



EUROSWITCH
excellence in sensors

ESG ASSESSMENT: RESULTS

2023



ESG ASSESSMENT:

Results



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

Data processing and **baseline definition**

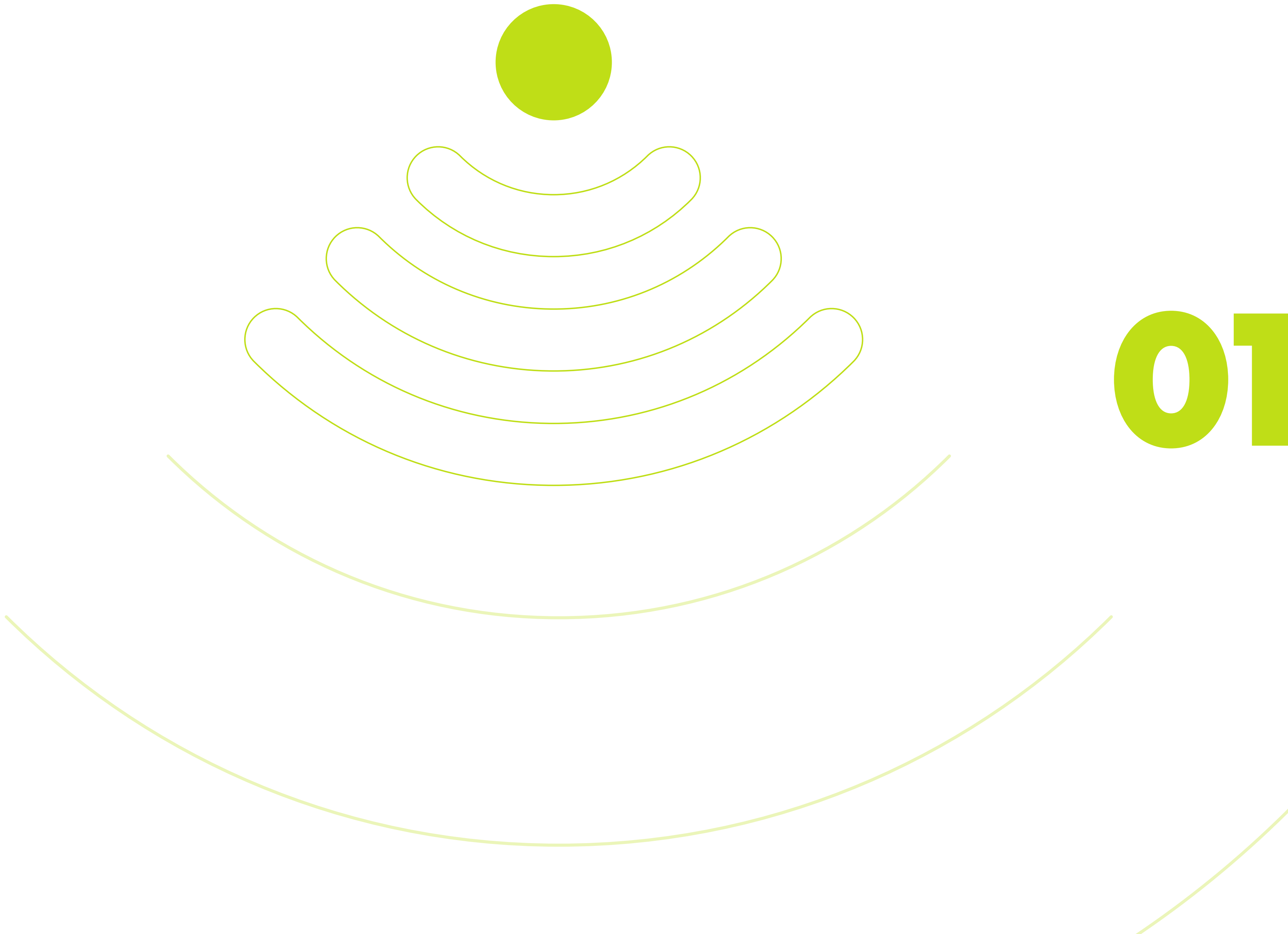
Identification of **strengths** and weaknesses **(areas for improvement)**

Notes on the work carried out:

Data collection focused on Euroswitch for the year 2023.

