission intensity indices - calculated as tonnes of CO<sub>2</sub>e per million revenues - show a reduction in Scope 1 and 2 emissions while confirming an increase in Scope 3 emissions.

The overall intensity index remains broadly stable.

**-19,9% DIRECT AND INDIRECT EMISSIONS  
(SCOPE 1 AND 2) OF GREENHOUSE GASES  
PER EURO OF REVENUE**

(2021 VS. 2020)

# SOCIAL





## SOCIAL

# OUR PEOPLE

**Fairness, transparency, integrity** and **loyalty** in the management of human relations inside and outside the company, along with the health and safety of workers, are fundamental values of Cofle Spa: pillars that are concretely translated in the Code of Ethics and in people's actions.

Values that were even more fundamental in 2020, during the pandemic crisis, which produced significant social and economic impacts by placing greater emphasis on the value of employment, a determining factor for Cofle Spa, which sees in people a fundamental capital for its economic, social and environmental sustainability. In fact, the maintenance of adequate employment levels, coupled with the supervision of skills and the health and safety of workers, is central to the pursuit of Cofle Spa's strategies, which is why it is actively committed to improving the working conditions of its workers.

Furthermore, employee involvement and participation are considered essential for teamwork and developing a strong corporate culture. This approach includes the WCM path, launched in 2019, aimed at worker participation in continuous improvement with regard to all activities and actions in respect of health and safety in the workplace.



## SOCIAL

# STAFF COMPOSITION & RECRUITMENT



## COMPOSITION

- Average age: 47 years
- Average seniority: 16 years
- 69% blue-collar employees
- 27,5% white-collar employees
- 3,5% middle managers



Maintaining the **level of employment** is a fundamental pillar that, in the reporting years from 2020 to the present, is confirmed by the slight increase in the number of employees from 141 to 142 at the end of 2021. Women accounted for 41.5% of the company population, with a percentage increase of female labourers.

The breakdown in terms of occupational category and age group has kept the percentages virtually unchanged over the three reporting years. The smallest population in the company is young people under 30, and the average age of employees at Cofle Spa is 47 years, with an average seniority of 16 years.

Although Cofle Spa does not have a specific personnel selection policy, it manages the company's low level of turnover regularly and promptly, ensuring that the process of searching for and selecting people is based on principles of fairness and transparency. Cofle Spa proceeds to search for candidates outside the company only after verifying that there are no potential internal candidates with profiles consistent with the position to be filled, so as to allow internal growth, to the benefit of workers and the company.

Finally, the company periodically offers its availability to host university students in internships or "school-work" alternation (now PCTO).

In addition, the company did not make use of any form of collective or individual dismissal.

### 5% TERMINATION RATE

\*TERMINATION RATES ARE CALCULATED AS THE RATIO OF THE NO. OF EMPLOYEES TERMINATED DURING THE YEAR TO THE NO. OF EMPLOYEES AT THE BEGINNING OF THE YEAR

