



EUROSWITCH
excellence in sensors

ESG ASSESSMENT: RESULTS

year 2024



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EUROSWITCH ESG

WORK PERFORMED

Creation and definition of a set of indicators related to ESG (Environment, Social, and Governance) topics.

Data processing and baseline definition.

Identification of strengths and critical issues (areas for improvement).



EUROSWITCH ESG

WORK PERFORMED

Notes on the work performed:

Data collection pertained to Euroswitch for the year 2024.

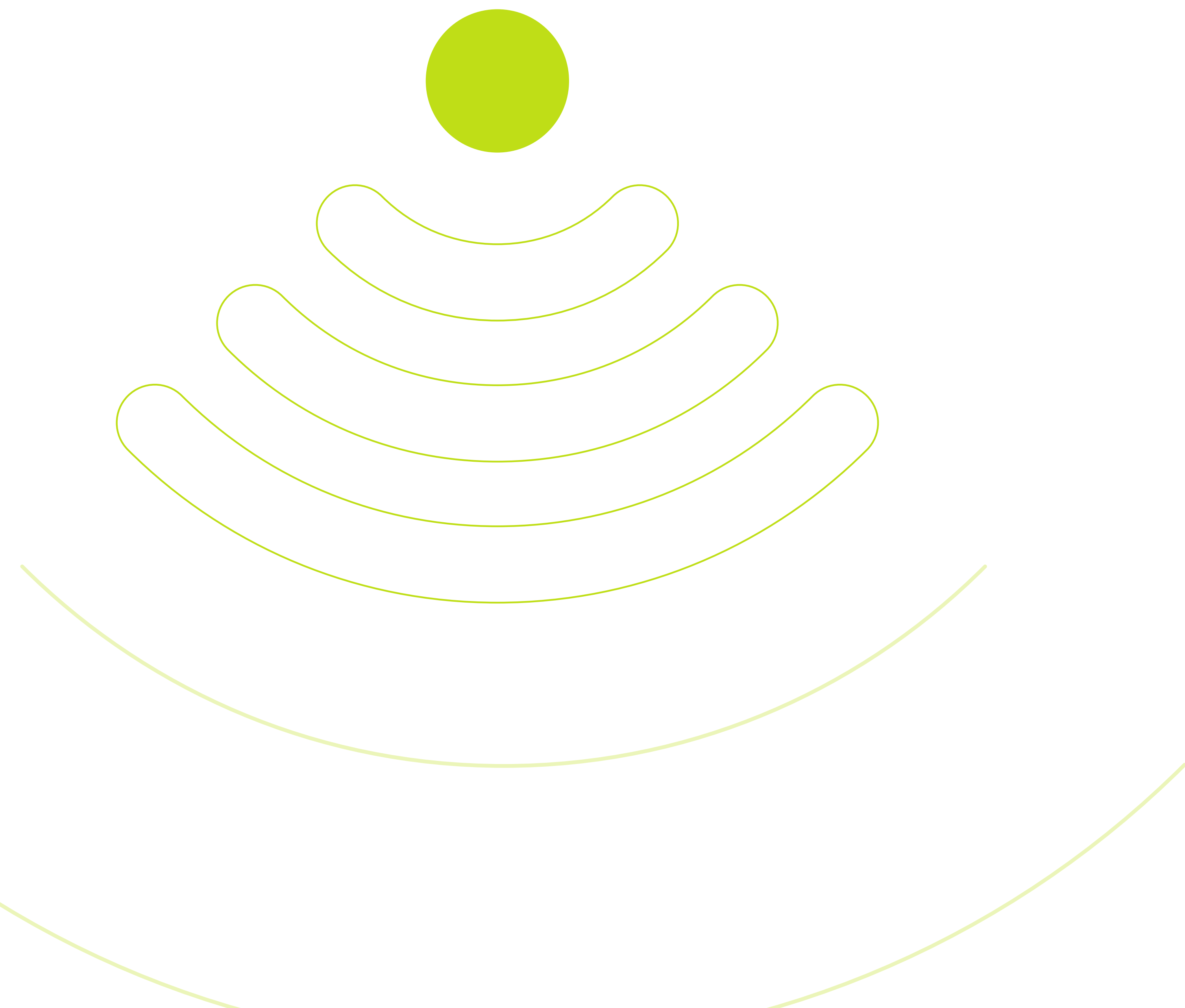
In some cases, to reconstruct a trend, data from 2022 and 2023 (or previous years) was also collected.

In no case was the year 2025 considered (as it is still in progress).

RESULTS

ENVIRONMENT, SOCIAL AND GOVERNANCE SPHERE

identification of strengths and areas for improvement



01

ENVIRONMENT



Environment



) **ENERGY**

(**EMISSIONS**

) **WASTE**

(**MATERIALS**

) **WATER RESOURCE**

ENERGY

The company has low consumption due to the nature of its activities. There was a slight increase in specific consumption (+1%) compared to 2023.

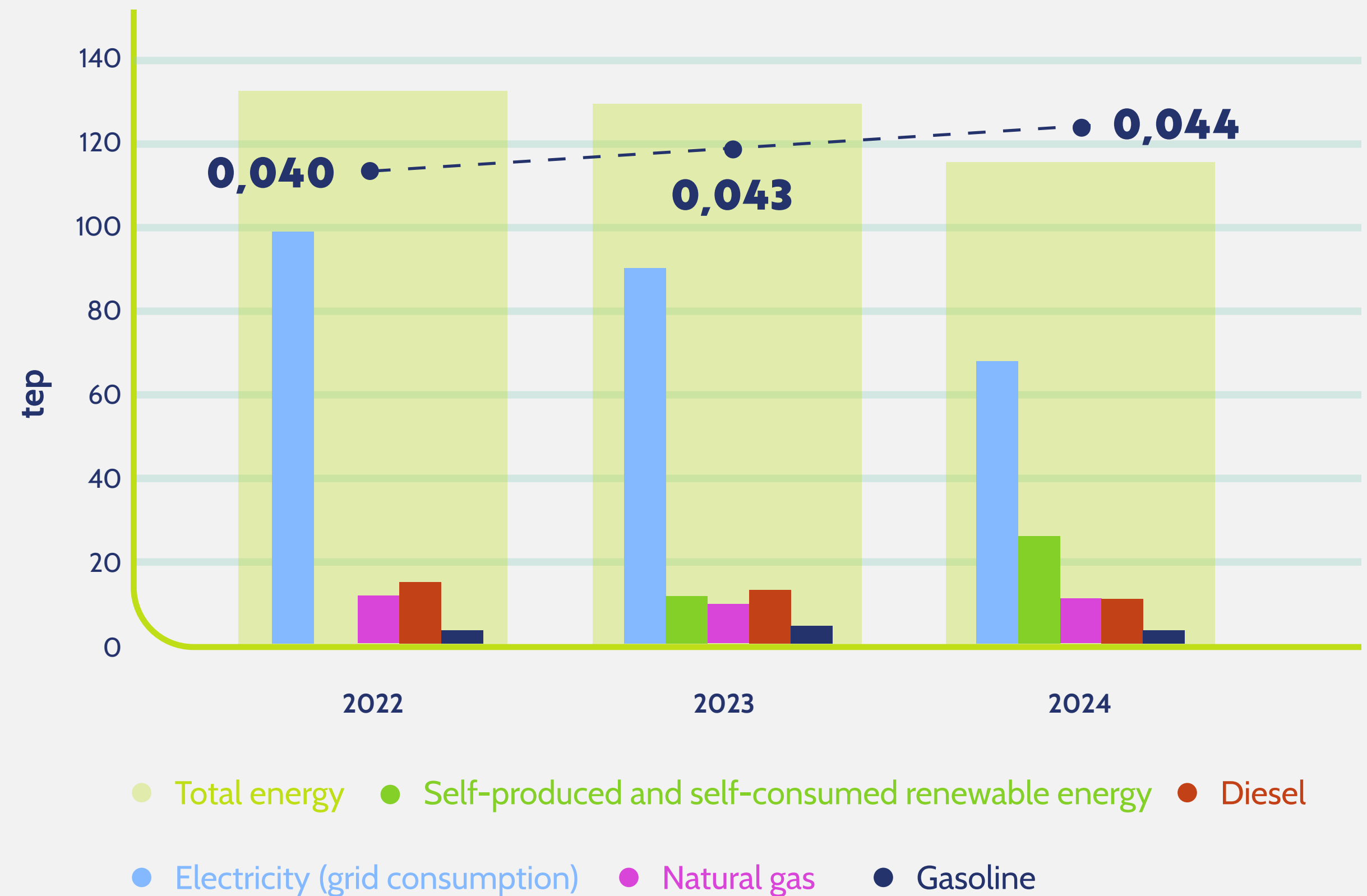
Strengths

- Self-production and self-consumption from a photovoltaic system: in 2024, 175.8 MWh were produced and 126.5 MWh were consumed (20% of total energy consumption).