In some cases, it was necessary to reconstruct a trend, so data for 2022 and 2021 (or earlier years) was also collected.

The year 2024 was not considered in any case, as it is still ongoing.



01

**SPHERE
ENVIRONMENT**

Sphere Environment

ENERGY

EMISSIONS

WASTE

MATERIALS

WATER RESOURCE

●

Sphere Environment Energy

The company has low consumption levels due to the nature of its activities.

Strengths

Installation of a photovoltaic system in 2023 (operational since July)

Relamping of 540 lamps in 2023 (with an estimated savings of approximately 50% compared to the previous lamps)

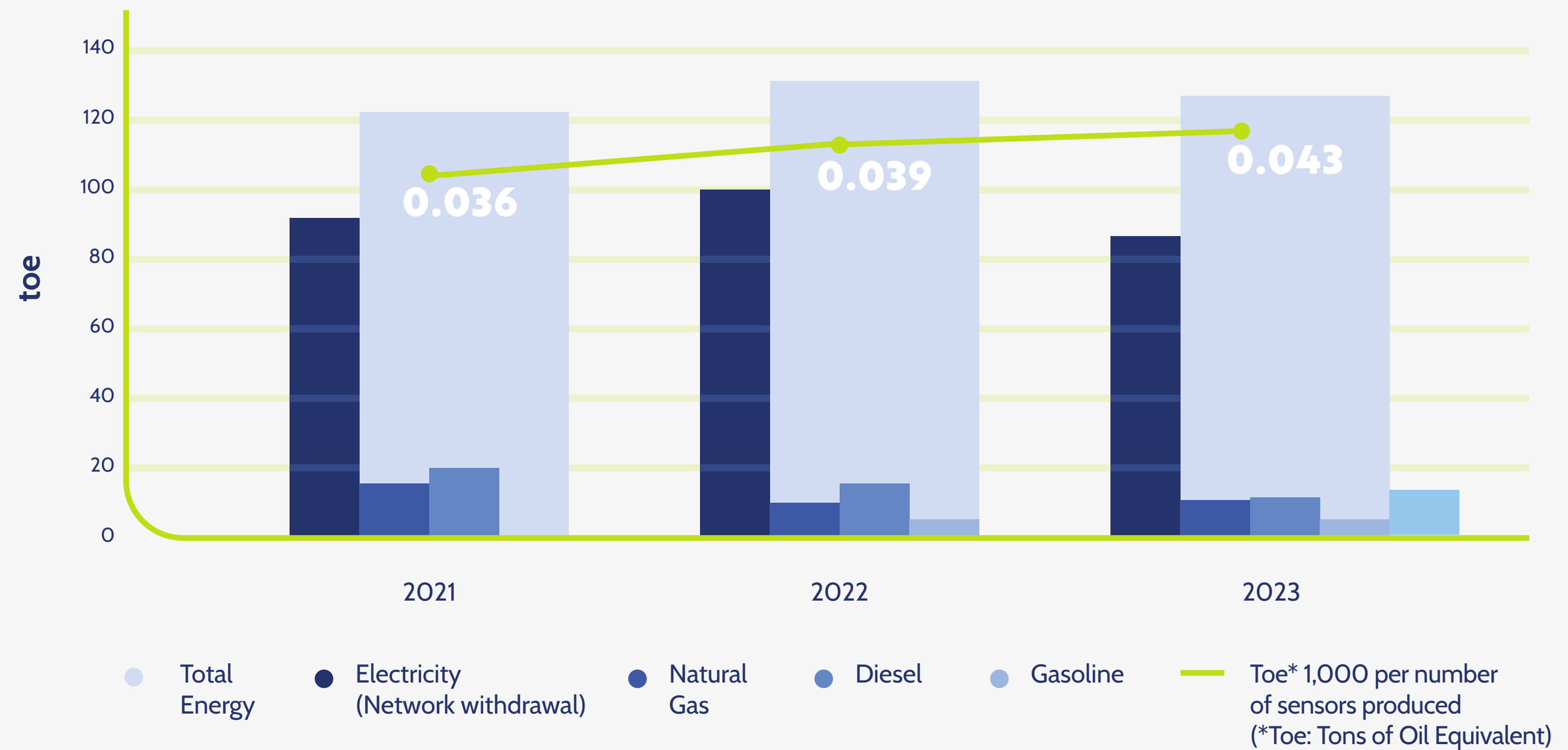
Area for Improvement

Increase in specific consumption (+8%) compared to 2022.

