

**our**  
**BRIGHT**  
Our  
commitment  
to sustainability **i**mpact



**REPORT**

2019



*This document is aimed only to describe Comer Industries' sustainable policies, business models, initiatives and performance linked to "Our Bright Impact" program. Contents have been developed according to internal evaluations and Company strategy and don't meet in any way with regulations' and voluntary standards' requirements applicable to this topic. Therefore, this report is not subject neither to updating and accounting duties nor to contextual financial statements.*

## **Comer Industries S.p.A.**

Registered office and Administrative Offices:

42046 Reggiolo (RE) Italia - Via Magellano, 27

Ischr. Reg. Imprese di RE n. 07210440157

Share capital approved: Euro 13.350.000 of which Euro 13.109.280 subscribed and paid up

Tax Cod. 07210440157 - VAT: IT 01399270352

art. 2497 bis Cod. Civ. - The company is subject to management and coordination activities by Eagles Oak S.r.l., with registered office in 41126 Modena, Via del Sagittario 5

Cap. Soc. Euro 2.000.000 i.v. - Reg. Imprese di MO n. 03699500363



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## ***Our commitment to sustainability***

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### **MATTEO STORCHI, President & CEO**

*Dear Stakeholders,*

*with this document I wish making you part of the commitment Comer Industries made during 2019 with regards to social responsibility and corporate sustainability, laying the foundation to face a sustainable development path in the long term.*

*2019 was for Comer Industries a year characterized by important changes.*

*The Stock Exchange Listing on AIM market on March 13, 2019 triggered an organizational, but mainly cultural transformation.*

*People, beating heart of the company, faced a strong change of mindset to lead the company towards the openness to markets. An approach which was not restricted to financial world, but that concerned relationships between company and territory as well.*

*For the first time in fifty years history, Comer Industries opened the doors of its Plants to associates' families, inviting them to celebrate for a day the result of their work, sharing successes together with people. Our social commitment started precisely from here: a presence on the territory which is meant to be "responsible", the trigger of a virtuous circle of exchange and sustainable development.*

*The report portrays the state of the art of implemented actions and Comer Industries' objectives with regards to corporate responsibility on the path of efforts towards Agenda 2030 goals.*

*This commitment has been rationalized throughout the year in "Our Bright Impact" project, inspired by the 17 Sustainable Development Goals. The initiative arises from the awareness to have an important responsibility towards the environment and the society, from the need to commit concretely to leave a mark in the communities in which we operate with the aim to increase the value for all our stakeholders.*

*With "Our Bright Impact" Comer Industries put forward Agenda 2030 goals, spreading the culture of sustainability inside the company through a dedicated event and an awareness and educational campaign for associates. The aim of the project is to lay the necessary foundation to make first of all social responsibility a primary value for all Comer Industries' people, an integrated and shared model that will let the company implementing a long journey of sustainable development.*



Moreover, a path that has already started: just think of the saving about emissions into the atmosphere obtained thanks to solar power systems on place and to the planned enhancement though further installations in other company plants. In addition, as evidence of the systematic approach, adopted over several years, which aims to continuously reduce environmental impacts and risks, Comer Industries developed a Environmental Management System according to standard ISO 14001:2015 which has been progressively integrated into the Quality System in order to simplify and extend it to all plants following the inclusive approach of the company. This path has been completed during 2019 with the achievement of the certificate by certification body RINA. For 2020 we set the much more ambitious task to create a single Integrated Sysyem for Quality, Health, Safety and Environment Management obtaining the related certificate. Comer Industries commitment was not restricted to a sustainable development from an environmental point of view. There was no lack of projects in support of communities in which the company operates and that touched on several areas: from education and training to the preservation of the artistic

and cultural heritage.

2020 started with many challenges to face, a completely new and very uncertain scenario, accomplice the health emergency spread globally.

Despite of the unquestionable crisis we are experiencing, our commitment to the sustainable development continues together with the awareness that people are a capital to safeguard. We prove it moving promptly to protect their health in the face of the spread of Covid19 virus, giving to all associates the opportunity to become aware of the security level of the working place, also making thorough serological tests to the corporate population and setting up necessary precautions.

Corporate Social Responsibility to us means this as well: a resilient value that stands the test of time and will allow us to lay the necessary foundation to make our future sustainable and "bright".



## Sustainability Highlights

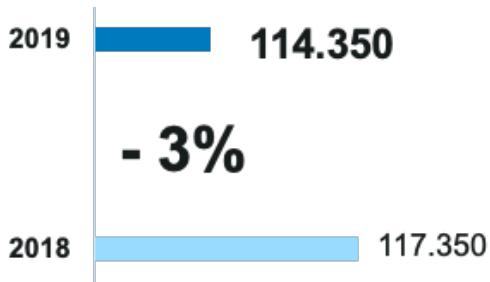
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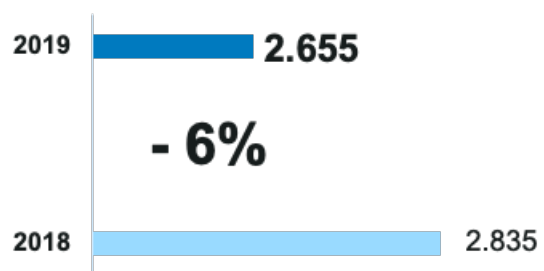
### ENVIRONMENTAL

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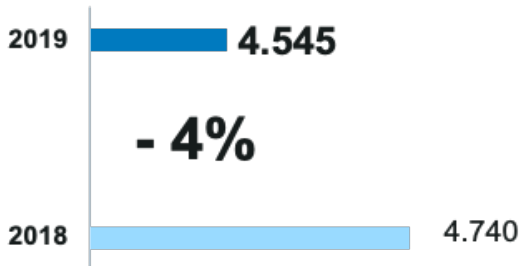
ENERGY CONSUMPTION (GJ) <sup>1</sup>



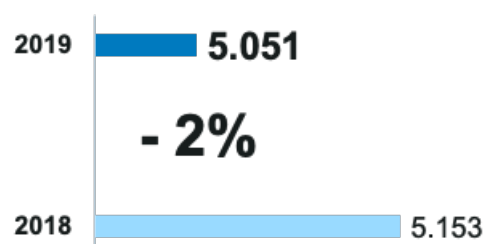
DIRECT EMISSIONS (tCO<sub>2</sub>e - SCOPE 1) <sup>1</sup>



INDIRECT EMISSIONS  
(tCO<sub>2</sub>e - SCOPE 2 location based) <sup>1</sup>



GENERATED WASTE (t)



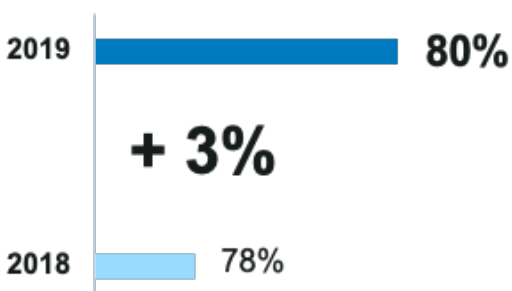
<sup>1</sup> Boundary: Italian Plants



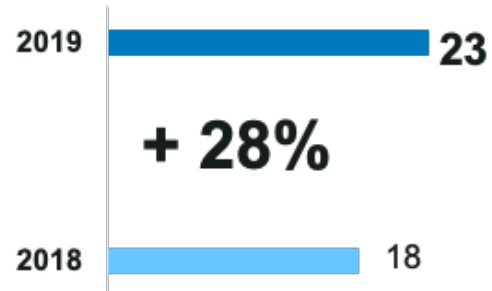
### SOCIAL

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EMPLOYEES WITH PERMANENT  
CONTRACT  
(% on total workforce)

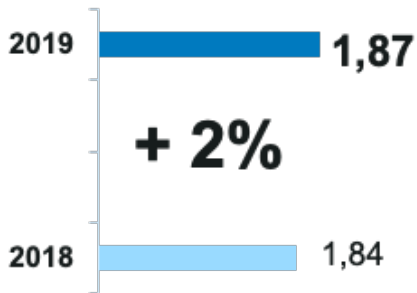
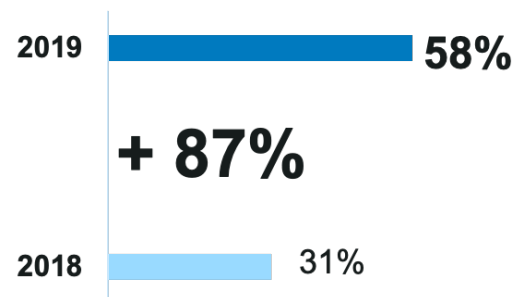


TRAINING HOURS  
(Hours / Employee) <sup>2</sup>



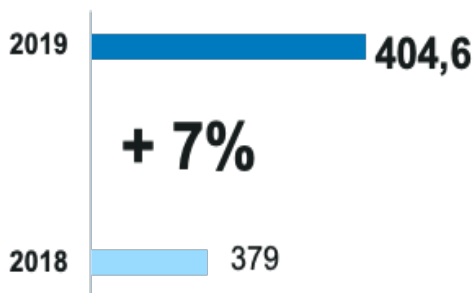
<sup>2</sup> Net of training hours for the start up of Jiaying Plant



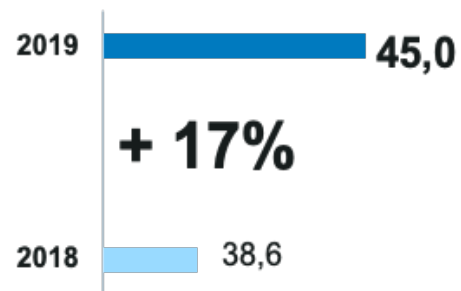
WORK RELATED  
INJURIESCERTIFICATION  
ISO45001  
COVERAGE

**ECONOMIC**

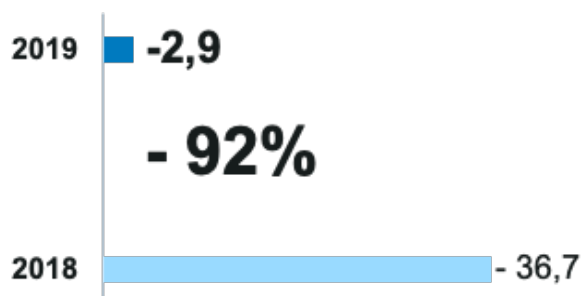
## TURNOVER (M€)



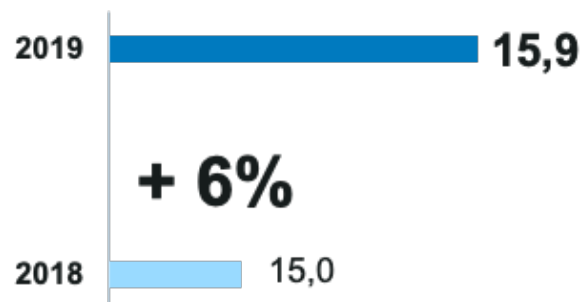
## [ADJUSTED] EBITDA (M€)



## [ADJUSTED] PFN (M€)



## INVESTMENTS





# **1. THE COMPANY AND THE CORPORATE GOVERNANCE**

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## Who we are

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Comer Industries is a global leader in the design and production of advanced engineering systems and mechatronic solutions for power transmission, supplied to major manufacturers of agricultural and industrial machinery worldwide.