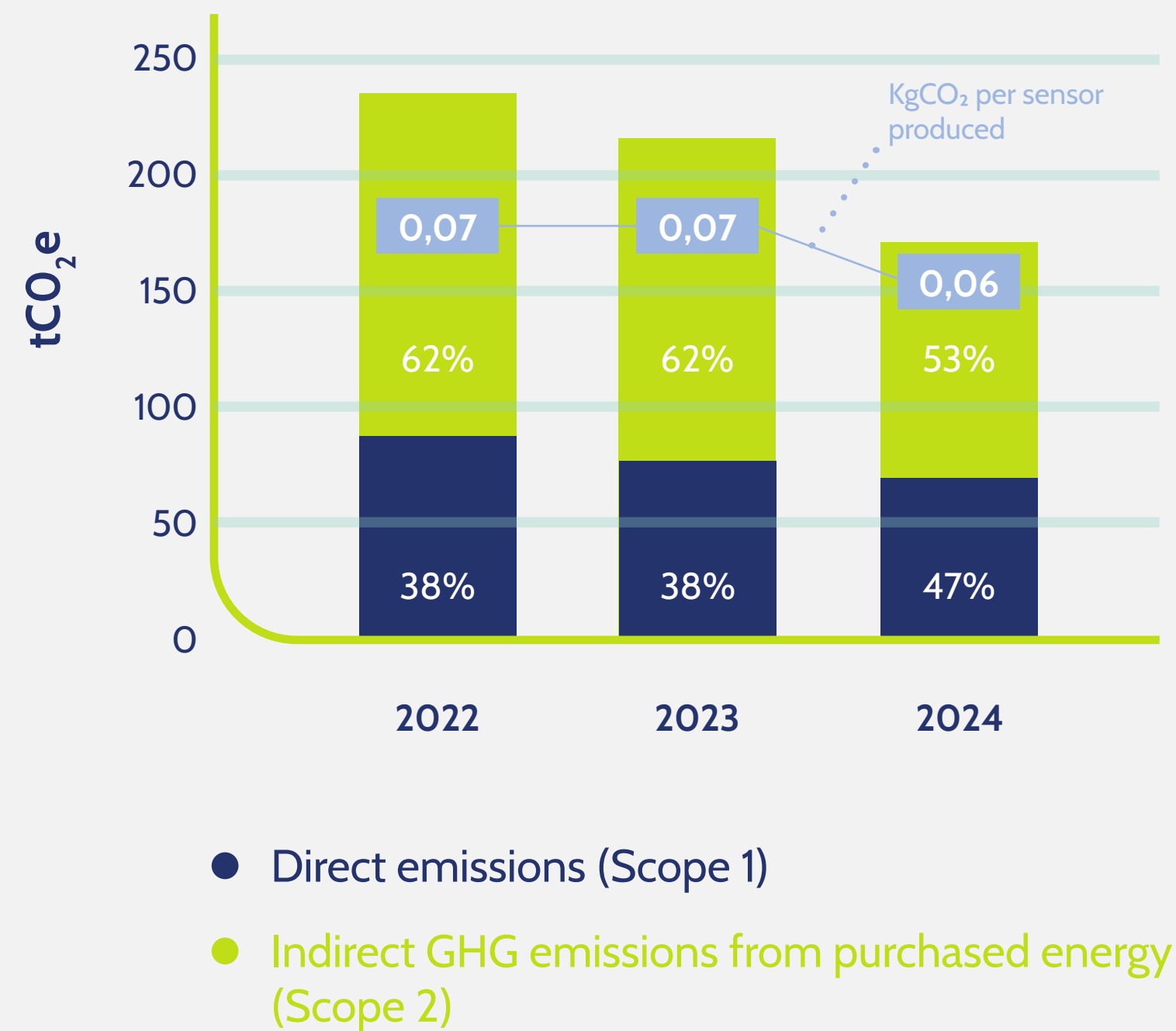
Areas for improvement

- Evaluation of further efficiency measures and increasingly structured monitoring of consumption.

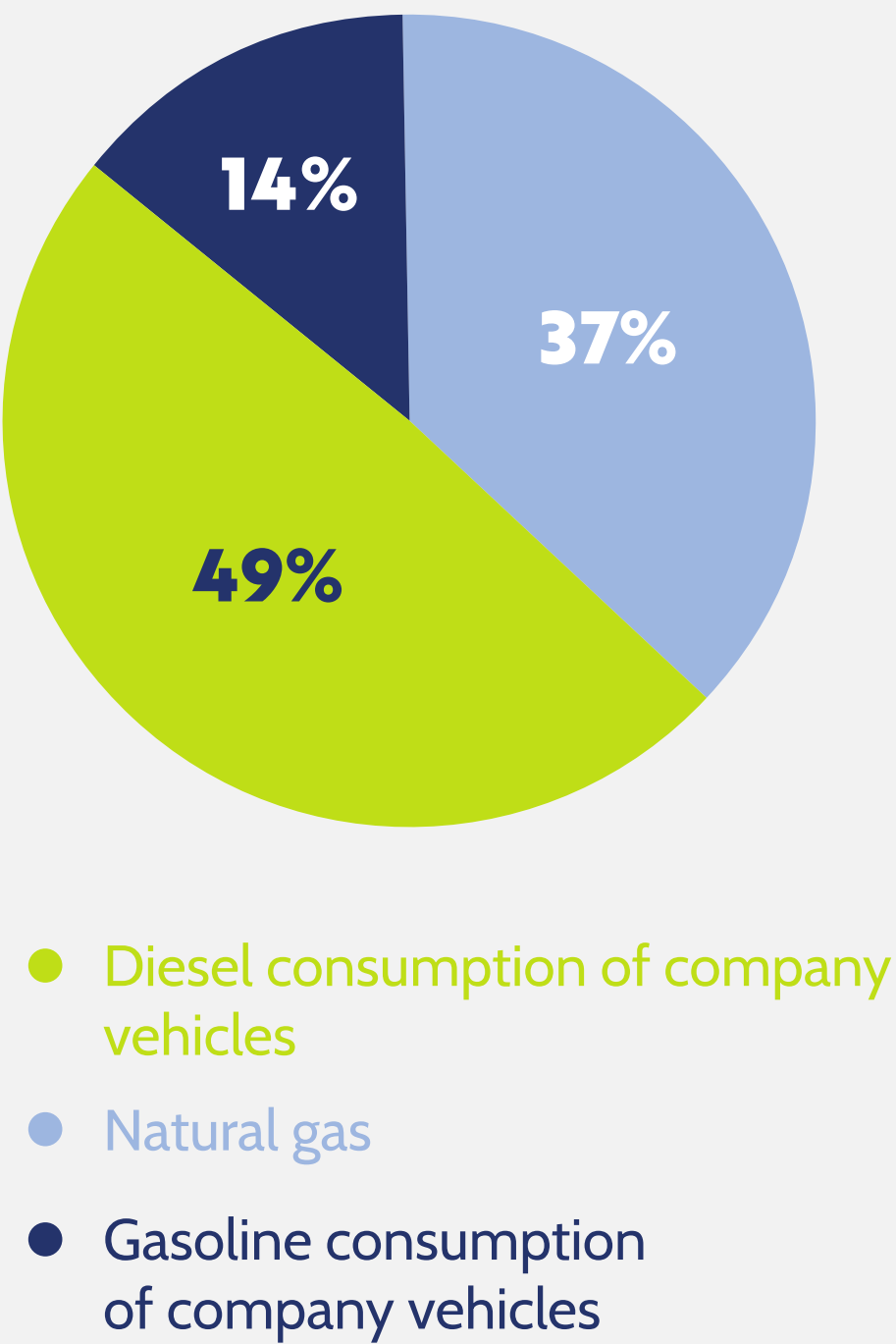
TOTAL ENERGY CONSUMPTION



GHG EMISSIONS SCOPE 1 AND 2



DIRECT EMISSIONS '24



GREENHOUSE GAS EMISSIONS

Strengths

- **Self-consumption** of electricity from the photovoltaic system (with an emission value considered to be 0).
- **Purchase of Guarantees of Origin** for 50% of the electricity drawn from the grid.

Areas for improvement

- Increase the percentage of electricity consumption covered by **Guarantees of Origin**: 75% of electricity drawn in 2025 and 100% in 2026.
- Evaluate the calculation of the **organization's carbon footprint** to monitor Scope 3 emissions.

WASTE

Total waste production decreased in 2024 compared to 2023, but the specific indicator of production increased.