Evaluate further efficiency measures and enhanced structuring in consumption monitoring to better meet market demands.

Sphere Environment

ENERGY REQUIREMENTS 2021-2023



Sphere Environment

Greenhouse Gas Emissions

Strengths

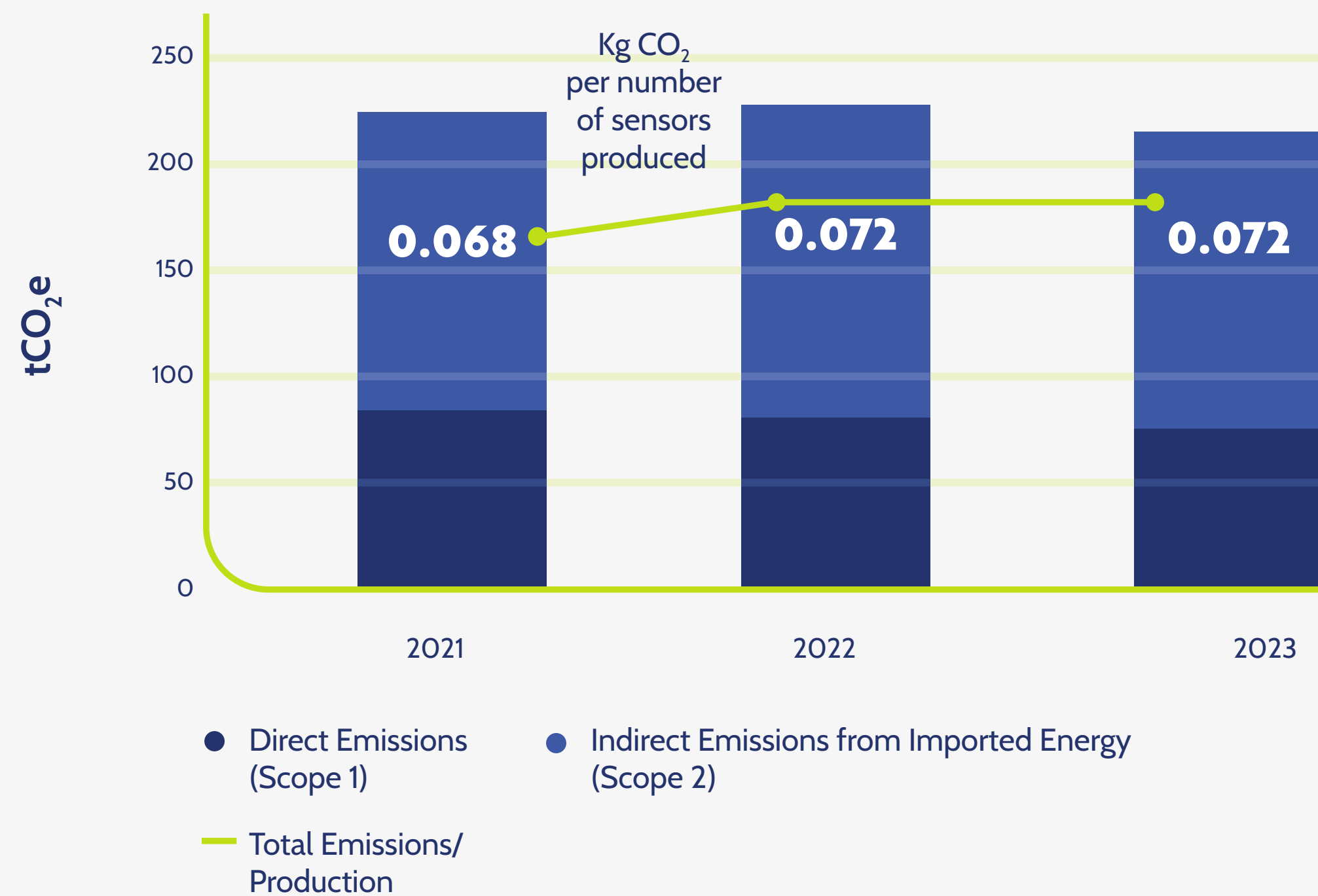
Installation of a photovoltaic system, where self-consumed energy will have zero emission value.