**AGRICULTURAL  
APPLICATIONS**



**CONSTRUCTION  
EQUIPMENT & FORESTRY**



**ENERGY & INDUSTRIAL**

Comer Industries supplies its products in 54 countries through 7 production plants, 6 subsidiaries and 1,336 workers.



**54 countries**



**7 production  
plants**



**6 subsidiaries**

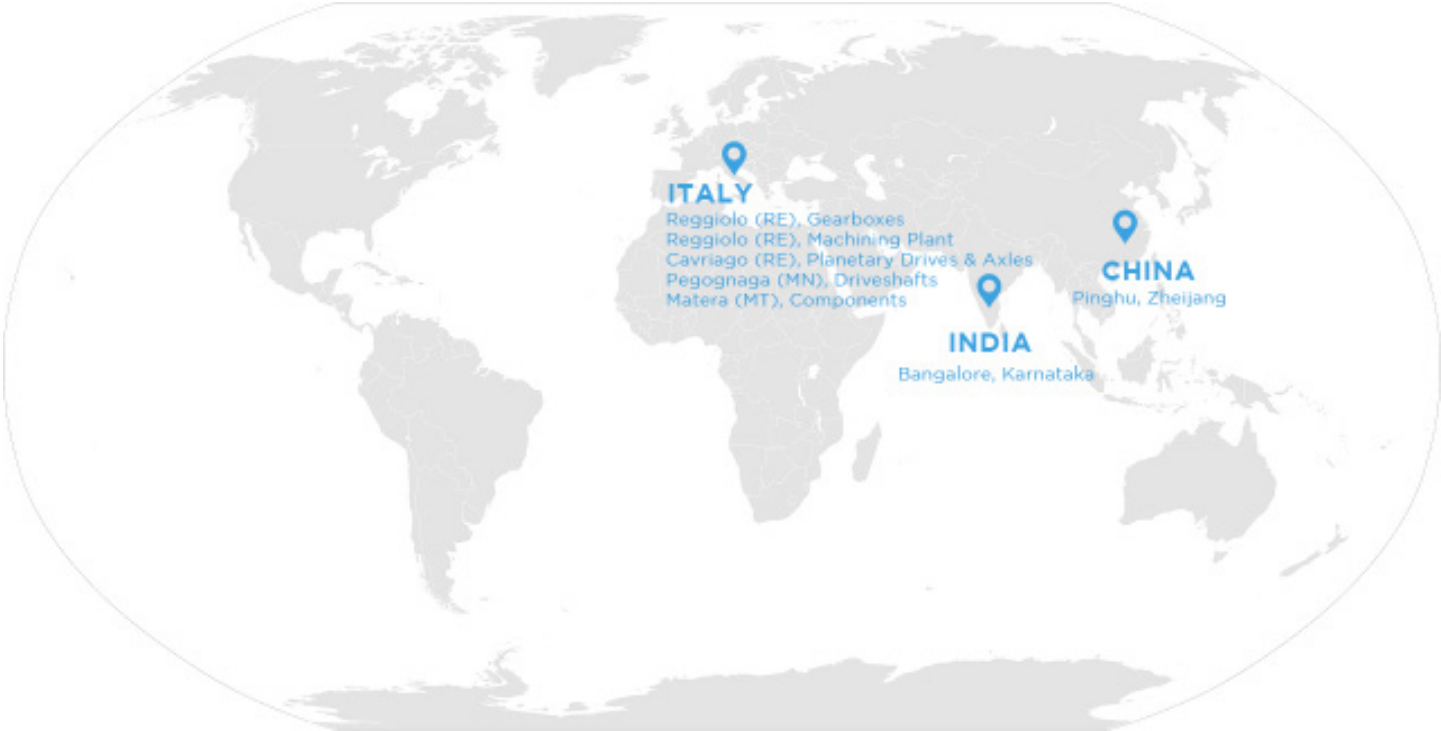


**1.336<sup>3</sup> employees**

<sup>3</sup> Updated on 31/12/2019

**PRODUCTION**

**7 production plants around the world**



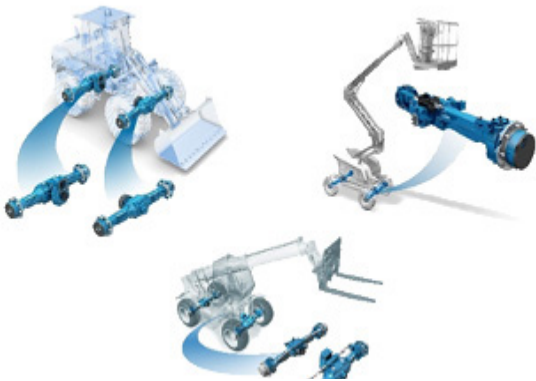
**SALES & MARKETING**

**6 subsidiaries around the world**



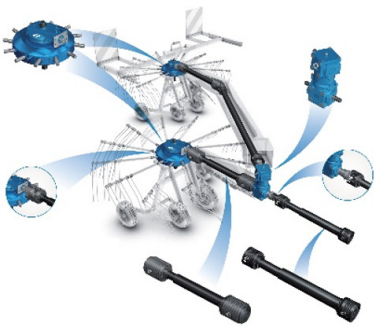
## Product and applications

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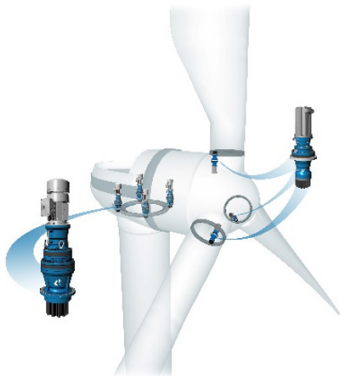
### **POWERTRAIN SYSTEMS**

Construction equipment  
Material handling  
Road construction machinery



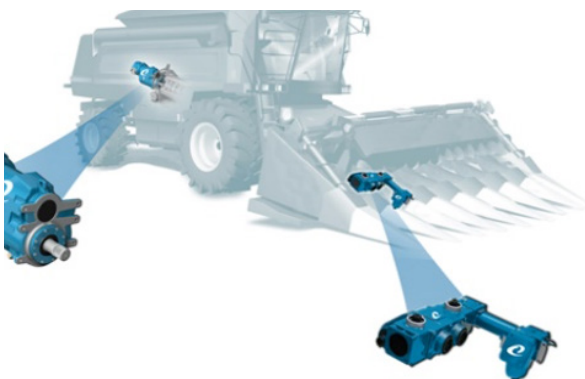
### **DRIVESHAFTS**

Forage & hay machinery  
Agricultural & garden equipment



### **PLANETARY DRIVES**

Mining machinery  
Cranes & construction equipment  
Wind generators



### **GEARBOXES**

Tractors  
Combine harvesters & self-propelled machines  
Agricultural machinery & garden equipment

## *A sustainable business by vocation*

In line with the **VISION “Creating an EASY world through sustainable food, streets, houses and energy”**, Comer Industries makes a tangible contribution with its business and its products used in agriculture and in wind energy sector to pursue sustainable development objectives.

Products designed for agricultural applications help the mechanization of the sector and crop intensification, using resources in a more efficient way and meeting the growing need of food requirements.

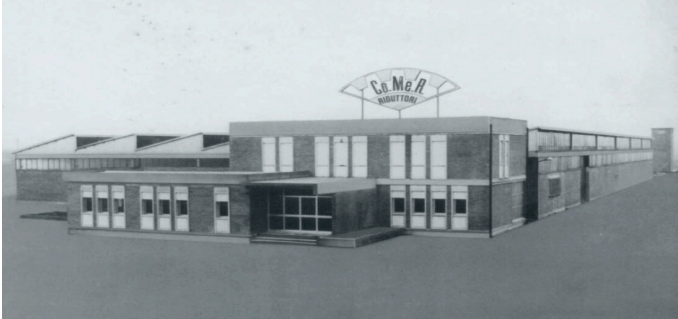
Moreover, for over twenty years Comer Industries supplies components for wind applications to the main international players, in view of the continuous and progressive growth of installed wind power and the production of wind electrical energy.

Wind planetary drives designed and produced by Comer Industries equip on-shore and off-shore wind generators through which wind kinetic energy is transformed in electric energy, with a significant impact in the reduction of greenhouse gas emissions in the atmosphere.



## Our history

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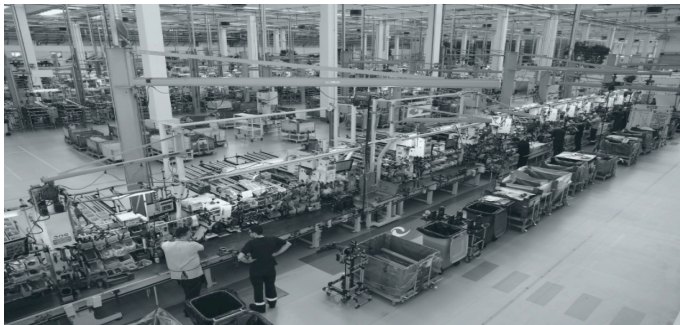


### 70's

The Storchi family founds CO.ME.R - Costruzioni Meccaniche Riduttori - specialized in the manufacture of mechanical transmission for agricultural machinery..

### 80's

Sales development in France, Germany, United Kingdom and the United States.



### 90's

Introduction of the industrial line and opening of the Mechatronic Research Center.

### 2000s

Comer Group becomes Comer Industries. Establishment of Comer Academy, internal training and management school. The company expands in China with the opening of a subsidiary and a production plant.



### Starting from 2017

New Board of Directors, the second generation of the Storchi family leads the company.  
Stock Exchange Listing on March 13, 2019.





**comer industries**



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# VISION

Creating an **EASY**  
world through  
sustainable food, streets,  
houses and energy.

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# MISSION

**We run vertical innovation solutions for agriculture and industrial business.**

**We boost our strong global leadership position.**

**Aware of our roots and challenging in depth our identity we attract talents and encourage disruptive mindset.**

## Our values

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Comer Industries believes that **values** are the foundations over which building a future of sustainable success.

Fundamental requirements that permeate the behavior of all people and that are transmitted with passion to all levels.

**For each company's value, every year the person that represents it at best through his/her behavior is awarded.**

Therefore, everyone has the opportunity to become an ambassador of those values that follow in everyday life.



## People

Comer Industries' people are concerned for each other respect and dignity; they ensure, at all levels, the expression of delegation and the fair recognition of results, as well as individual and team credits.