## SOCIAL

# STAFF COMPOSITION & RECRUITMENT



## 41.5%

WOMEN IN THE  
COMPANY

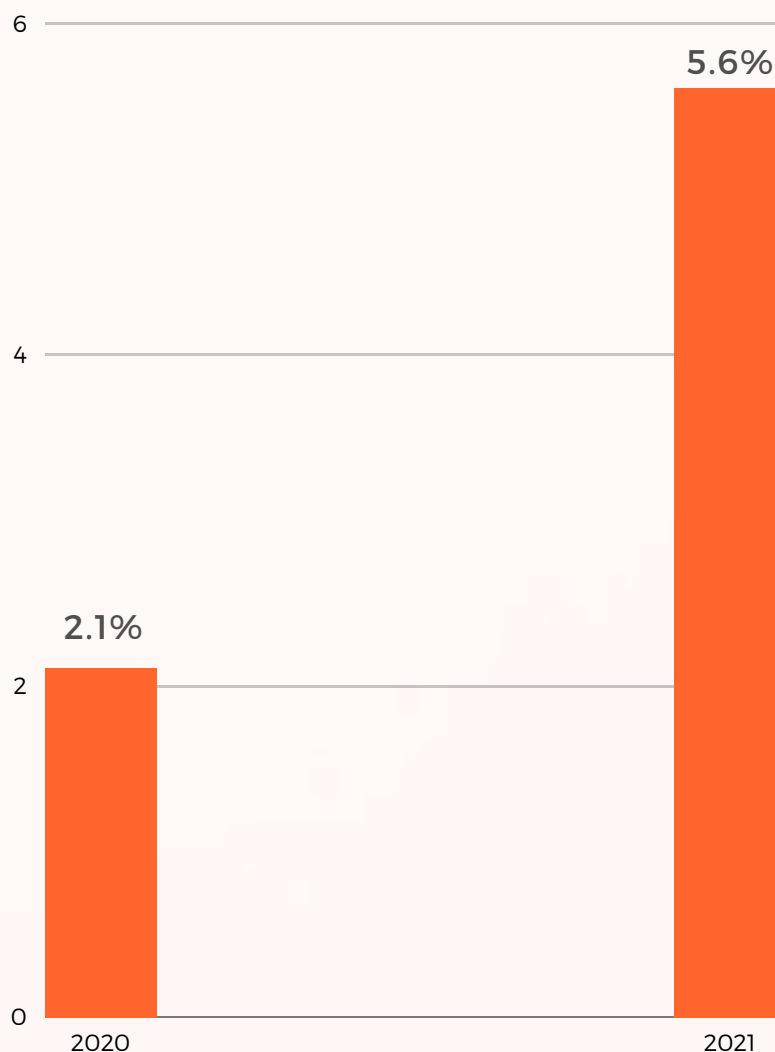
## 100%

EMPLOYEES HIRED  
ON OPEN-ENDED  
CONTRACTS

EXCLUDING WORKERS EMPLOYED THROUGH STAFFING AGENCIES

## 50%

RECRUITMENT AGE  
< 30



### RECRUITMENT RATE

HIRING RATES ARE CALCULATED AS THE RATIO BETWEEN NO. OF EMPLOYEES HIRED DURING THE YEAR AND NO. OF EMPLOYEES AT THE BEGINNING OF THE YEAR

*"It is also possible to remain competitive by hiring young people who can learn the Cofle values and improve them with their vision of the future. The combination of experience and resourcefulness produces the added value needed for sustainable growth."*

## SOCIAL



# EMPLOYEE WELFARE & EQUAL OPPORTUNITIES



## 61,4 %

EMPLOYEES WHO HAVE USED SMARTWORKING OUT OF THE TOTAL

Annual performance bonus paid to all workers

Welfare. Possibility to exchange the prize for services: gym, theatre, health checkup, etc

Remote work for managerial and clerical staff was initially introduced as a form of protection against the spread of the COVID-19 SARS virus, starting in 2020, but which continued afterwards, even after the acute phase was over, as a smart and useful organizational form for a better balance of professional and personal activities; it is still alternated with face-to-face work, authorized for those who request it; in this way, it has been possible to guarantee continuity of activities and, at the same time, to accommodate the different needs of Cofle Spa staff.

Production people, on the other hand, had to and must maintain the presence mode of work, with procedures and means of protection adapted to the different operating situations.

BASIC SALARY RATIO WOMEN/MEN BY CATEGORY	2020	2021
MIDDLE MANAGERS	0,85	0,90
WHITE-COLLAR EMPLOYEES	0,95	0,95
BLUE-COLLAR EMPLOYEES	0,95	0,95

The Code of Ethics recalls that Cofle Spa pursues the respect of the principle of equal opportunities in the working environment, without distinction of gender, marital status, sexual orientation, religious faith, political and trade union opinions, skin colour, ethnic origin, nationality, age, or condition of different abilities.