Strengths

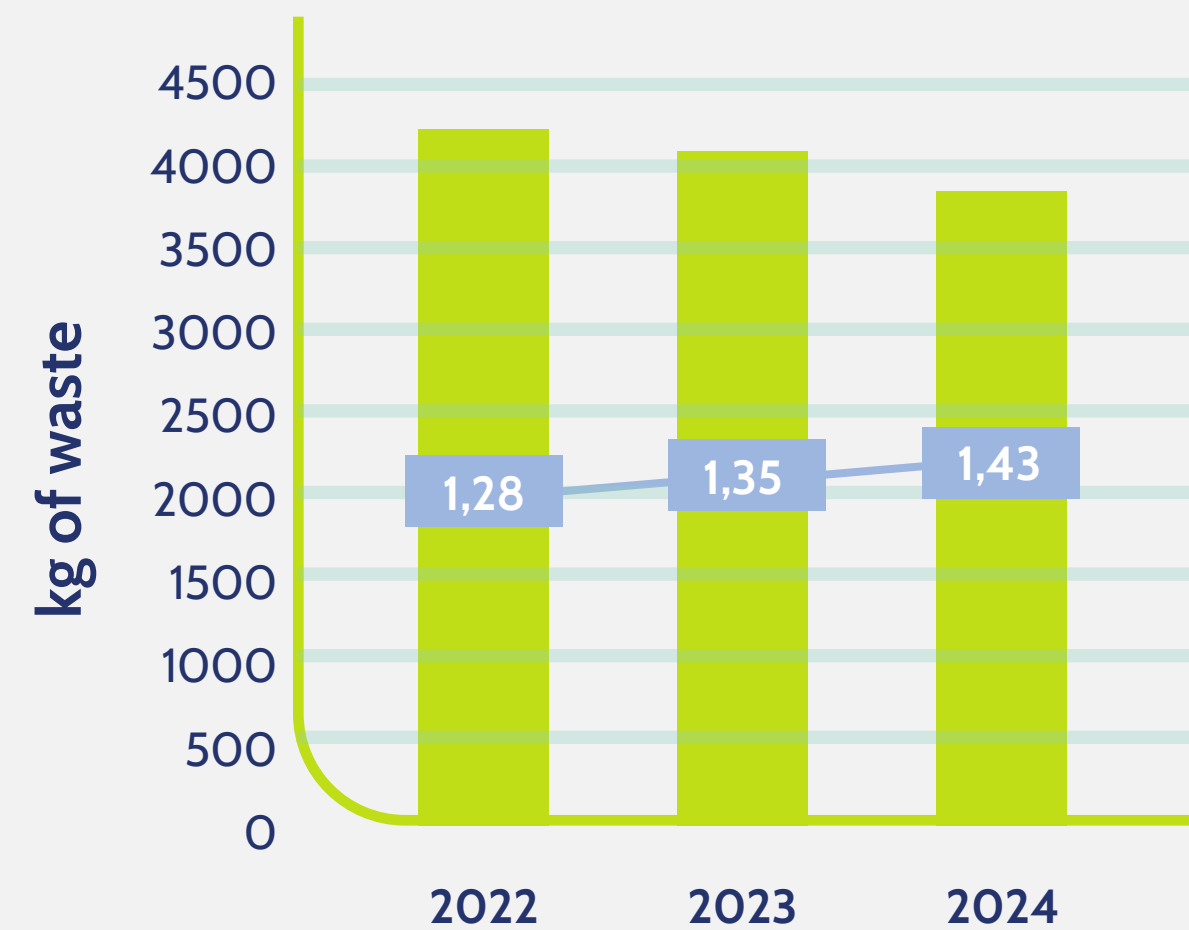
- 100% of waste is sent for recovery.

Areas for improvement

- Investigate the feasibility of monitoring actual recovery, through internal or external recovery and other product circularity strategies, focusing especially on **Critical Raw Materials***.

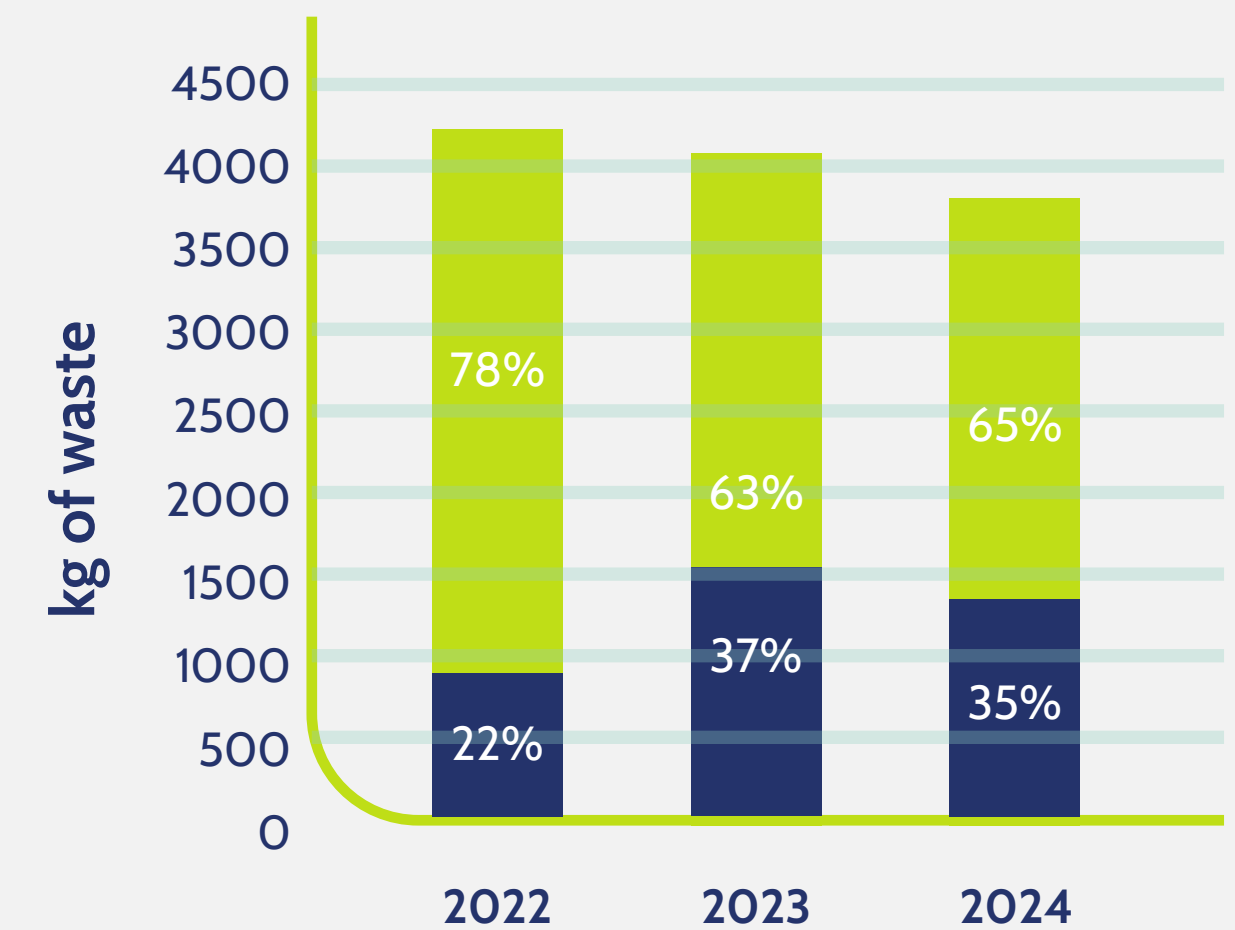
*Critical raw materials: raw materials used in the energy transition and for digital technologies (e.g., aluminum, lithium, manganese, nickel, platinum, copper, silicon, titanium, tungsten) and rare earths (e.g., neodymium).

WASTE PRODUCED



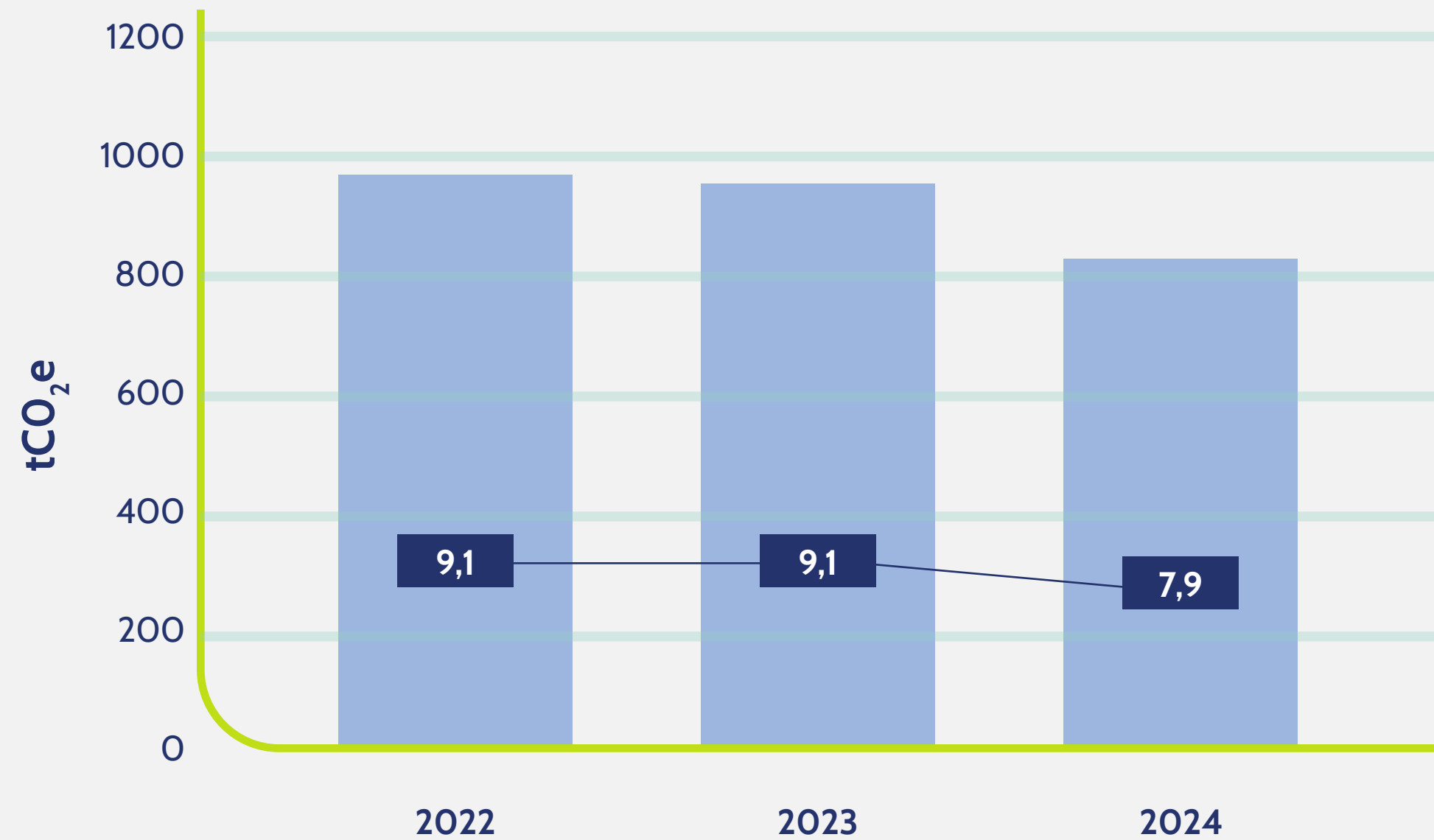
- Waste produced (Kg)
- Kg of waste per 1,000 sensors produced