## Teamwork

Comer Industries' people work as a team to achieve collective results and to promote an inclusive approach to all company's entities.

## Commitment to stakeholders

Comer Industries' people work with stakeholders in terms of integration and synergy, simplification and efficiency, flexibility and prompt orientation towards change.

## Courage and passion

Comer Industries' people expose themselves with generosity, express and disseminate energy and enthusiasm, encouraging the building of an engaging atmosphere that conveys passion to younger colleagues. They show proactivity and are committed more than expected.

## Honesty and transparency

Comer Industries' people communicate and operate transparently to allow all internal and external stakeholders to make conscious choices and to build relationships based on trust and credit.



## Corporate Governance model

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In Comer Industries the Corporate Governance model adopted by the Parent Company is traditional and it is made by a Board of Directors (BOD), headed by Matteo Storchi, a Board of Statutory Auditors, which monitors BOD work, and an Audit Firm in charge of statutory auditing and accounting management. The BOD strategically leads company management and, in addition to the President, Vice President and Board member Cristian Storchi as well as Board members Luca Gaiani, Matteo Nobili, Arnaldo Camuffo, Marco Storchi and Paola Pizzetti are part of it.

*With the changeover to the second generation in 2017, for the first time Comer Industries is lead by a BOD made by more than 50% of board members not linked to the family. This is a clear choice of transparency towards stakeholders and markets.*

# B.o.D



**MATTEO STORCHI**  
President & CEO



**CRISTIAN STORCHI**  
Vicepresident & Board  
member



**LUCA GAIANI**  
Board member



**MATTEO NOBILI**  
Board member



**ARNALDO CAMUFFO**  
Board member



**MARCO STORCHI**  
Board member



**PAOLA PIZZETTI**  
Independent  
Board member



## Board of Directors

It is the Administrative Body that leads and manages the company, except for activities in charge to Shareholders' Meeting. The BOD is responsible for company's strategic and management guidelines, it verifies the appropriateness of organizational structure and the suitability of necessary controls to monitor company performance.

## Shareholders' Meeting

Shareholders' Meeting is the collective body that expresses the will of Comer Industries' associates. In particular, the Meeting approves the Financial Statement and appoints BOD members.

## Audit Firm

It is an external body in charge of statutory auditing and is appointed by Shareholders' Meeting. On April 29, 2019 Comer Industries Spa Shareholders' Meeting designated Deloitte SpA Bologna Office as society responsible for statutory auditing from 2019 to 2021 financial years.

## Board of Statutory Auditors

The Board of Statutory Auditors is the monitoring body of the company in charge of supervising Directors work and controlling that company management and administration respect laws and the constituent act.

## Supervisory Board

It is the body appointed by BOD, responsible for the respect, efficient and effective application of Organization and Management Model, implemented according to Legislative Decree 231/2001, and its updating. On March 29, 2019 Comer Industries Spa BOD confirmed the role of the Supervisory Board (SVB) with collegial structure, with two external and one internal members, respecting independence, autonomy and professional requirements, providing continuity to the control and prevention of crimes pursuant to Legislative Decree 231/2001. In addition to periodic checking, inspections and information flow analysis, the SVB prepares every six months specific reports about performed activities and their results.



**AUDIT FIRM**  
Deloitte SpA



### BOARD OF STATUTORY AUDITORS

- Enrico Corradi | President
- Corrado Baldini | Statutory Auditor
- Luigi Gesaldi | Statutory Auditor



### SUPERVISORY BOARD

- Ferdinando Del Sante | President
- Paola Prati | External Member
- Antonio Lattarulo | Internal Member

## The principles of Corporate Responsibility

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Comer Industries considers the implementation of transparent, ethical and compliance with applicable laws and regulations to be fundamental in driving the business and all company activities. To this end, the Group has implemented a global and integrated compliance system consisting of tools aimed at implementing company policies and responding to the expectations of stakeholders.

*The Code of Conduct is the cornerstone of this system, which however is provided by a harmonized range of tools consisting of organizational models, procedures, instructions and digital tools that guarantee the dissemination of the compliance culture, the fulfilment of compliance obligations and the effective implementation of the behavioral principles.*

### *The Code of Conduct*

The Code of Ethics and Conduct expresses the ethical commitments and responsibilities in the conduct of the business undertaken by the Group's collaborators, whether they are administrators or employees and by all those who carry out representation, administration, management or control functions, including de facto, of the Company or its autonomous organizational units. Extended to all companies of the Group, consistently with the laws and regulations in force in each Country, it was reviewed and updated in 2019 in order to make the model of rules and the principles of conduct in place consistent with the regulations and with the most advanced standards of reference.

The Code of Conduct sets out the principles which inspire and conform every business activity, such as integrity, transparency, respect, legality and confidentiality. It is available in Italian and English on the website [www.comerindustries.com](http://www.comerindustries.com) within the Governance section.



## ***The Organization and Management Model pursuant to Legislative Decree 231/2001***

The Organization and Management Model, of which the Code of Conduct is an integral part, defines the rules and measures to be adopted to prevent behaviors that can configure



crimes pursuant to Legislative Decree 231/2001 and spreading the culture of legality through awareness in all those who operate on behalf and in the interest of Comer Industries of being able to incur crimes. The Model, revised in 2019 to incorporate the recent changes in the regulatory framework and integrate it with the procedural systems already in place on some thematic areas, was developed according to the requirements of Legislative Decree 231/2001 and the guidelines developed by Confindustria, approved in 2002, and updated in February 2014, on the basis of which

the mapping of the sensitive processes has been done.

The Model is made up of a General Part and several Special Parts, drawn up in relation to the types of offenses whose commission is abstractly conceivable due to the activities carried out by the Company.

## ***Procedure for communication to the Supervisory Body***

Simultaneously with the update of the Model in 2019, Comer Industries has elaborated and disseminated a procedure aimed at regulating the information flows for the management of the reports forwarded to the Supervisory Body and to remove the factors that could hinder or discourage the use of reporting in compliance with the indications of art.2 Law 179/2017 on the subject of “Whistleblowing”.

## ***Anti-corruption Policy***

During 2019 Comer Industries updated the Anti-corruption Policy, applicable to all sites and companies of the Group and developed in accordance with the provisions of the Code of Conduct and the principles of the FCPA, the OECD Convention, the British Bribery Act and the laws anti-corruption of all Countries in which Comer industries carries out its business

## ***Quality, Health, Safety and Environmental Policy***

The commitment to growing by pursuing value for stakeholders and sustainability, is made explicit in the Integrated Quality, Health and Safety and Environmental Policy, issued in 2018 and updated in 2019. By the Policy, Comer Industries declares its will to adopt a Quality, Health and Safety and Environmental Management System according to the ISO 9001, ISO 45001 and ISO 14001 standards, integrated into the organization's business processes and implemented with a risk-based thinking approach according to the principles of ISO 31000.

The Quality, Health, Safety and Environmental Policy, updated and published in 2019, is available in Italian and English on the website [www.comerindustries.com](http://www.comerindustries.com) within the Governance section.



## ***Environmental and safety compliance management system***

To make effective the commitment to compliance obligations, Comer Industries uses of an advanced management system for the requirements required by all applicable laws and regulations regarding the environment and safety in the workplace, with particular reference to the provisions contained in the Legislative Decree 152/2006 (T.U. Environment) and Legislative Decree 81/2008 (T.U. Occupational Safety).

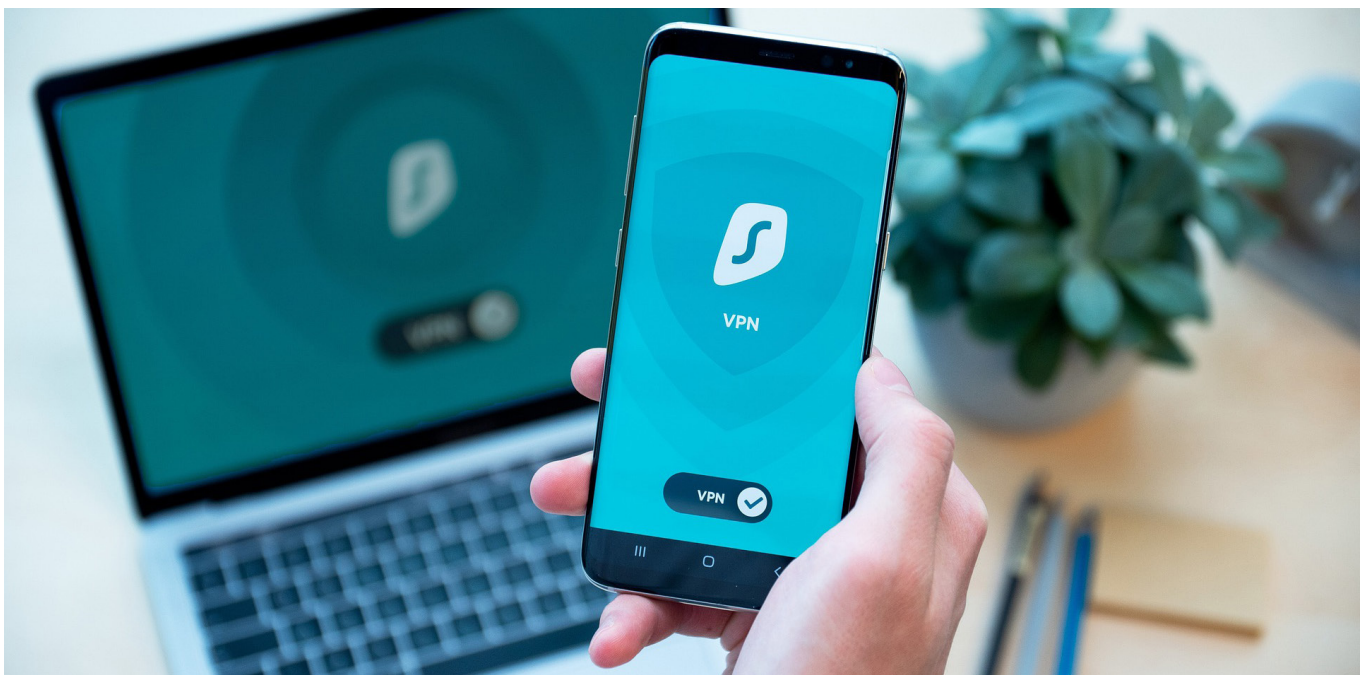
This system, supported by a digital platform that facilitates the monitoring of deadlines and the implementation of regulatory changes, constitutes a tool and evidence for compliance stakeholders to comply with compliance obligations.