## SOCIAL

# SOLIDARITY



*"Benedetto worked with us for over 30 years, we could not turn our backs on him in his time of need."*

Cofle Spa, confirming the importance it attaches to people and to the participation of workers in professional relational life, has protected, in compliance with the law and contractual regulations, a worker on prolonged sick leave who, after having worked for the company for more than 30 years, was faced with an illness that prevented him from continuing his work. On the initiative of his colleagues and in cooperation with the company and the unions, a solidarity hours bank was set up to prevent him from losing his full pension coverage. In a very short time, the combination of the hours collected among colleagues and the supplement guaranteed by the company for the missing quota, will allow the worker to reach his planned retirement in February 2023 with complete peace of mind.



## SOCIAL

# HEALTH AND SAFETY AT WORK

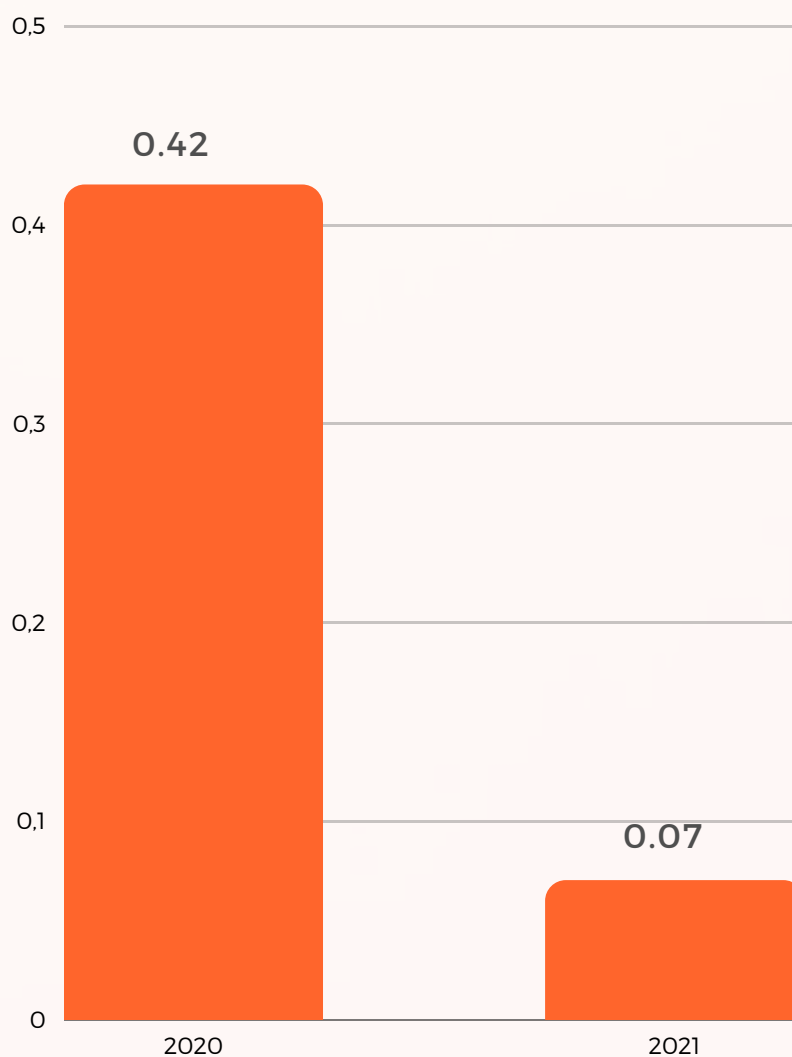


Occupational health and safety at Cofle Spa is managed in accordance with the provisions of Legislative Decree 81/08 and the current body of legislation, without having implemented a specific management system.

The company's main objective in this area is to avoid accidents, injuries and occupational diseases, aiming for the **continuous reduction of health and safety risks** for workers and those who have access to the company.

In accordance with the regulations in force, risks are assessed by the employer in collaboration with the Prevention and Protection Service Manager; the Risk Assessment Document is then submitted to the Competent Doctor, who proposes any changes and additions deemed necessary within his/her competence. The evaluation procedure and risk management elements can be summarized as follows:

1. Defining the occupational risk assessment programme with a choice of orientation: geographical/ functional/ process/ flow
2. Gathering information (environment/ tasks/ previous experiences)
3. Identifying hazards and persons exposed to risks
4. Classifying risks to workers' health and safety
5. Assessing risks according to the established method
6. Studying the possibility of eliminating or reducing risks
7. Establishing a list of priority actions and deciding on appropriate control measures
8. Putting control measures in place
9. Recording of Evaluations
10. Measuring effectiveness
11. Revision (if there are changes, or at regular intervals)
12. Monitoring the risk assessment programme.