HAZARDOUS AND NON-HAZARDOUS WASTE



- Hazardous waste
- Rifiuti non pericolosi

WATER WITHDRAWAL



- Water withdrawal (from municipal supply)
- Water withdrawal per employee

WATER CONSUMPTION

Strengths

- Reduced water consumption (8 m³/employee in 2024), resulting solely from sanitary water needs (no water is used for production activities).

Areas for improvement

- > Raise employee awareness on the topic of water consumption and waste reduction (both at work and at home).

The background features a series of concentric circles in a light green color. On the left side, there is a target symbol consisting of a solid green dot in the center, surrounded by five concentric green circles. The number '02' is displayed in a large, bold, green font on the right side of the image.

02

SOCIAL



Social



STAFF AND TURNOVER



OCCUPATIONAL HEALTH AND SAFETY



DIVERSITY AND EQUAL OPPORTUNITIES



COMMUNITY

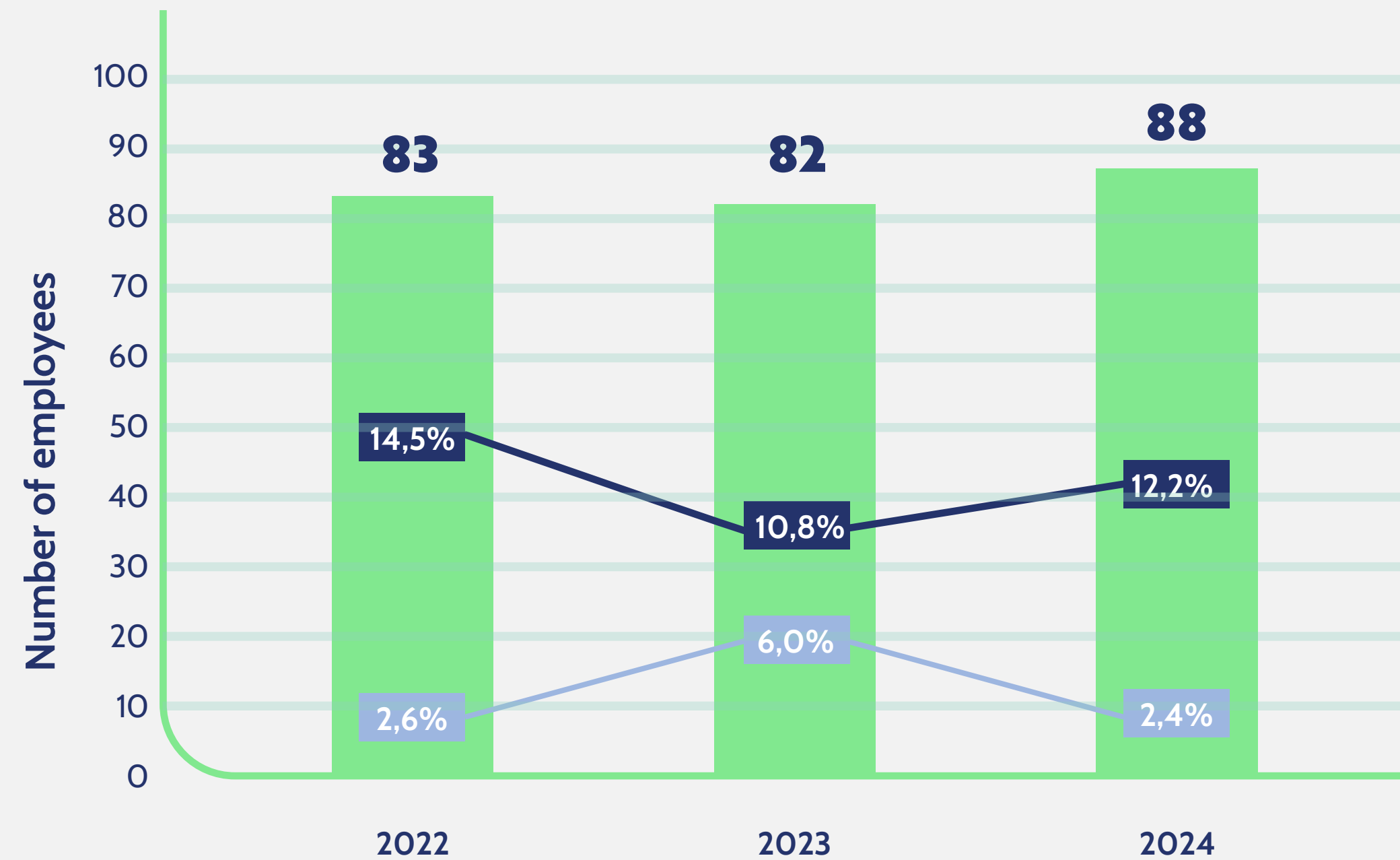
STAFF AND TURNOVER

Strengths

- Increase in the total number of employees compared to 2023 (+6 people).
- Turnover rates are lower than the national benchmark*; overall direct employee turnover is under control and outbound turnover is decreasing.
- 100% of direct employees have permanent contracts.

*The benchmark is from the Confindustria 2024 Labor Survey, which refers to 2023 data. Nationally, the average overall turnover was 25.7% (for the industrial sector only), while the average outbound turnover was 16.2%.