## ***Conflict Minerals Policy***

In compliance with the legislation relating to Conflict Minerals (known as «3TGs» - Tantalum, Tin, Tungsten and Gold) referred to in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) and in accordance with the principles of the Code of Conduct, Comer Industries contributes to the objective of ending violent conflicts and violations of humanitarian rights in the States reported in the Regulations by adopting a Policy aimed at ensuring that the products and materials supplied do not contain 3TG from mines in areas of conflict. The Conflict Minerals Policy, updated and published in 2019, is available in Italian and English on the website [www.comerindustries.com](http://www.comerindustries.com) within the Our Commitment section.

## ***Privacy and Cybersecurity Governance Model***

In order to respond systematically to the evolution of the regulatory frame, with the publication of EU Regulation 2016/679, known as GDPR and the consequent Legislative Decree 101/2018, Comer Industries has decided to adopt a Privacy and Cybersecurity Governance Model consisting of the policies, methodologies and processes designed to protect the personal and strategic data of the subjects operating in the of Comer Industries’ business processes, including Customers and Suppliers.



## The internal control system and the risk management

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Comer Industries uses a system of internal control and risk management, as an integral part of the Group's Corporate Governance system, consisting of organizational structures, procedures and control activities aimed at the correct identification and management of business risks.

The functions contributing to the control and management of risks and support the Board in the decision-making processes and in the definition of the Corporate strategies are:

*Board of Statutory Auditors*  
*Supervisory Body*  
*Audit Firm*

whose roles and skills have been described in the Corporate Governance section. Performance monitoring and compliance verification is reinforced by an articulated auditing system coordinated by the **QHSE department** with variable periodic activities covering all business locations and processes and various areas of compliance (quality, environment, health and safety, privacy).

### *Procedure of risk management*

Comer Industries applies a systematic risk management model inspired by ISO 31000 to increase the likelihood of achieving goals, identify opportunities, meet cogent requirements, and improve stakeholders' confidence. To this end, a procedure has been drafted and approved by the CEO in 2018 where the rules and responsibilities for identifying risks and opportunities and their treatment have been defined.



The operational flow of the risk management process consists of the following phases:



**ANALYSIS OF THE CONTEXT:** for each context dimension and for each primary process, internal and external issues and the stakeholders must be defined.

### **RISK AND OPPORTUNITIES**

**IDENTIFICATION:** based on the relevant issues, needs and expectations of relevant stakeholders, it is necessary to identify possible events, the consequences of which may prevent, degrade, delay the achievement of objectives (risk) or promote, increase, accelerate the achievement of objectives (opportunities). The risk and opportunities thus identified are therefore attributed to the following categories with reference to the area of influence of the related effects:

- Asset integrity
- Business continuity
- Financial balance
- Legal liability
- Market response
- Reputation
- Safety
- Loss of performance

### **RISKS AND OPPORTUNITIES EVALUATION:**

the risk is assessed by combining the extent of the impact with the probability of its occurrence. This evaluation is carried out considering any existing measures, which confirm or modify the impact and probability measures. The opportunity is assessed by combining the extent of the expected benefit with the time duration of the same. The risk matrix is the tool for assessing and recording risks and opportunities.

### **RISKS AND OPPORTUNITIES TREATMENT**

at each level of risk / opportunity corresponds a priority of intervention and relative treatment. Each action is linked to a manager and a completion date

**MONITORING AND REVIEW:** the plan thus defined is periodically monitored to verify the closure of the actions within the pre-established times and to identify any changes in the identification or assessment of the risks / opportunities due to changes in the context.

# 2. 2030 AGENDA

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## Sustainability

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### *The global agenda for the sustainable development and the SDGs*

2030 Agenda for Sustainable Development is an action plan for people, planet and prosperity signed in September 2015 by governments of the 193 UN member states. It incorporates 17 Sustainable Development Goals (SDGs) in a huge action program made by 169 'targets' or milestones in all. The official launch of Sustainable Development Goals coincided with the beginning of 2016, leading the world on the path to follow over the next 15 years: countries, indeed, committed to reach them by 2030. The Development Goals follow up the results of Millennium Development Goals which preceded them and represent common objectives on a

range of important development issues: fight against poverty, hunger eradication and fight against climate change, to name just a few. 'Common Goals' mean that they affect all countries and all people: no one is excluded, nor should be left behind on the long journey needed to lead the world onto the path of sustainability.

#### Discover more:

<https://unric.org/en/united-nations-sustainable-development-goals/>



# SUSTAINABLE DEVELOPMENT GOALS



## *A project aiming at the creation of awareness*

Comer Industries, aware of its responsibility as a player operating in a global context, decided to serve as mouthpiece of sustainable development goals joining Agenda 2030. Therefore, in 2019 “Our Bright Impact” project borned with the aim of spreading the sustainability culture inside and outside the company through concrete projects and an awareness campaign.

our  
BRIGHT  
Our  
commitment  
to sustainability  
impact



“

*As an organization, we feel the responsibility of doing something tangible to promote the sustainable development of the communities in which we operate. The sustainability for Comer Industries is a key factor for long term value creation and it is increasingly an integral*

”

**MATTEO STORCHI, President & CEO**

## Relevant topics

According to identified priorities linked to Sustainable Development Goals and company evaluation about significant economic, social and environmental impacts, Comer Industries recognized following relevant topics:

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR GOALS
<b>Ethical business management</b>					✓			✓		✓							✓
Supply of products for agricultural development and wind sector		✓					✓										
<b>Health and safety management</b>			✓					✓									
Effective and efficient energy management							✓					✓	✓				
Efficient management of waste						✓						✓		✓	✓		
Effective management of GHG emissions							✓						✓				
Extensive and Integrated management system certification			✓					✓				✓					
<b>People development</b>					✓			✓									
Talent attraction and partnership with universities				✓	✓			✓									
Local and global development	✓			✓	✓			✓			✓						

## 1 - Ethical business management

The implementation of ethical and socially responsible conduct is expressed through the full application of the Code of Conduct, the Organization and Management Model and the Anti-corruption Policy aimed at the prevention of Corporate crimes pursuant to Legislative Decree 231/2001 and through the surveillance activities implemented by the Supervisory Body and the functions responsible for carrying out the audits.

During 2019 Comer Industries **fully revised the Organization and Management Model (MOG)** and the Code of Conduct, incorporating the recent developments in the regulatory framework and developing, as an integral part of the Model, **a procedure for regulating and promoting the reporting of unethical behavior**, which do not comply with Corporate or illegal standards and for the protection from retaliation according to the provisions of Law 179/2017 on the subject of “Whistleblowing”. The Supervisory Body exercised a punctual and systematic surveillance activity on the effective application of the Model by establishing a constant flow of information with all company areas and covering all sensitive processes.

In the next two years, an ever greater focus is expected on ethical business management projects through the adoption of the Model at Comer Industries Components, the consolidation of awareness through widespread training also with e-learning tools and finally continuous updating to the latest regulatory changes.

## 2 - Supply of products for agricultural development and wind sector

From its foundation, Comer Industries developed a business oriented towards sustainability, with an impact on agricultural development, also considering the reduction of environmental



impacts, and on the sector of components for wind applications. In 2019 Comer Industries further strengthen its position in the market of “green” applications, recording a significant growth in terms of volumes and turnover. Comer Industries will continue to reinforce its contribution to sustainability extending its product ranges to other applications that exploit renewable energies, such as latest generation of wind generators, and promote agricultural mechanization, the development of productivity and the reduction of hunger in developing countries.

## 3 - Health and safety management

Comer Industries decided to address the issues of occupational health and safety with a systematic and fully business integrated approach, implementing globally a management model aimed at preventing injuries and occupational diseases based on risk management in decision-making processes. Comer Industries implements continuous improvement processes for the creation of safe and ergonomic work environments through process analysis and systematic elimination of hazards. A key role is played by structured, timely and comprehensive training that extends to all business stakeholders and by the programmes of involvement of all workers in workplace improvement initiatives.

The main outcomes obtained in 2019 were the extension of the ISO 45001 **Health and Safety Management System** with the related third-party certification obtained for 6 production sites, the infrastructure and process investments for risk reduction, the **digitization** of compliance management and changes in the regulatory framework in order to have full guarantee and continuity of compliance.

In the next two years, prevention projects based on the removal of hazards and the achievement of the Certification of the Health and Safety Management System extended to the entirety of the Company are planned.

## 4 - Effective and efficient energy management

For several years Comer Industries is committed to energy consumption reduction increasingly improving the efficiency of its processes and investing in the generation of energy from renewable resources.

In 2019, Comer Industries, in addition to the increase of consumptions through *photovoltaic systems* already available, implemented efficiency projects, such as the *redevelopment of lighting systems* (replacement of neon lamps with LED) of its buildings and the extension and strengthening of digital *monitoring system* about energetic parameters and consumption, starting point to draw improving actions.

For 2020, the installation of a new photovoltaic system at Matera plant with 500 Kwp power equivalent to an additional yearly reduction of 210 tons of produced CO2 is expected.



## 5. Effective management of waste

Comer Industries started a significant reduction program of waste quantities produced by manufacturing processes working on generating sources and on the improvement of recycling percentages. Several projects have been developed during 2019 on this environmental aspect:

**Reduction of dangerous waste:** activity aiming at reducing quantities of waste from painting processes in Northern Italy plants and at braking down its disposal costs;

**RiVending:** virtuous cycle of recovery and recycling of plastic glasses and scoop for automatic vending machines;

**No more plastic bottles:** removal of plastic bottles from beverage vending machines installed in every plant.

For the next two years, in addition to the extension of the project for reducing dangerous waste to the other company plants, the installation of a system for painting waste water treatment at Jiaxing plant in China and the application of RiVending system to every plant are expected.



## 6 - Effective management of GHG emissions

In parallel with the energy consumption reduction program, Comer Industries is committed to the control and **reduction of greenhouse gas emissions** generated by production processes and altering the climate.

Continuous monitoring of consumption and interventions on the main sources of emissions determined a reduction in direct emissions during 2019. It also to be highlighted the important share of 463 tons of CO<sub>2</sub>e avoided thanks to the photovoltaic systems as referred into in the point “Effective and efficient energy management”.

Comer Industries has joined the **Carbon Disclosure Project** since 2015, an awareness and reporting project on issues related to climate change, deforestation and water consumption, involving more than 8000 companies in 120 countries. Comer Industries participates in the Climate Change section. The score achieved in 2019 was C, on an A / D- scale.

Comer Industries plans to strengthen the CDP program over the next two years through the involvement of the supply chain and some initiatives aimed at slowing down climate change (deforestation, consumption of natural resources, renewable energy).

## 7 - Extensive and integrated management system certification

Starting from 2017, Comer Industries has launched a series of actions aimed at building an **integrated quality, health and safety and environmental management system**, placing risk management and the rationalization and simplification of processes at the basis of its model.

In 2019, the double goal of extending the **environmental management system according to ISO 14001:2015** and full integration with the quality system according to ISO 9001: 2015 was achieved, getting the third-party certification of RINA.

In 2020, this roadmap is expected to be completed with the third-party certification of the integrated quality, health and safety and the environmental management system extended to all sites of the Company.