Area for Improvement

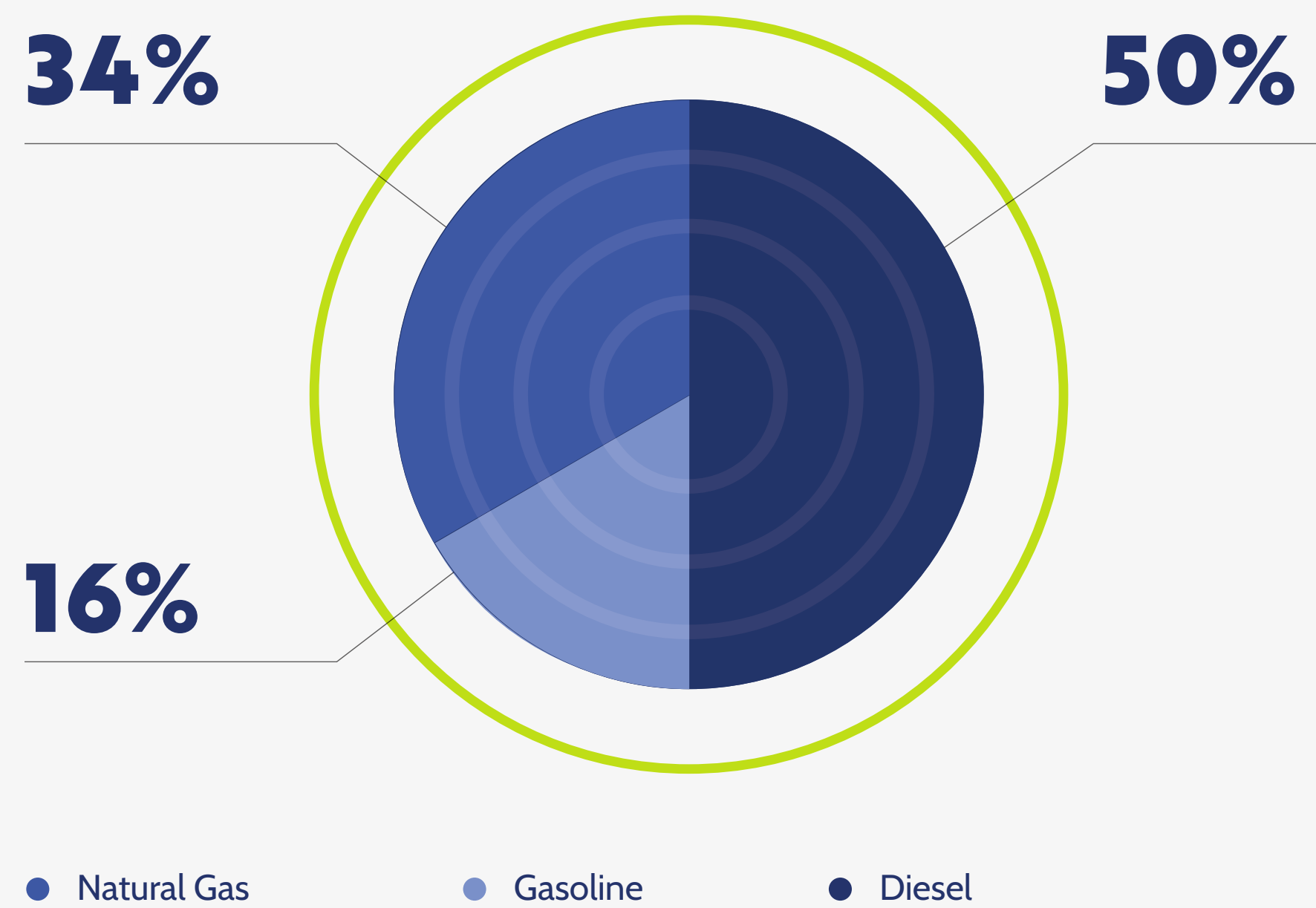
Consider purchasing electricity with **Guarantees of Origin**, given the current relatively low price.