## ACCIDENT SEVERITY INDEX

(CASES PER 1,000 H WORKED)

## ONLY ONE WORK ACCIDENT RECORDED IN 2021

0.04% SEVERITY INDEX

## SOCIAL

# TRAINING AND CAREER DEVELOPMENT

To ensure continuity of employment, Cofle Spa monitors the skills of its workers and plans their training annually, promoting lifelong learning opportunities for all.

TRAINING HOURS	2020			2021		
	Men	Women	AVERAGE HOURS BY CATEGORY	Men	Women	AVERAGE HOURS BY CATEGORY
MIDDLE MANAGERS	24	12	18	9	-	4,5
WHITE-COLLAR EMPLOYEES	135	92	113,5	110	19	64,5
BLUE-COLLAR EMPLOYEES	179	51	115	216	144	180
<b>TOTAL HOURS BY GENDER</b>	<b>338</b>	<b>155</b>	<b>246</b>	<b>335</b>	<b>163</b>	<b>249</b>

**175 HOURS OF HEALTH AND SAFETY TRAINING**



Cofle Spa manages employee performance appraisal through an advanced job description system in which not only roles and responsibilities are defined, but also, through a competence matrix, business processes are identified for each role and the corresponding level for each employee. This process, called **Skill Matrix**, involves an update twice a year, carried out, in the first instance, by the manager concerned, after hearing the direct reports.



## SOCIAL

# ETHICAL SUPPLY CHAIN MANAGEMENT

Cofle Spa considers sustainability to be a key element of the company's values and an integral part of its business strategy, including along the supply chain, which is considered an integral part of the sustainability process, since the goods and services purchased impact on the quality of services offered and the company's reputation. Cofle Spa, which has always been committed to being socially responsible, ethical and attentive to its impacts on the environment and communities, is also committed to monitoring and reducing indirect environmental and social impacts, through the **adoption of supply chain selection and control policies**.

Consistently with the values of the company's Code of Ethics, Cofle Spa therefore adopts a supplier selection and evaluation process that also includes sustainability issues, in order to broaden the involvement of suppliers in the sustainable development approach.

All suppliers involved in Cofle Spa's supply chain are required to scrupulously comply with the provisions of the rules, the Code of Ethics, the Code of Conduct, the forthcoming Model 231 and company procedures, with particular reference to the transparency and traceability of operations and the confidentiality of information they become aware of.



# SUPPLIER EVALUATION

	2020	2021
% suppliers assessed by sustainability criteria	100%	100%
Possession of certifications (% of total)	90%	90%
Suppliers audited (% of total)	0% because of covid	5%
Suppliers whose relationships were terminated as a result of audits and the reasons for this (% of total)	0	0

Supplier selection involves the purchasing and quality departments, the former choosing suppliers on the basis of traditional criteria such as commercial and production requirements, the latter assessing the quality of the product supplied. In addition, each supplier is asked to accept the Supplier Code of Conduct as well as to complete a self-assessment questionnaire on ethical, environmental and quality issues (ISO certifications)

The evaluation criteria are different: the purchasing department's evaluation is mainly based on three macro-areas: economic, product, service, while that of the quality department is based on the answers in the self-assessment questionnaire and on product non-conformities.

Cofle requests that the self-assessment form be updated every two years. The self-assessment generates a score which assigns a class to the supplier. Qualified suppliers are then monitored to ensure that they maintain the requirements over time. In order to monitor suppliers' commitment to sustainability issues, Cofle itself also conducts audits of selected suppliers each year to verify the actual correspondence of the scores obtained in the assessments described above.