## 8 - Talent attraction and partnership with universities

Comer Industries has always been active in the territory to look for and hire young talents. The **close cooperation with main local Universities** (Parma, Modena and Reggio Emilia) through teaching projects allow the company to train young engineers, triggering a virtuous process of internship, also awarding scholarships.

In 2019, the company activate **a new course in partnership with Parma University** focused on Lean methodology and dedicated to Management Engineering students.

In 2020, the extension of partnerships with further universities of the territory is expected.



## 9 - People development

Thanks to **Comer Academy**, the internal training school established in 2008, every worker is trained according to specific needs of professional growth. Moreover, Comer Industries rates globally white collars' performance thanks to an ad hoc system.

In 2019, Comer Academy developed **Mentoring Project** with the aim to ease the personal and professional growing path of 45 associates through the direct support of senior employees.

In 2020, with reference to mentoring project, the involvement of a new group of associates is expected, as well as the extension of Comer Academy training projects also for suppliers.

## 10 - Local and global development

Comer Industries is aware of the role played in the development of territories in which it operates, helping the **creation of infrastructures, employment and training, improving local cultural and social fabric**.

In 2019, the company activated several partnerships with many local and global organizations active in the fields of education and **preservation of artistic and cultural heritage**.

In 2020, these partnerships took shape in the activation of an atelier realized in **collaboration with Reggio Children** dedicated to mechanical training for Reggio Emilia territory with the possibility to extend it in the future to other countries in the world. Moreover, it will be realized a project of study support for girls from Bangalore (India) living in difficult conditions.



# 3. ECONOMIC RESPONSABILITY

comer industries



**1°**  
giorno di  
quotazione

 Borsa Italiana

comer industries



1<sup>o</sup>  
giorno di  
quotazione

Borsa Italiana

BORSA

comer industries



1<sup>o</sup>

giorno di  
quotazione

Borsa Italiana

## Key indicators

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### *Main economics and financial indicators*

<b>Euro in millions</b>	<b>FY18</b>	<b>FY19</b>
Revenues	379.0	404.6
[Adjusted] EBITDA	38.6	45.0
EBIT	24.9	27.8
Net result	15.7	18.5
Investments (Capex)	15.0	15.9
Total net cash flow	4.0	33.9
[Adjusted] Net Financial Debt	(36.7)	(2.9)
Net equity	88.9	129.1

Source: Directors' report of 2019 Consolidated Annual Report

### *Investments*

In 2019 the Group invested around 15.9 million euros in tangible and intangible fixed assets acquired from third parties, net of internal capitalizations and excluding the impact of the new IFRS 16 accounting standard. The main investments were made in Italy for around 10 million euros and in the subsidiary Comer Industries (Jiaxing) Co. Ltd. For around 5 millions.

The most significant investments in Italy refer to the new CNC, cutting and turning machines and the start-up of an investment in a photovoltaic system with a maximum power of 500 kWp to be installed on a land owned by Comer Industries Components S.r.l., intended for self-consumption. In China investments were mainly related to the Plant development, the acquisition of new semi-automatic assembly lines and a vertical warehouse supported by latest-generation trilateral forklift trucks.

In relation to research and development, more than 2 million euros have been invested in the last year in order to develop prototypes and new products, and in particular, special benches have been purchased for fatigue analysis and endurance tests on prototype projects.

## Economic performance

As at 31 December 2019 the number of Comer Industries S.p.A. ordinary shares amount to 20.409.280. Below the list of significant shareholders:

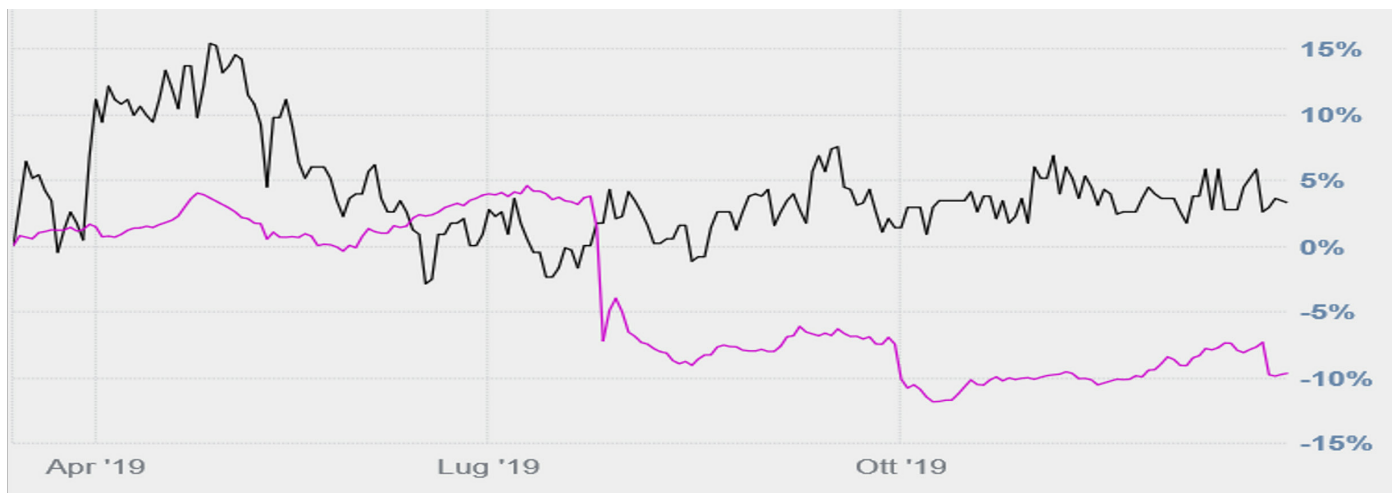
SHAREHOLDERS	% SHARE CAPITAL
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Eagles Oak Srl	71,73 %
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Source: Borsa Italiana updated on March 23<sup>rd</sup>, 2020

Comer Industries, listed in the AIM Italia, presents a positive trend of the share's price. From the negotiation in March 2019, the share price trend is higher than the FTSE AIM Italia Index.

### FTSE AIM Italia index (13/03/2019 - 31/12/2019)



Source: Borsa Italiana: — Comer Industries SpA — FTSE AIM Italia Index

## Economic value generated and distributed

Economic value generated and distributed represents the company ability to create wealth and distribute it to its stakeholder.

Data on creation and distribution of economic value provide, through a reclassification of the consolidated profit and loss, a preliminary indication on how Comer Industries has created wealth for its stakeholder, highlighting the economic effects produced by the entrepreneurial management on the main categories of stakeholders.

In 2019 the Economic value generated by Comer Industries amounts to 408 millions of Euro (380 millions in 2018) and has been distributed for the 94% to stakeholders. In particular, 61 millions of Euro have been distributed to employees, 305 millions of Euro to suppliers for operating costs, 7 millions of Euro to shareholders, 9 millions of Euro to the public administration and 1 million of Euro to lenders.

<b>Euro in thousands</b>	<b>FY18</b>	<b>FY19</b>
Revenues	379,031	404,579
Other revenues	1,903	3,066
Financial revenues	90	66
Gain and loss on foreign exchange rate	(675)	80
<b>Economic value generated (A)</b>	<b>380,348</b>	<b>407,792</b>
Operating costs (*)	279,771	305,188
Employees	62,446	61,426
Government	8,083	8,989
Shareholders (**)	12,210	7,143
Lenders	1,490	1,109
<b>Economic value distributed (B)</b>	<b>364,000</b>	<b>383,856</b>
<b>Economic value retained (=A-B)</b>	<b>16,348</b>	<b>23,936</b>

(\*) Include the impacts relating to the application of IFRS 2 and IFRS 16 standards

(\*\*) Include the proposal of dividends distributions relating to the fiscal year ending 31 December.

For further information please refer to the “Consolidated Annual Report as of 31 December 2019” available on the company website [www.comerindustries.com](http://www.comerindustries.com).



Commer industrie



13 marzo 2019

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# 4. PEOPLE AND TERRITORY

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STAFF



DIEN  
ORL



## Commitment towards people

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Comer Industries puts people at the core of its values, promoting the self-realization, well-being and growth of everyone, enhancing valuable experiences, the development of competences and the fair recognition of results, individual and team merits.

Therefore, the company commits itself to promote a business culture able to attract the best talents, to grow personal skills and teamwork ability, with the aim to help individual and corporate growth, offering suitable opportunities for every personal and professional needs. Inclusion and non-discrimination are two fundamental principles of people management, through the protection of cultural, ethnic, age, gender and ability diversity, the promotion in every plant of respect for people, religious beliefs, political and sexual orientation, diversity, tolerance and hospitality, impeding at the same time any type of potential discrimination.

With regards to salary, the company promote the principle of wage equality for its workers, in



the respect of collective negotiation right and specific local laws. In particular, in Italy, supplementary agreements have been developed over time, which provide more favorable conditions in comparison to national projections and a collective participation award for the distribution of business results linked to performances.

Comer Industries has also activated a compensation Policy in every country for the recognition of meritocracy, organizational and

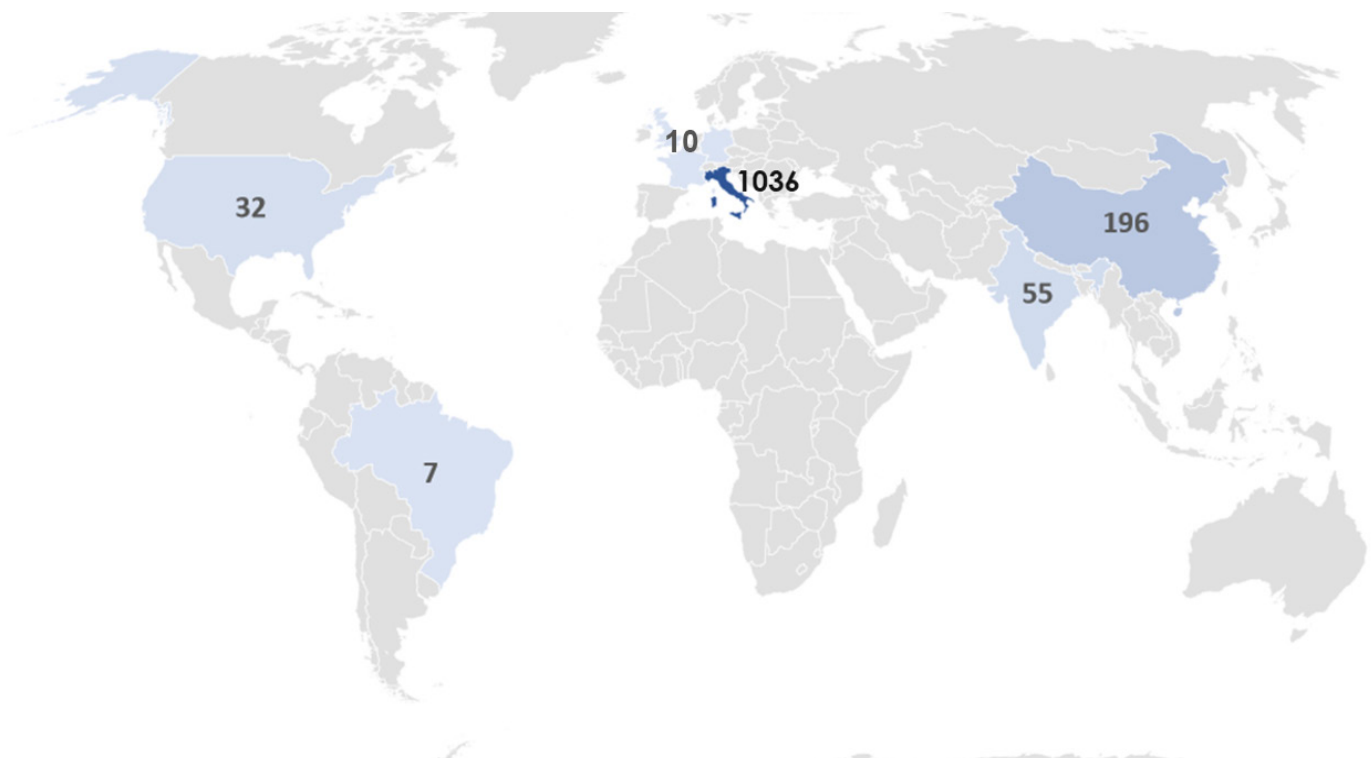
professional responsibility in balance with external and internal labor market and linked to a digital system of annual performance and organizational behaviors evaluation (Appraisal System Comer).