Renew part of the **vehicle fleet** with hybrid or electric vehicles to reduce diesel consumption (currently 15,000 liters/year) and gasoline consumption (5,000 liters/year).

GHG EMISSIONS (Greenhouse Gas Emissions)



DIRECT EMISSIONS



Sphere Environment

Waste

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

Strengths

Reduction in Total Waste Production

100% of waste is sent for recovery

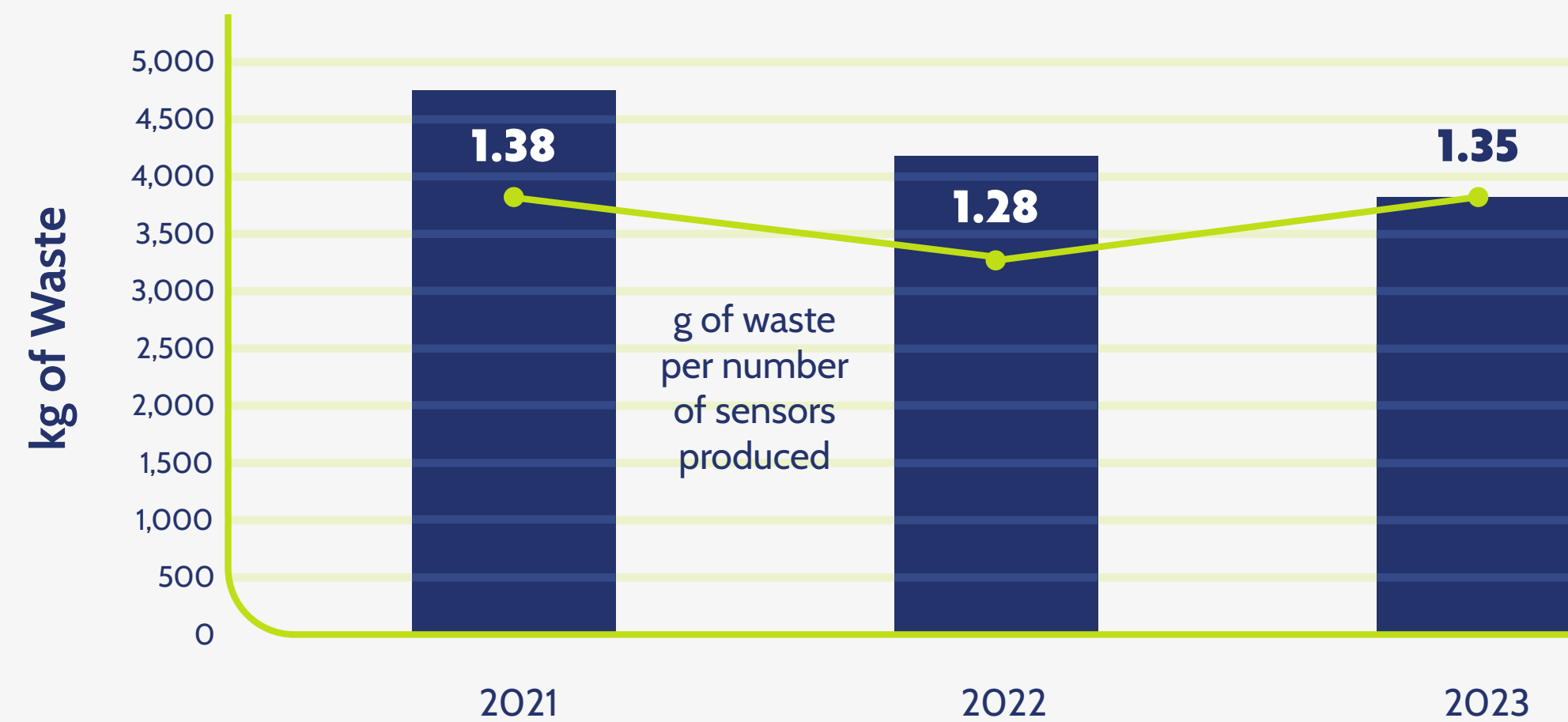
Area for Improvement

Slight increase in specific waste production relative to output; increase in the percentage of hazardous waste.