DIRECT EMPLOYEES AND TURNOVER RATES



● Total direct employees

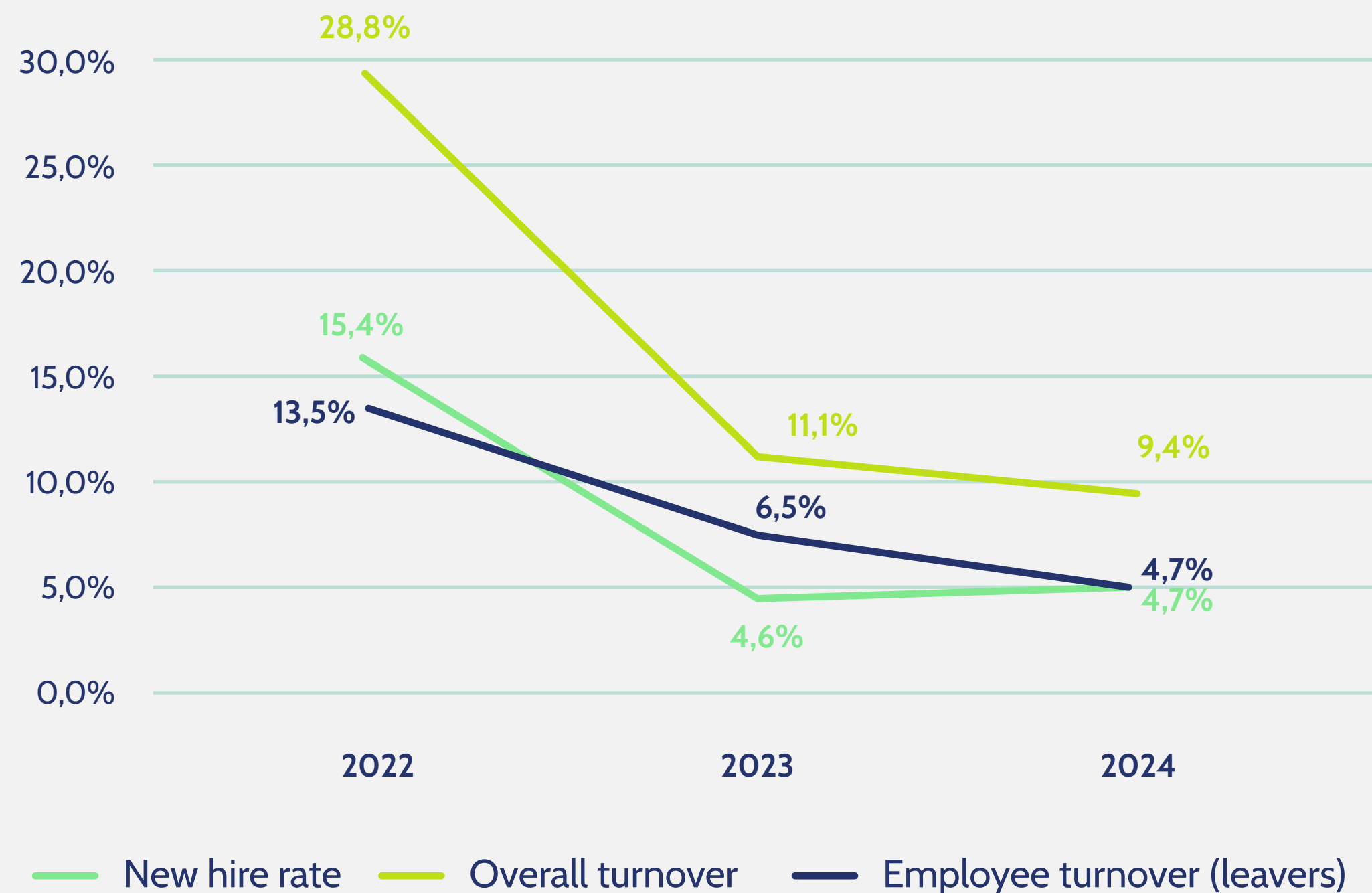
— Overall turnover

— Exit turnover

N.B.: Turnover rates are calculated as follows (always expressed as %):
Overall turnover = (no. of hires + no. of leavers) / total employees as of 31/12 of the previous year
Turnover due to exits = no. of leavers / total employees as of 31/12 of the previous year

STAFF AND TURNOVER

TURNOVER RATES (EMPLOYEES + TEMPORARY WORKERS)



N.B.: Turnover rates are calculated as follows (expressed as %):

Overall turnover = (no. of hires + no. of leavers) / total employees as of 31/12 of the previous year

Employee attrition rate (outgoing turnover) = no. of leavers / total employees as of 31/12 of the previous year

New hire rate (incoming turnover) = no. of hires / total employees as of 31/12 of the previous year

In 2024, the workforce remained stable compared to the previous two years (106 employees in both 2023 and 2024, and 108 in 2022).

Strengths

- The overall and outbound turnover rates for the entire workforce (employees and temporary staff) have decreased over the three-year period, remaining below the national benchmark for 2023 and 2024*.

- In 2024, 5 temporary staff members were permanently integrated into the workforce as employees.

*The benchmark is from the Confindustria 2024 Labor Survey, which refers to 2023 data. Nationally, the average overall turnover was 25.7% (for the industrial sector only), while the average outbound turnover was 16.2%.

Occupational health and safety

Strengths

ISO 45001 certification is in place.

In 2024, there was only one injury (a professional accident) with a 10-day prognosis.

- **Frequency index of 8.2**
- **Severity index of 0.1.**
- **Zero injuries in 2023***

*The commuting accident recorded in 2023 is not counted for ESG evaluation purposes.

Index calculations:

Frequency index = total number of accidents / hours worked * 1.000.000

Severity index = total number of lost workdays / hours worked * 1.000

● TRAINING AND EDUCATION

Training hours are in line with 2023 (both in absolute terms and per employee)

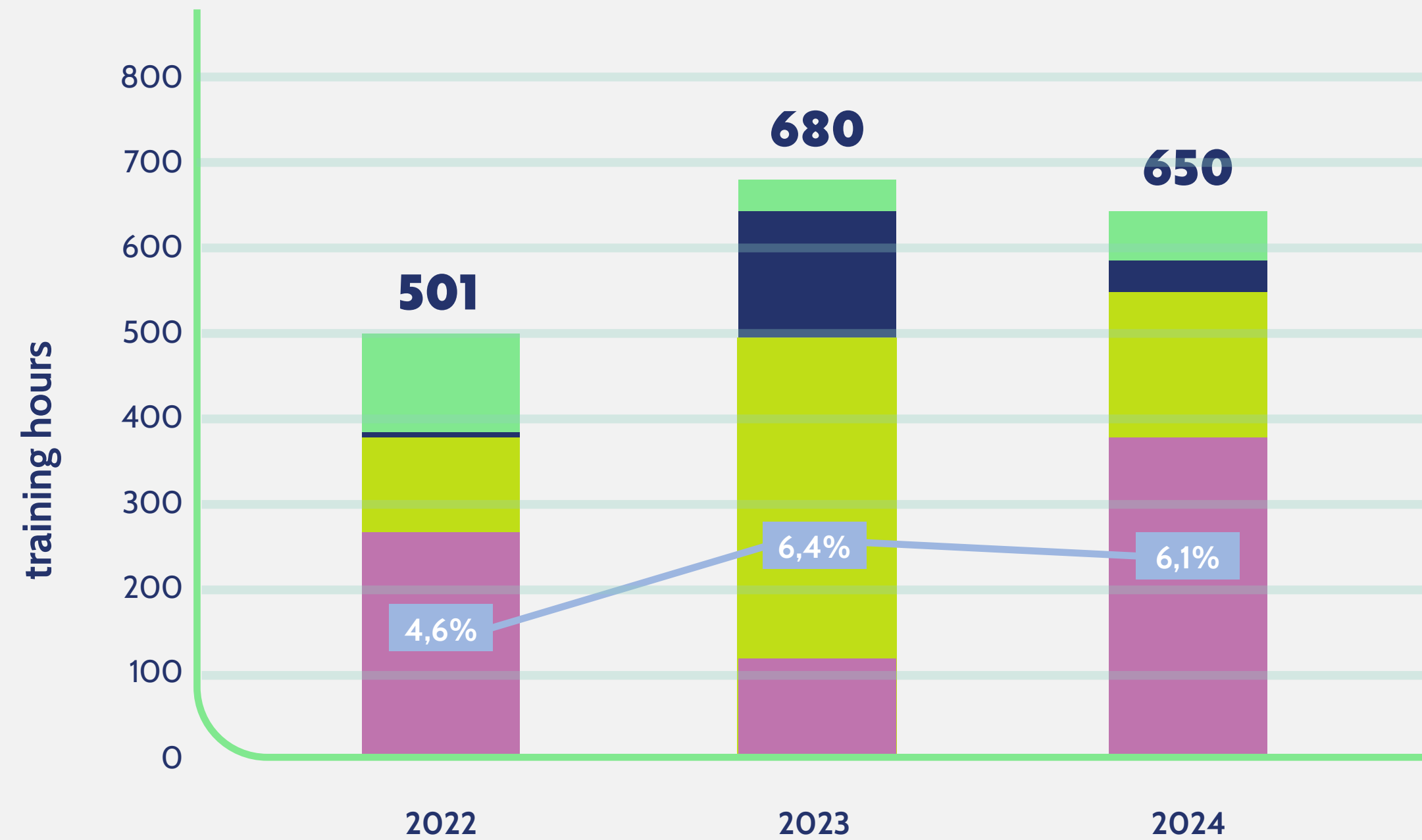
Strengths

- Sustainability training was provided in both 2023 and 2024

Areas for improvement

- > Further increase training hours, both in absolute terms and per worker.
- > Offer specific courses on topics like sustainability and ethics again.
- > Evaluate offering additional courses on key aspects such as **cybersecurity**.