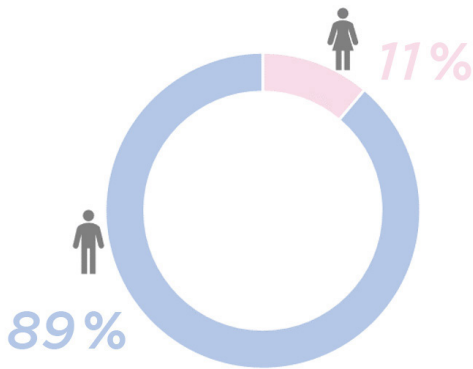
By applying these principles, Comer Industries commits itself to grant the respect of workers' rights, promoting at the same time well-being, equal opportunities and a better balance between private and working life, accepting, where possible, all requests of part-time work, the access to working flexible systems in case of maternity/paternity, the adoption of smart working and Time for You, which grant during summer time a certain number of company shutdowns in close proximity to the weekend, as instruments to improve working conditions and productivity.

## Company workers

At December 31, 2019 Comer Industries staff amounted to **1,336 people**, decreasing by 5% in comparison to previous year, due to the termination at the end of the year of several temporary work contracts linked to seasonality of a part of production.

Corporate population is more concentrated **in Italy (77%) and in China (15%)**, where main plants are located, while **the remaining part of workers (8%)** is distributed among Indian plant and USA, Brazil and Europe subsidiaries.





Female staff amounted to **11%** of corporate population, the same as in 2018.

**80%**

*% of workers with permanent contract*

**80% of total workforce** is hired in the same period with a **permanent contract**, increasing by 3% in comparison to the same data of 2018.

In 2019, **425 persons** in total became part of the company, recording an **incoming staff rate of 32%**.

With regards to turnover outgoing rate, that is the ratio between the number of outputs with the total of workers on December 31, we obtain the same 32% value.

**32% INCOMING STAFF RATE**



**32% OUTGOING STAFF RATE**



If we consider the incoming rate and the outgoing turnover, after deduction of temporary work contracts, values measure respectively 17% and 14%, with an increasing of stable workforce of 33 workers.



## Health and safety protection

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In line with the principles expressed in the Integrated Quality, Health and Safety and Environmental Policy (available on the company website [www.comerindustries.com/our-commitment](http://www.comerindustries.com/our-commitment)), Comer Industries places the protection of workers' health and the safety in the workplace at the basis of its initiatives.

To this end, the Group has developed a health and safety compliance and risk governance model in every site of the Company with coordination of the QHSE function.

The decision-making procedures and processes are based on the concept of risk analysis and elimination of dangerous situations that can potentially generate negative impacts on health and safety.

As part of these assessment processes, the sources of danger detected through specific control and communication tools are analysed contextually to the budget process and prioritized based on the size of the potential impact; then the actions aimed at eliminating hazards or risk mitigation are defined, assigning the related responsibilities and resources.

During 2019, 30 projects involving the whole Company were completed. In addition to ensuring compliance with national, regional and local laws and regulations, monitored through an IT system that intercepts any change in the legislative framework, Comer Industries has prepared and extended to all sites of the Company a Management System according to the ISO 45001 standard.

The ISO 45001 standard was issued in 2018 as an evolution of the previous BS OHSAS 18001 and represents one of the most advanced health and safety reference schemes for the prevention of injuries in the workplace and the guarantee of legislative compliance, integrating management risk and worker involvement in improvement processes.

The key elements of this system are:

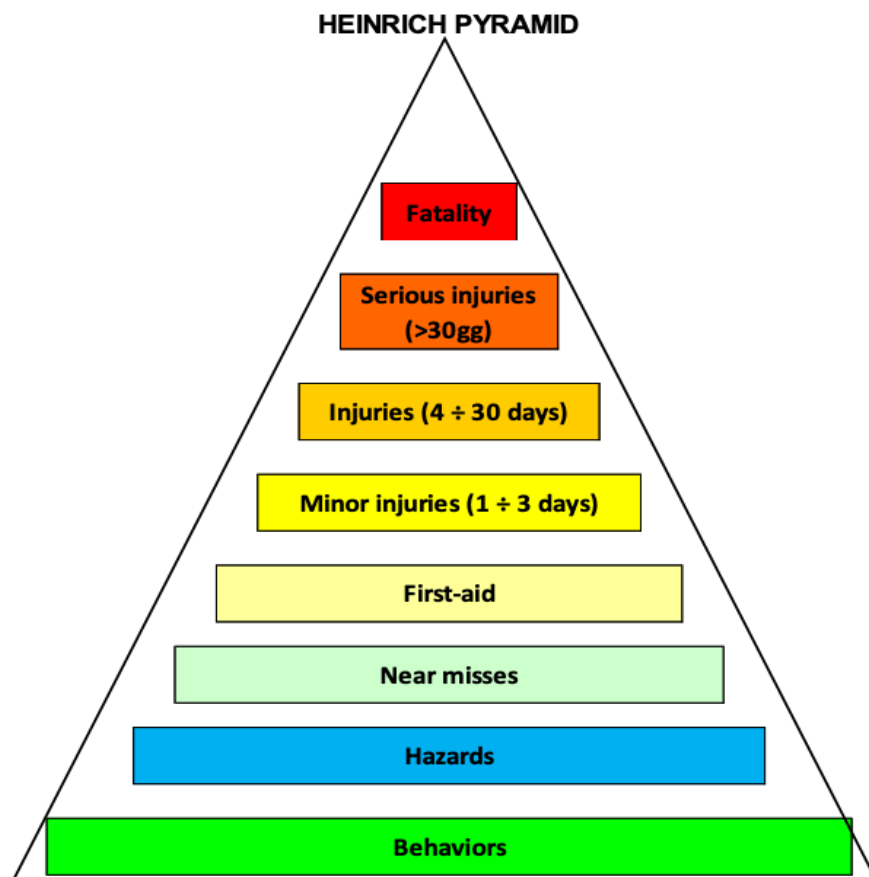
- risk assessment;
- the diffusion, through specific training interventions, of the awareness of the risks and of the role of prevention;
- the widespread involvement of workers in identifying dangerous situations;
- the analysis of dangerous situations, near misses and injuries through methodologies based on the removal of sources of risk;
- consultation and participation of workers in improvement initiatives;
- the audit activity extended to all company processes and supported by IT systems.

Considering all Companies of the Group, during 2019 there were a total of 21 injuries referred to an increase in the worked hours compared to 2018, bringing the value of the WRI reference indicator to 1.87 in line with 2018 (1.84).

1,87

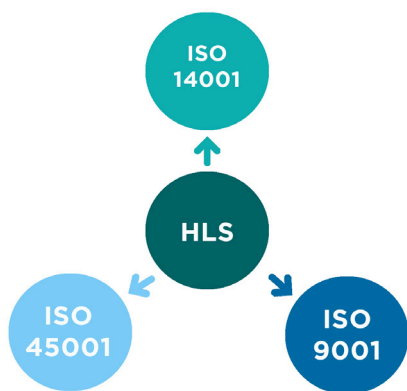
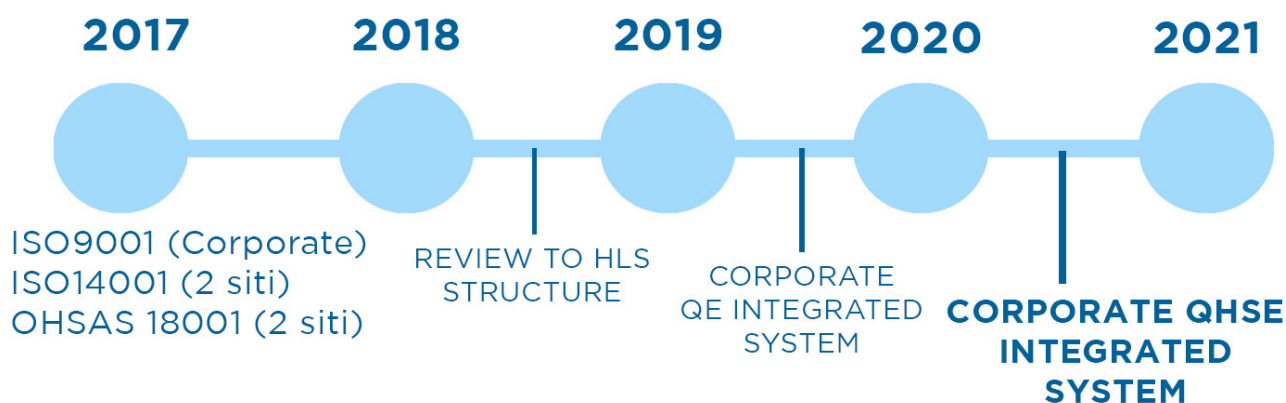
*WRI = Number of injuries / Worked hours \* (temporary workers included)*

As an evidence of workers' active participation in prevention and continuous improvement in health and safety, a total of 3,731 preventive reports of potential hazards (without any occurred accident) equal to 2.8 per capita were recorded at the overall level during 2019. Each report is submitted to analysis by a technical team in order to implement the relevant risk mitigation actions and communicate feedback to those who detected the danger. This approach is based on the assumption that there is a cause-and-effect relationship and a pyramid-type proportion between the sources of hazards and the number of accidents. As consequence continuous action on hazards and relevant causes determines a gradual reduction in the number of injuries.