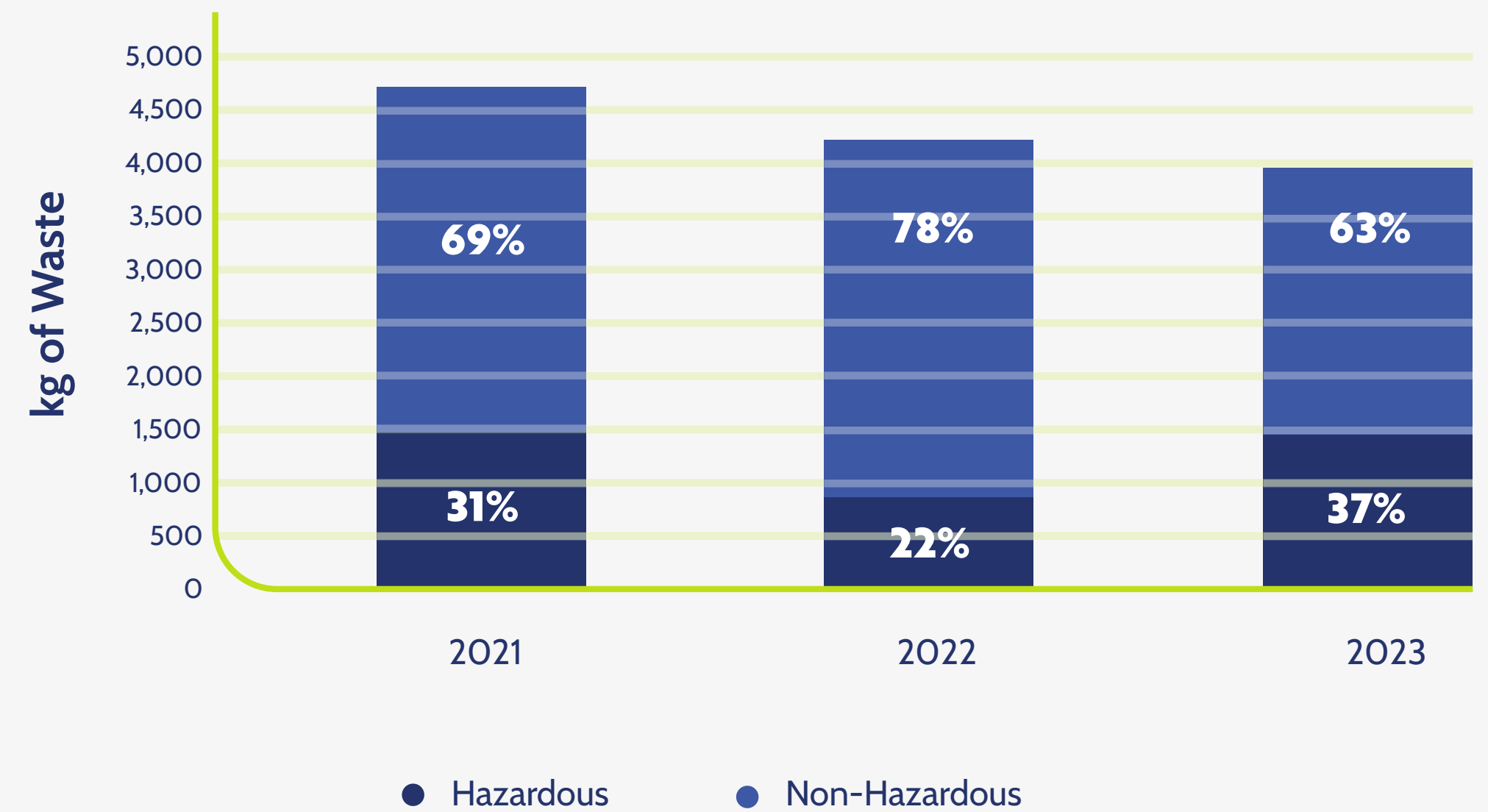
Evaluate the feasibility of monitoring actual recovery through circularity strategies for products and internal or external waste recovery (if feasible), particularly concerning Critical Raw Materials*.