TRAINING HOURS BY TOPIC



● Health and Safety

● Other

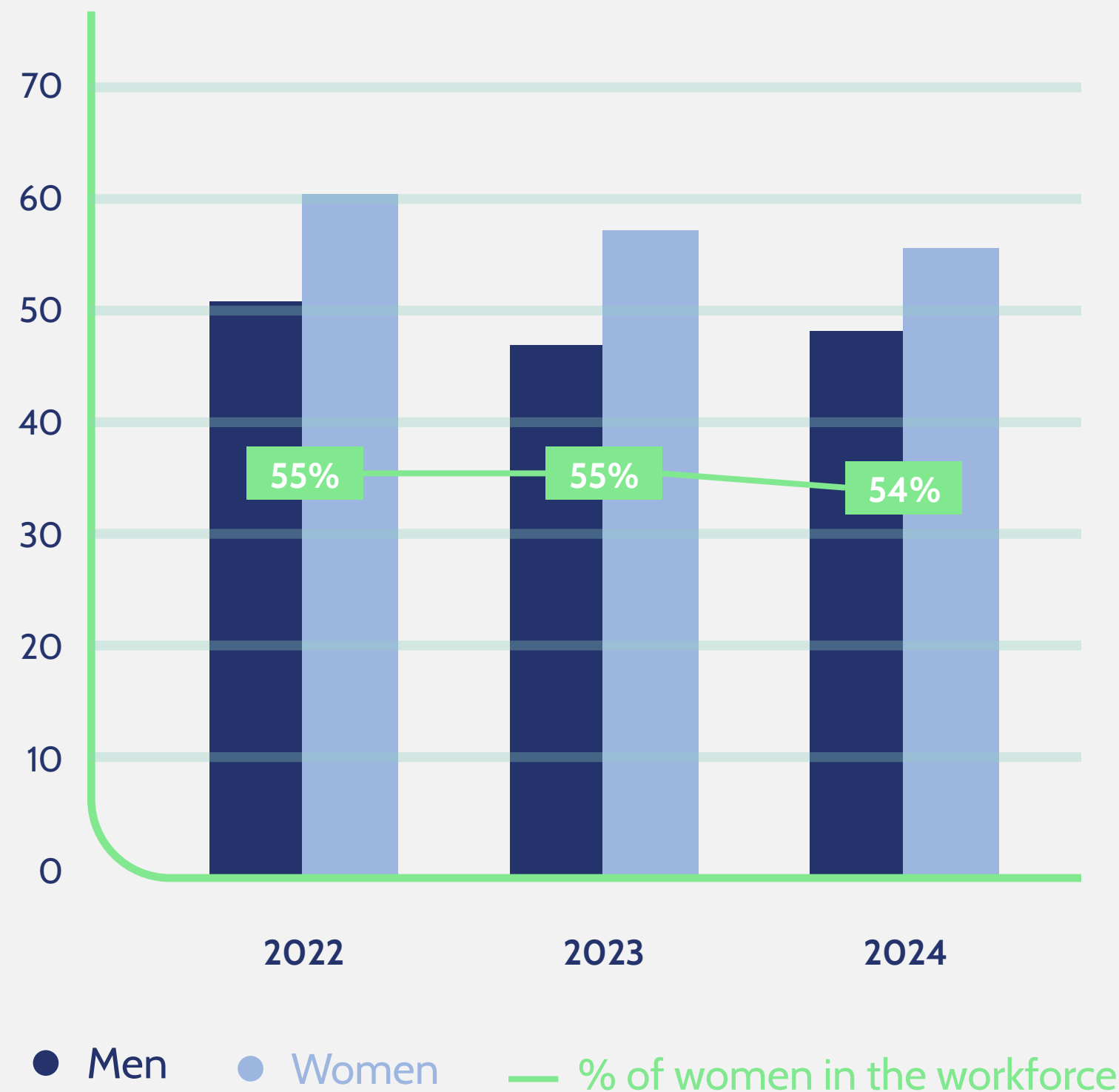
● Specific job role

— Average hours per employee

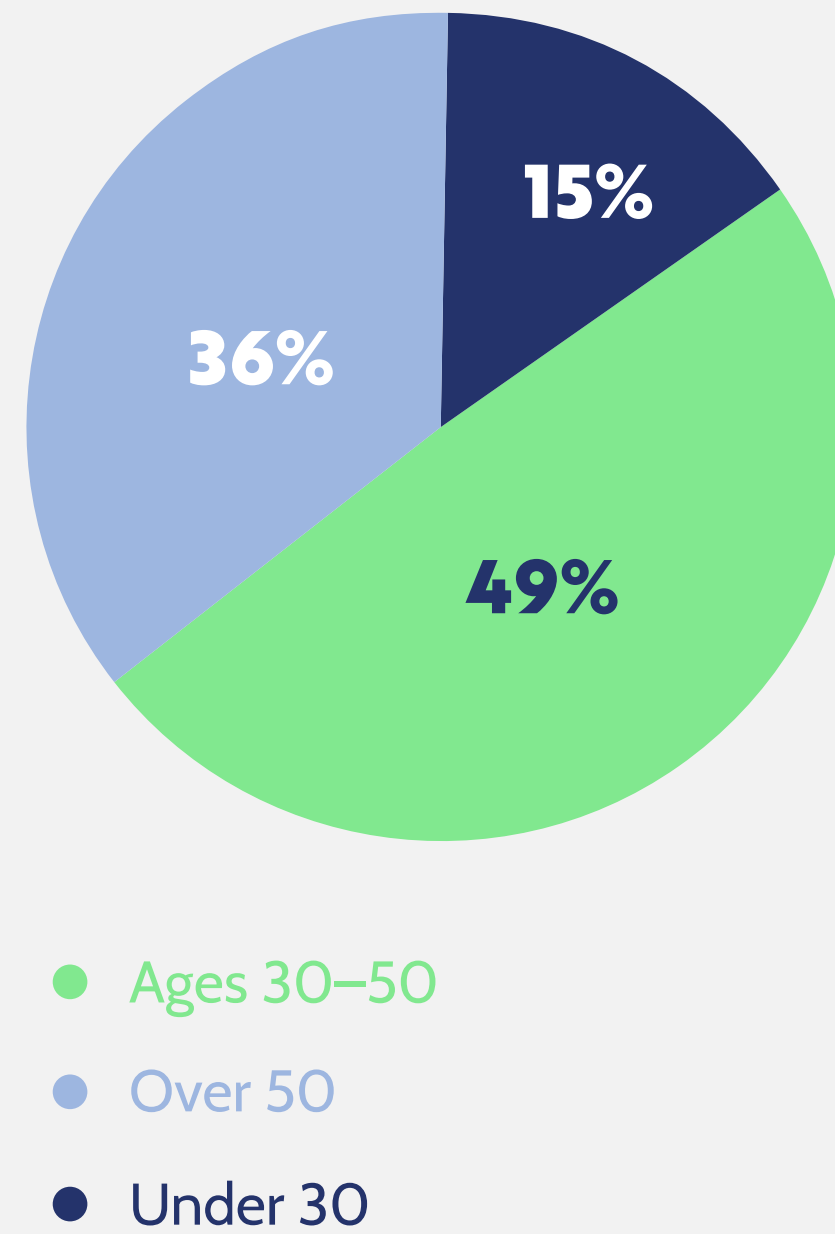
● Sustainability

N.B.: Turnover rates are calculated as follows (always expressed as %):
Overall turnover rate = (no. of hires + no. of leavers) / total employees as of 31/12 of the previous year
Attrition rate (outgoing turnover) = no. of leavers / total employees as of 31/12 of the previous year

EMPLOYEES (DIRECT + TEMPORARY WORKERS) BY GENDER



EMPLOYEES (DIRECT + TEMPORARY WORKERS) BY AGE GROUP – 2024



DIVERSITY AND EQUAL OPPORTUNITIES

The breakdown of employees by gender has remained fairly stable over time. A decrease was recorded in the number of workers under 30 (-4 compared to 2023).

Strengths

- Over 50% of the workforce (employees + temporary staff) is composed of women.

Areas for improvement

- Evaluate targeted talent attraction strategies (especially for those under 30), starting from labor market expectations, transparent growth paths during hiring, and dedicated training for eligible figures.

Community

Areas for improvement

Collaboration projects with schools and universities, which could evolve into strategic hires of young talent.

The background features a series of concentric, light green arcs of varying radii. A solid green circle is positioned at the center of these arcs. The overall design is minimalist and modern.

03

GOVERNANCE



Governance

-) **ECONOMIC PERFORMANCE**
- () **SUPPLY CHAIN**
-) **PRIVACY AND DATA PROTECTION**
- () **DEVELOPMENT AND INNOVATION**
-) **CUSTOMERS AND CONSUMERS**
- () **STRATEGIC DIRECTION AND BUSINESS MANAGEMENT**