## Health and safety management system certification

Since 2017 Comer Industries has implemented a roadmap of rationalization and extension of management systems with the aim of exploiting the synergies of the 3 schemes through the new High Level Structure and extending the best practices in all over the Group.



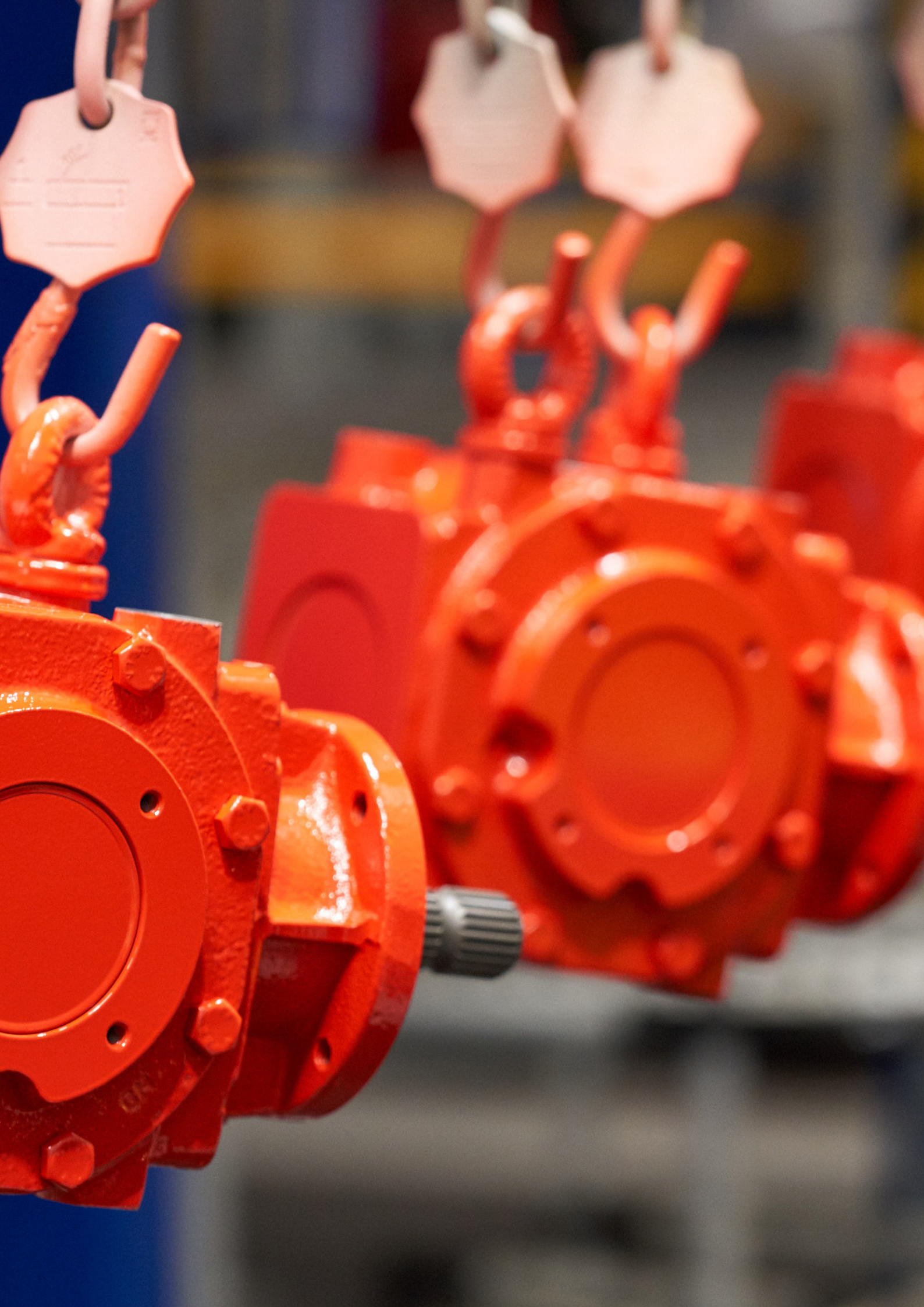
As part of this broader development roadmap, during 2019 Comer Industries implemented the health and safety management system according to ISO 45001:2018 in the Cavriago, Pegognaga, Bangalore and Charlotte Plants and made the transition to the new standard in the Matera and Reggiolo Assembly Plants, previously certified according to the BS OHSAS 18001 standard, obtaining the relevant certifications from the RINA Authority. At the end of this audit cycle, Comer Industries achieved a rate of coverage by the ISO 45001 certified management system equal to 58% of the total workforce.

**58%**

*Workforced covered by the certified management system according to ISO 45001*

These results represent another important step towards the goal of reaching the Corporate certification of the quality, health and safety and the environmental system within 2020.





## Training and competence development

### Comer Academy

In Comer Industries people are an element of distinction in a highly competitive context. Training stands for the motor of a continuous improvement: improve the commitment, contribute to the development of human resources' knowledge and competences strengthening their professional identities. That's why in 2008 Comer Academy born: Comer Industries training school conceived and designed to train associates and talents belonging to the territory in which the company operates. Comer Academy's main objective is adding value to resources through targeted and personalized interventions in technical and management fields, supporting the cultural and organizational change at all company levels, to be a pole of attraction for the best talents entering the market. Comer Academy takes advantage of internal and external teachers. Internal teachers grant continuity and highlight Comer Industries' approach, external ones allow to be even more immerse in a continuously evolving context. Courses cover several thematic areas: from technical-specialized training of several company functions, to management training,

with a specific focus on programs linked to leadership and soft skills development. Programs address all company workers, white and blue collars, and take place in classrooms or on the job. On the occasion of the start up of new Jiaxing (China) plant, 47,000 technical-specialized training hours have been provided to local associates..

#### *Year of birth*

2008

#### *Course types*

technical and management training

#### *Teachers*

internal and external

#### *Target*

internal and external staff (workers, students, suppliers)

#### *2019 provided training hours*

30.566 + 47.664 (start up Chinese plant)



## Mentoring project

In 2019 started Comer Industries' "Mentoring Program", an initiative of Comer Academy dedicated to associates involved in a professional growing route. Through a process leads by the company, every Junior figure interested in the project had the possibility to choose a "mentor" belonging to another company department, with the aim of promoting cross-functional growth and leadership paths.



## International mobility



Comer Industries encourages international mobility as instrument of professional growth. At the moment, one company associate works in Japan as resident engineer. Instead, another one is following a development path based on job rotation among company subsidiaries located in USA, China and Germany.

## Partnerships with universities and talents' attraction

Comer Industries is involved in a constant exchange with local educational institutes to train and attract talents. In 2019, the company collaborated with Parma University activating "Lean Hoshin Kanri" course for Management Engineering students and a design course for Mechanical Engineering students. These two courses have been held by Comer Industries' professionals, dealing with topics objects of study both from a theoretical point of view and practical implementation inside the company. Moreover, for years Comer Industries is involved in school-work exchange through the "Leader? Do it" project in collaboration with Modena and Reggio Emilia University. The project is based on the activation of a training course followed by a possible scholarship for an internship inside the company. The company attends with enthusiasm the main Career Day organized by local Universities and constantly hosts students from Technical High School classes that wish visiting the company with the aim to create awareness in younger students through a direct approach and knowledge of company dynamics.



## Initiatives for the territory

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### *OPEN WORLD: the company opens to the external world*



In 2019, for the first time since its foundation, Comer Industries opened the doors of its plants to associates' families with the event OPEN WORLD. This initiative, in addition to production line visits in Reggio (via Fermi and via Magellano), Cavriago and Pegognaga plants, offered ateliers (creative workshops) that allowed children and young sons/daughters of company associates to discover how numerous and important are the applications of products realized by the company for some economic sectors of global relevance. The most important, the agricultural one. In particular, thanks to the support of Reggio Children educators, nine different moments of experiential learning inspired directly to materials, technologies and production that characterize Comer Industries' activities have been offered to associates' children. The objective of these workshops was to make it clear what it means for the company contributing to the "creation of an EASY world".



## ***Episcopal Seminary restoration***

Comer Industries is also member of the management committee for the project of Reggio Emilia Episcopal Seminary restoration in charge to Modena and Reggio Emilia University, with the aim to realize new spaces dedicated to education and students' hospitality. An important local partnership which aims offering new opportunities for students and to restore disused urban spaces.

## ***Accommodations for associates***

From the end of 2018, with the opening of the new plant in Jiaxing, Comer Industries accommodated 50 associates to support urban drift and proximity to the working place.

## ***FAI Corporate Golden Donor***

Comer Industries supports FAI - Fondo Ambiente Italiano - through the participation to the membership program Corporate Golden Donor. Together with FAI, we wish realizing a great safeguard project that represents also an ambitious cultural challenge: make Italy a better place to live, work and grow our children. Landscape and artistic heritage, that FAI safeguards and promotes, represents indeed a patrimony unique in the world and a fundamental resource to invest upon in order to make revive, develop and promote our beautiful country. Thanks to the support of its numerous participants, for over 40 years FAI safeguards and manages 61 special places throughout national country. Important historical, artistic and landscape settlements saved from negligence, restored, safeguarded and open to the public. Everyday FAI commits to protect and to make accessible to everybody wonderful jewels of art, nature and culture dispersed in rural areas, cities and costs of our country; FAI commits to educate and raise awareness in the community towards knowledge, the importance of respecting and taking care of art and nature and becoming mouthpiece for the requests of the civil society monitoring and actively intervening in the territory. Together with FAI, we desire a more protected and more beautiful Italy.





# 5. ENVIRONMENT

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## Commitment towards the environment

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Comer Industries is implementing concrete actions to balance the manufacturing with the environmental sustainability, in line with what is stated in the Integrated Quality, Health and Safety and Environment Policy (available on the company's website [www.comerindustries.com/our-committment](http://www.comerindustries.com/our-committment)).

Going beyond regulatory compliance and cogent environmental monitoring, Comer Industries optimizes its processes with a risk-based thinking approach aimed at continuous improvement resulting in a constant reduction of energy consumption, generated waste and greenhouse gas emissions into the atmosphere.

Assessing the significant environmental impacts of its activities, Comer Industries develops several initiatives every year to reduce the relevant size: in fact during 2019, 27 projects were completed in Italy and abroad, aimed mainly at improving the energy efficiency of processes and the system of detection of energy parameters.

In the same period, Comer Industries has consolidated and extended its environmental performance monitoring systems, increasing its traceability and analysis capabilities for foreign locations as well.