**100% SUPPLIERS ASSESSED WITH SUSTAINABILITY CRITERIA**

**90% IN POSSESSION OF CERTIFICATIONS**

## SOCIAL



# SUSTAINABILITY FOR LOCAL AREAS

## PROJECTS

- MLFM
- FAI
- LILT
- GREEN BUILDING



Cofle's activities have a positive impact on the areas in which its offices operate. Most of the employees recruited at the Italian *plants* live in the vicinity of the Group's two sites.

Cofle's CSR actions are aimed at developing the conditions of the people working in the company, the local communities and the projects in the international arena in which we are involved.

In this direction, we have undertaken numerous sustainability projects by partnerships with local socio-cultural and environmental strengthening associations.



## SOCIAL

17 PARTNERSHIP  
PER GLI OBIETTIVI

## CSR ACTIONS



### Italian Environmental Fund (FAI)

Participation in the Corporate Golden Donor programme.

Supporting FAI in safeguarding and enhancing Italy's artistic and natural heritage.

Opportunity for employees and contractors of the company to sign up, personally or with their families, at privileged conditions, thus taking advantage of the many benefits that the membership card provides throughout the year.



### Fight Against World Hunger Movement (MLFM)

We helped MLFM in the difficult process of converting the former Muhura orphanage in Rwanda to a primary school. Specifically, work was done to renovate the spaces to make them suitable for students and teachers.

#### Gatsibo Aqueduct Project

Gacange's pipelines reach a length of 44,000 metres, circulating water from the two new 75,000-litre cisterns on top of the hill to other smaller reservoirs in the area. This allows more than 25,000 people to finally have access to clean water and electricity.



### Italian League for the Fight against Cancer

Construction of a new multifunctional centre that will become a reference point for cancer prevention in the Monza Brianza area.

Cofle adopted one of the two patient care rooms, an important service that will be offered in the new outpatient clinic, along with prevention and early diagnosis.












### Green Building

The new building, constructed entirely in green building and with a low energy impact, houses the canteen, infirmary, changing rooms and a multi-purpose room that can be used as a training room or relaxation area during work breaks.

COFLE

# FUTURE COMMITMENTS

ASPECT	COMMITMENT	TARGET	SDG
<b>RAW MATERIALS. RECYCLED MATERIALS, REUSABLE PRODUCTS</b>	Study of new packaging to replace the use of plastic for all AM customers	2023	
<b>ENERGY USE FROM RENEWABLE SOURCES</b>	<ul style="list-style-type: none"> <li>Feasibility study for geothermal plant installation</li> <li>100% Renewable Energy</li> </ul>	2023-2024	
<b>FIGHT AGAINST CLIMATE CHANGE</b>	Purchase of GO certificates to increase the share of electricity from renewable sources	2023	
<b>FIGHT AGAINST CLIMATE CHANGE</b>	Scope 3 greenhouse gas emission inventory and redefinition of reporting perimeter	2023	
<b>DIVERSITY PROTECTION AND NON-DISCRIMINATION</b>	Increase in the share of female presence in the company	2023	
<b>EMPLOYEE WELFARE</b>	Start of the prevention project with free medical visits for employees in collaboration with LILT (Italian League for the Fight against Cancer)	2023	
<b>ETHICS AND INTEGRITY IN BUSINESS</b>	Adoption of the Organizational Model of Management and Control D.Lgs. 231/01	2023	
<b>ETHICS AND INTEGRITY IN BUSINESS</b>	Study and inclusion of ESG goals in the remuneration systems of Managers	2023-24	
<b>ETHICS AND INTEGRITY IN BUSINESS</b>	Progressive enlargement of the scope of sustainability reporting to cover the sustainability reporting to cover the fully consolidated Group.	2023-24	

## APPENDIX

# METHODOLOGICAL NOTE- GRI CONTENT INDEX

You can find the methodological note and the GRI Content Index in the extended version, downloadable from our website [www.cofle.com](http://www.cofle.com).





*" Thanks to all the people involved, without whose help it would not have been possible to reach and report the results achieved; from Cofle employees, to our customers and suppliers, partners and shareholders who support and share our ambitions for sustainable growth."*

Rely on good hands



*Dedicated to Shiva*



Rely on good hands



Control Cables & Systems