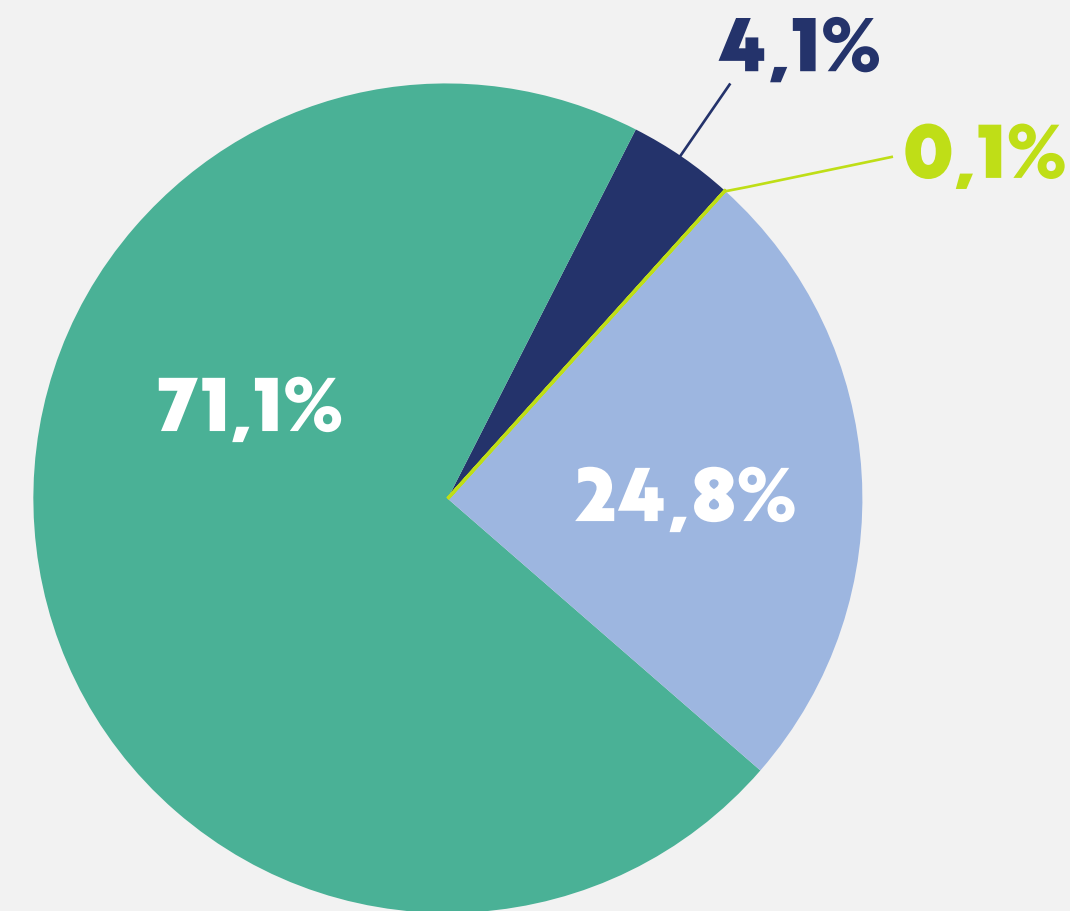
ECONOMIC PERFORMANCE

The economic picture is quite stable, with a slight decrease in the economic value generated and distributed in 2024 compared to 2023.

Areas for improvement

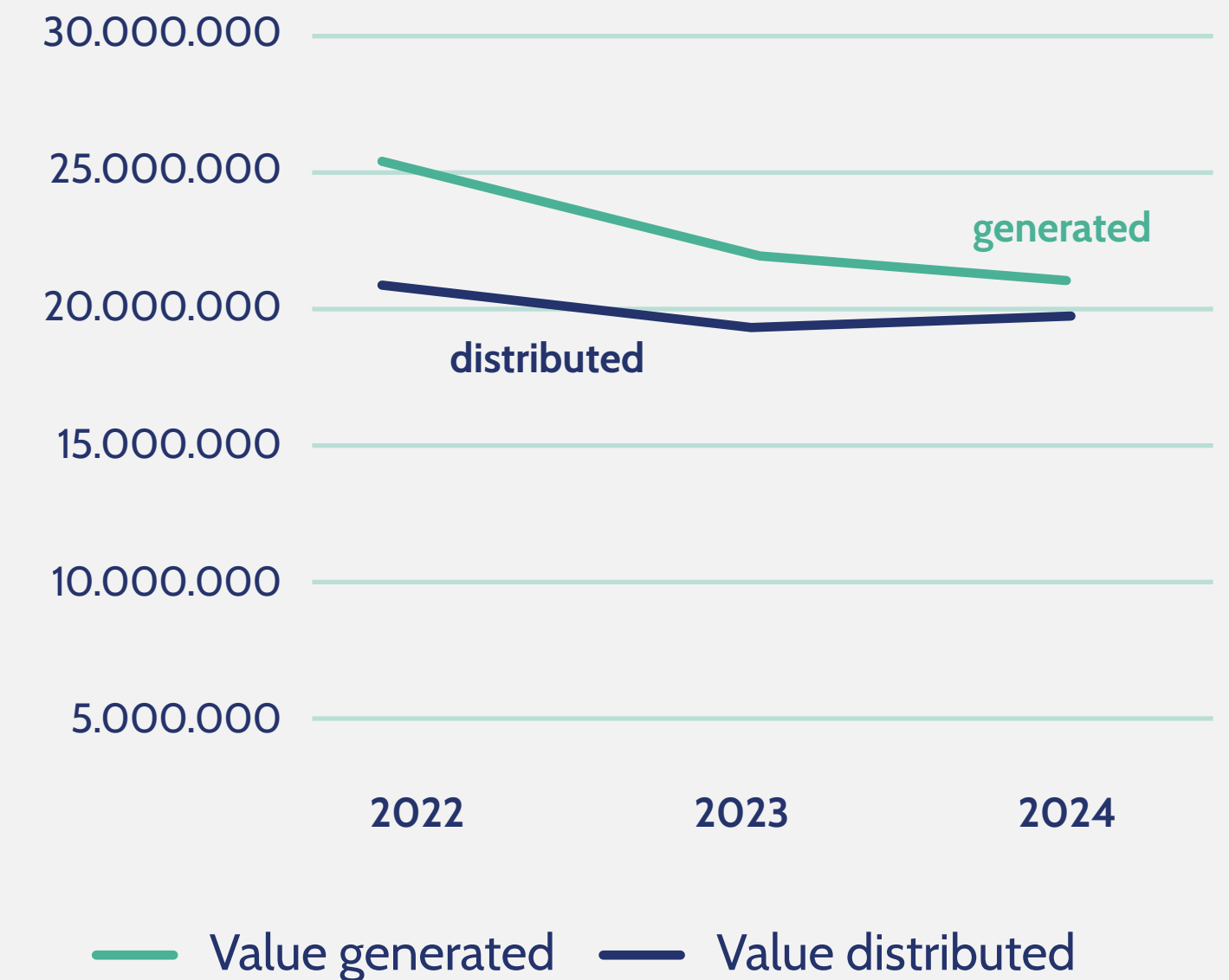
➤ Evaluate increasing **sponsorships and donations** to local entities and communities, allocating an annual amount (in absolute terms or as a percentage) for these purposes.

BREAKDOWN OF DISTRIBUTED ECONOMIC VALUE 2024

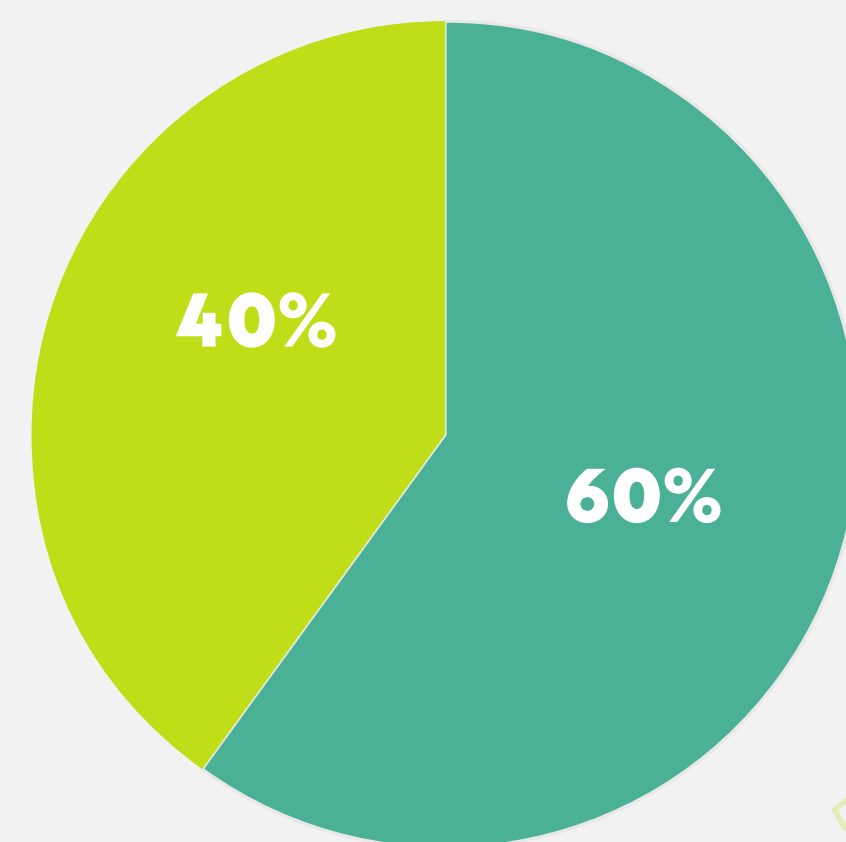


- Operating costs
- Employee wages and benefits
- Payments to public administration
- Interest expenses on loans and other forms of debt

ECONOMIC VALUE GENERATED AND DISTRIBUTED



EXPENDITURE TOWARDS SUPPLIERS 2024



- Spending on suppliers in Lombardy
- Spending on Italian or European suppliers

SUPPLY CHAIN

Strengths

- 60% of supplier spending is with local suppliers (Lombardy).
- A **Supplier Code of Conduct** has been introduced (integrated into the supply specifications).
- **Sustainability assessments** have been integrated into the supplier evaluation checklist.

Areas for improvement

- Increase supplier audits.
- Distribute a **sustainability questionnaire** to suppliers.