### *Environmental management system certification*

In order to realize and enhance its ongoing commitment to reducing environmental impacts, Comer Industries has voluntarily implemented an environmental management system according to the ISO 14001:2015 standard, extending it to all Group sites including the Headquarter and integrating it with the pre-existing models of quality management and safety in the perspective of simplification and rationalization.



During 2019 Comer Industries received the recognition of the third-party certification by the RINA at the Corporate level through an audit cycle that involved all the operating units of the Group and all processes.



## The energy consumption

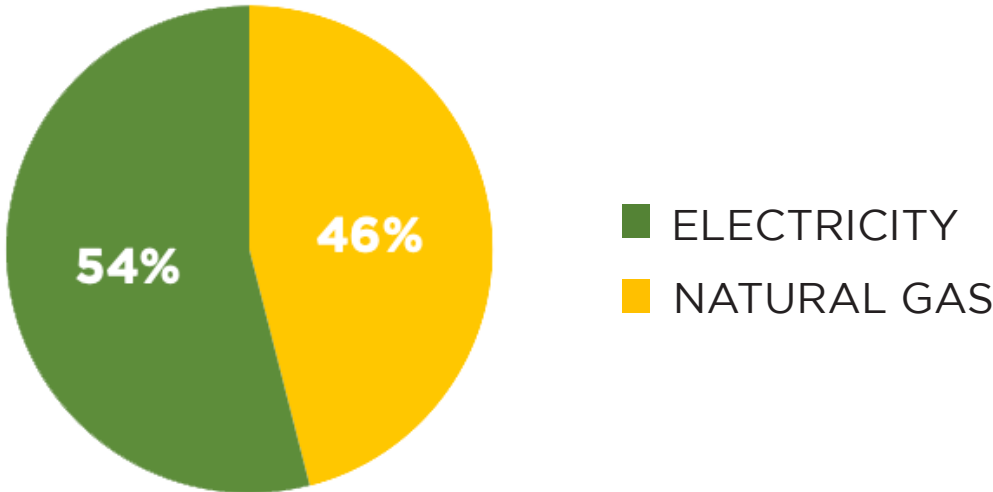
The energy carriers used to ensure the operations and the production processes are fuels produced from non-renewable sources (natural gas) and electricity. The most energy-intensive activities are the processes of painting, heat treatment and machining in addition to the air conditioning.

At each production Plant, energy consumption is monitored periodically in order to reach the targets defined at the beginning of the year. Comer Industries adopts, for Italian Plants, a digital dashboard for data management that represents in real time the state of consumption, highlighting deviations, where they exist, and the relevant cause, thus supporting the decision-making process and finally allowing timely corrective actions. This monitoring and analytical system is also being consolidated and extended to sites abroad to have a globally aggregated database.

In 2019, the total energy consumption in Italian plants amounted to 114.350 GJ, of which 46% was due to natural gas and the remaining 54% to electricity.

**114.350 GJ**

*Energy consumption in Italy*



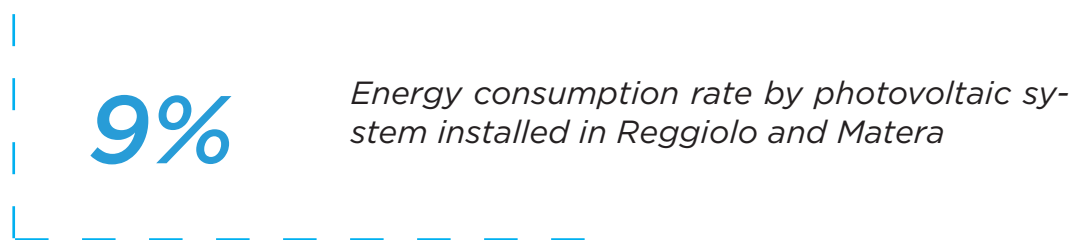
During 2019, a 3% reduction of energy consumption was achieved in Italy mainly due to the natural gas component, as a result of the major efficiency of the heating systems.

YEAR	CONSUMPTION			
		Natural Gas	Electricity	Total
2018	GJ	55.217	62.133	117.350
2019	GJ	52.118	62.232	114.350

*Boundary: Italian Plants*

A rate of 9% of electricity consumption is powered by 3 photovoltaic systems installed in Reggio and Matera that develop a total power of 1450 kWp.

In 2020, an additional photovoltaic system is to be installed at Matera Plant with an overall power of about 500 kWp.



In order to address energy issues with an approach systematically aimed at managing risks and improving energy performance, Comer Industries has developed an energy management system certified according to ISO 50001:2018 at the Matera Plant.

## Emissions

Driven by the energy consumption roadmap and by the awareness of the effects of climate change, Comer Industries pays increasing attention to greenhouse gas emissions related to its processes.

The Group is committed to reducing direct (SCOPE 1) and indirect emissions (SCOPE 2), both improving the energy efficiency of the equipment and increasing the percentage of energy consumption produced by renewable sources.

Direct emissions are those generated by the activities directly carried out by Comer Industries, mainly resulting from combustion equipment: these processes generated 2,655 tons of CO<sub>2</sub> in the perimeter of the Italian plants, down 6% compared to the previous year.

SCOPE 2 emissions are related to the electricity purchased by Comer Industries for powering the machines and equipment used in manufacturing and related processes. In this case, emissions are calculated according to two different approaches: 'location based', using average emission factors related to specific national energy mixes of electricity generation and 'market based' using emission factors defined on a contractual basis with the electricity supplier.

For the definition of the conversion factors and relevant citations, refer to the notes in Appendix.

		<b>EMISSIONS</b>		
<b>YEAR</b>		SCOPE 1	SCOPE 2 (location based)	SCOPE 2 (Market based)
2018	tCO <sub>2</sub> e	2.835	4.740	5.006
2019	tCO <sub>2</sub> e	2.655	4.545	5.686

*Boundary Italian Plants*

It should be noted that the impact in terms of emissions related to electricity consumption has benefited from a saving of 463 tons of CO<sub>2</sub> achieved thanks to the 3 photovoltaic systems installed in Reggiolo and Matera.

**463tCO<sub>2</sub>e**

*Saved due to photovoltaic systems installed in  
Reggiolo and Matera*

*(calculated with location based method)*

The additional 500 kWp plant being installed at the Matera production site will allow an additional saving in terms of emissions of about 210 tons of CO<sub>2</sub>e (Location Based method).

As a further evidence to the commitment to reducing CO<sub>2</sub> emissions and protecting the environment, Comer Industries has been registered for the Carbon Disclosure Project (below CDP) since 2015, which provides businesses, local authorities, governments and investors with a comprehensive system of environmental measurement and reporting. There are currently more than 8,000 companies participating in CDP surveys on Climate Change, Water and Forests programs with the ultimate goal of building a global economic system that is attentive to environmental sustainability.

In 2019 Comer Industries participated in the Climate Change program, obtaining the C score on an A-D- scale, in line with the European average and consistent with the gradual but continuous development of the Company's environmental performance.



## Waste management

Since 2018 an analytical monitoring system for generated waste has been adopted by Comer Industries in order to reduce the produced quantities, the relevant rate classified as dangerous under national regulations and the related impacts related to disposal.

The most relevant internal processes for waste generation are machining and painting. Through an analytical dashboard, currently available at Italian plants but also being extended abroad, it is possible to operate the appropriate aggregations for the analysis of the areas of intervention with greater impact in terms of environmental and economic impact.

During 2019, the Company's production activity and related processes led to the generation of 5.153 tons of total waste.

At the Italian Plants, a rate of 28% of the generated waste was classified as dangerous. On



this part involving a greater environmental impact, an improvement project focused on the rationalization of the Northern Italian Plants painting processes through technical and management interventions has been completed, achieving a reduction compared to the previous year equal to 13% of the total quantity.

On the differentiation and reduction of plastic waste, two specific projects were developed aimed not only at improving collection systems but also creating awareness across the Company's employees regarding issues of environmental protection and individual behaviour.

The **'No more plastic bottles'** project, which is extended to all the Plants of the Group and supported by a dedicated communication campaign, has led to the elimination of plastic bottles at the distributors, through the installation of sanitized and refrigerated free water systems, and to the delivery to all workers, of a customized thermal bottle during year-end event.

With the **"RiVending"** project, activated in the Northern Italian Plants with the aim of extending to the other Plants during 2020, the break areas have been equipped with collection and recycling points dedicated to the recovery of plastic teaspoon and cups from vending machines in a circular economy perspective.

collection and recycling points dedicated to the recovery of plastic teaspoon and cups from vending machines in a circular economy perspective.

# APPENDIX

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## Methodological note

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This document is the first report prepared by Comer Industries to communicate sustainability strategies, initiatives and performance in a transparent and organic way under the “Our Bright Impact” programme. This report was made on a voluntary basis by Comer Industries, which is not subject to Legislative Decree 254/2016 as not part of large public interest companies required to report their non-financial performance. The content has been developed and described solely on the basis of internal evaluations and business strategy and does not respond in any way to applicable regulations or standards, which are not mandatory for Comer Industries. The qualitative and quantitative data and information contained in this report relate to the 2019 financial year (January 1 to December 31) and all Group’s Legal Entities and Branches; any limitation on the perimeter considered is appropriately indicated within the document. The relevant issues were selected solely on the basis of the organization’s assessment of the environmental, social and economic impacts considered significant for the Company, without any reference to the materiality analysis principles recalled in GRI Standards or other sectorial standards

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## Performance indicators

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With regard to environmental data, the perimeter of Italian production facilities was considered with the exception of the overall figure on the quantity of generated waste, pending the extension and standardization of monitoring systems during 2020. Performance indicators were calculated based on internal reporting systems and the following sources. In particular:

- SCOPE 1 issue factor was considered ‘UK Government GHG Conversion Factors for Company Reporting 2019’;
- SCOPE 2 Location Based: ISPRA Database ([www.sinanet.isprambiente.it](http://www.sinanet.isprambiente.it));
- SCOPE 2 Market Based: AIB (European-residual-mix [www.aib-net.org/facts/](http://www.aib-net.org/facts/)).

With regard to human resources indicators, the overall workforce, including temporary workers, was considered at the end of the reporting period.

The hours of training provided were normalised in order to make a correct comparison with the previous year by extrapolating the number of hours of specific training required for the start-up of the Jiaying Plant.

With regard to economic data, the reference boundary is the same as in the 2019 Consolidated Financial Report.

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## References

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This document is also available in the company website into the section:  
[GOVERNANCE > CORPORATE SOCIAL RESPONSIBILITY](#)

For information:

Comer Industries QHSE - Antonio Lattarulo [antonio\\_lattarulo@comerindustries.com](mailto:antonio_lattarulo@comerindustries.com)



# **comer industries**

Comer Industries Spa

Via Magellano, 27 - 42046 Reggio (RE) - Italia

Tel. +39 0522 974111 | Fax +39 0522 973249

Email: [info@comerindustries.com](mailto:info@comerindustries.com)

[comerindustries.com](http://comerindustries.com)