PRIVACY AND DATA PROTECTION

Strengths

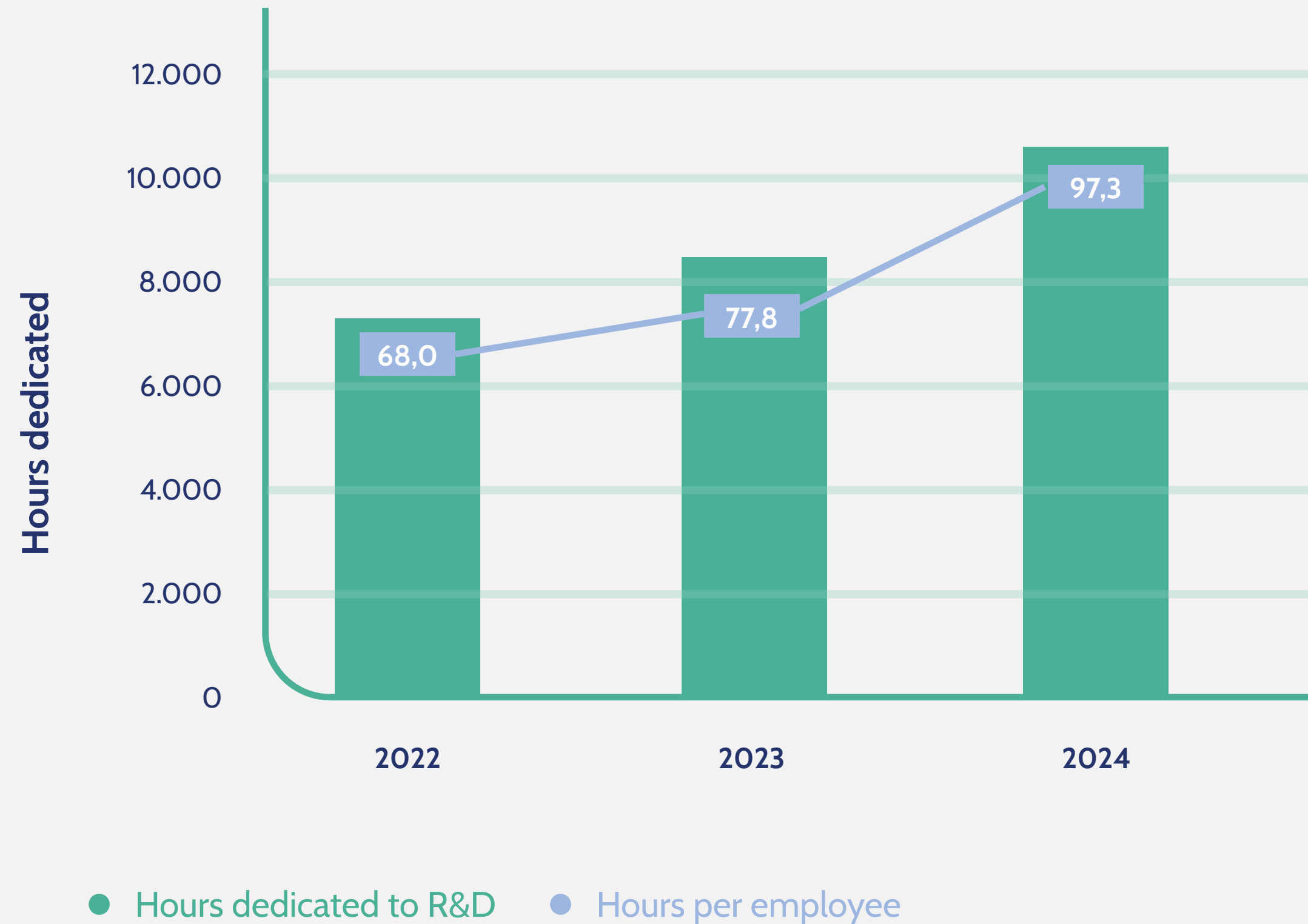
- 0 cases of data loss or privacy breaches.
- A cybersecurity assessment of the internal network has been initiated, along with the implementation of requirements from NIS2 (the new EU directive on cybersecurity).

Areas for improvement

- Integrate the cybersecurity assessment into the risk analysis, periodically updating the mapping of potential critical issues related to IT security and confidentiality.
- Based on identified risks, implement prevention strategies such as phishing tests, penetration tests, and specific cybersecurity training courses.



HOURS DEDICATED TO RESEARCH AND DEVELOPMENT



DEVELOPMENT AND INNOVATION

Strengths

- > 11 people are involved in the Research and Development department (not full-time).
- > An increase in working hours dedicated to R&D (both absolute and per employee) compared to the previous two years.
- > R&D activities are conducted in collaboration with universities.
- > Continuous development of new products.
In 2024, this included
 - new **electromechanical sensors** with push-button actuation,
 - new capacitive **level sensors**,
 - and new inductive **speed sensors**.

CUSTOMERS AND CONSUMERS

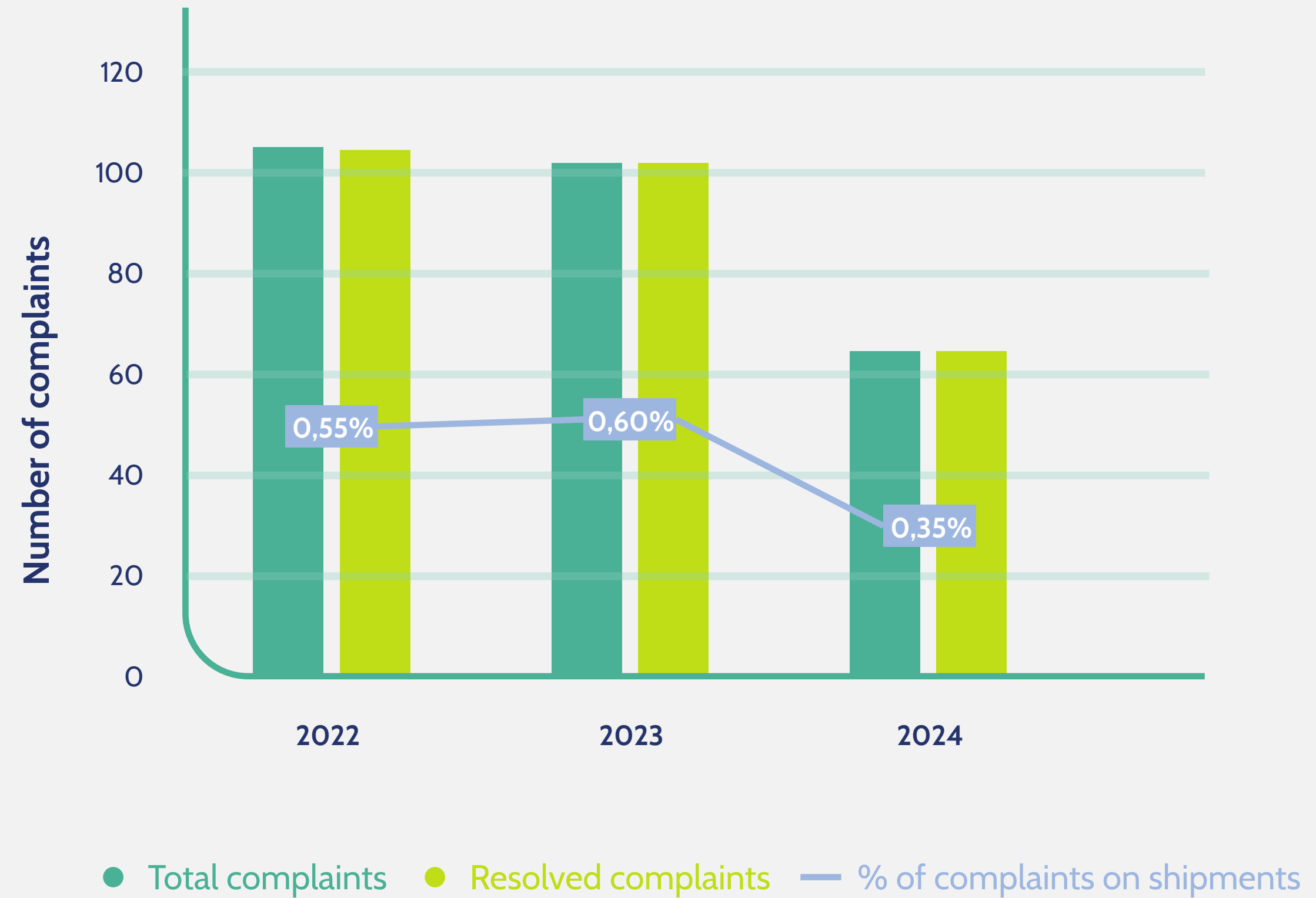
Strengths

- A 100% complaint resolution (closure) rate and a complaint rate (per delivery note line) of 0.35%.
- A complaint evaluation system that considers both the type of issue found (internal analysis) and the customer's turnover and importance (in terms of customer satisfaction).

Areas for improvement

- Extend the customer satisfaction survey to clients with a value of less than €100.000, for whom only feedback is currently collected and managed.

COMPLAINTS MANAGEMENT





STRATEGIC DIRECTION AND BUSINESS MANAGEMENT

Strengths

- Certifications for 9001, 14001, 45001 and the performance of a risk analysis.
- An Ethics Code and, since 2024, a Supplier Code of Conduct.

Areas for improvement

- Update the ethics code with a focus on sustainability, particularly social issues.
- Evaluate drafting **specific policies** related to key sustainability topics, based on frequent market requests. Possible policies to adopt include: Diversity and Inclusion, prevention of and opposition to gender-based violence in the workplace, and policies against the risk of corruption, bribery, and influence peddling.



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