Assess the reasons for the increase in hazardous waste compared to 2022.

WASTE PRODUCTION TREND



WASTE HAZARDOUSNESS



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Sphere Environment

Water Consumption

Strengths

Reduced water consumption, around 9 cubic meters per employee per year, thanks also to the absence of water usage in production activities.

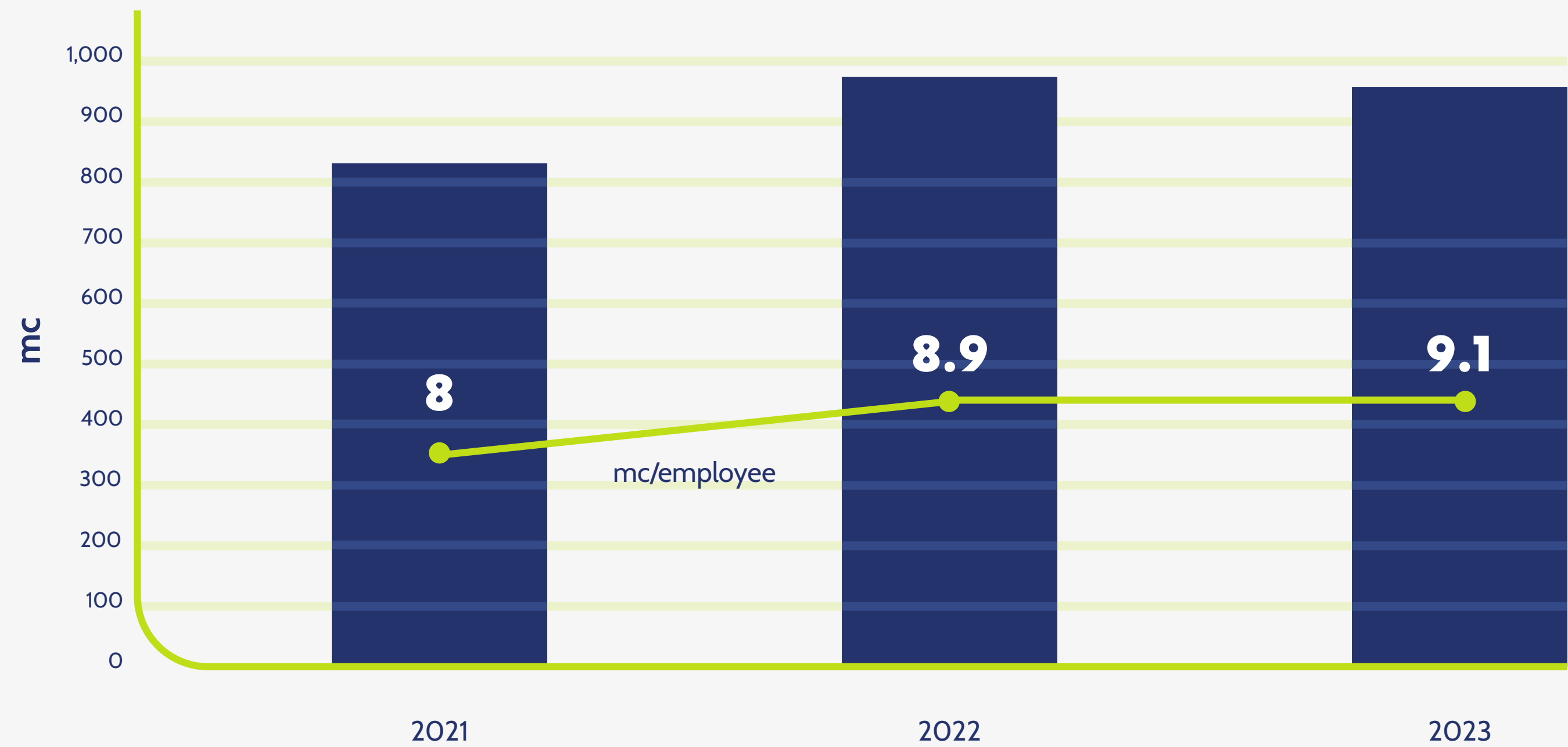
In 2023, personal water bottles were distributed to all employees, and water dispensers replaced water coolers.

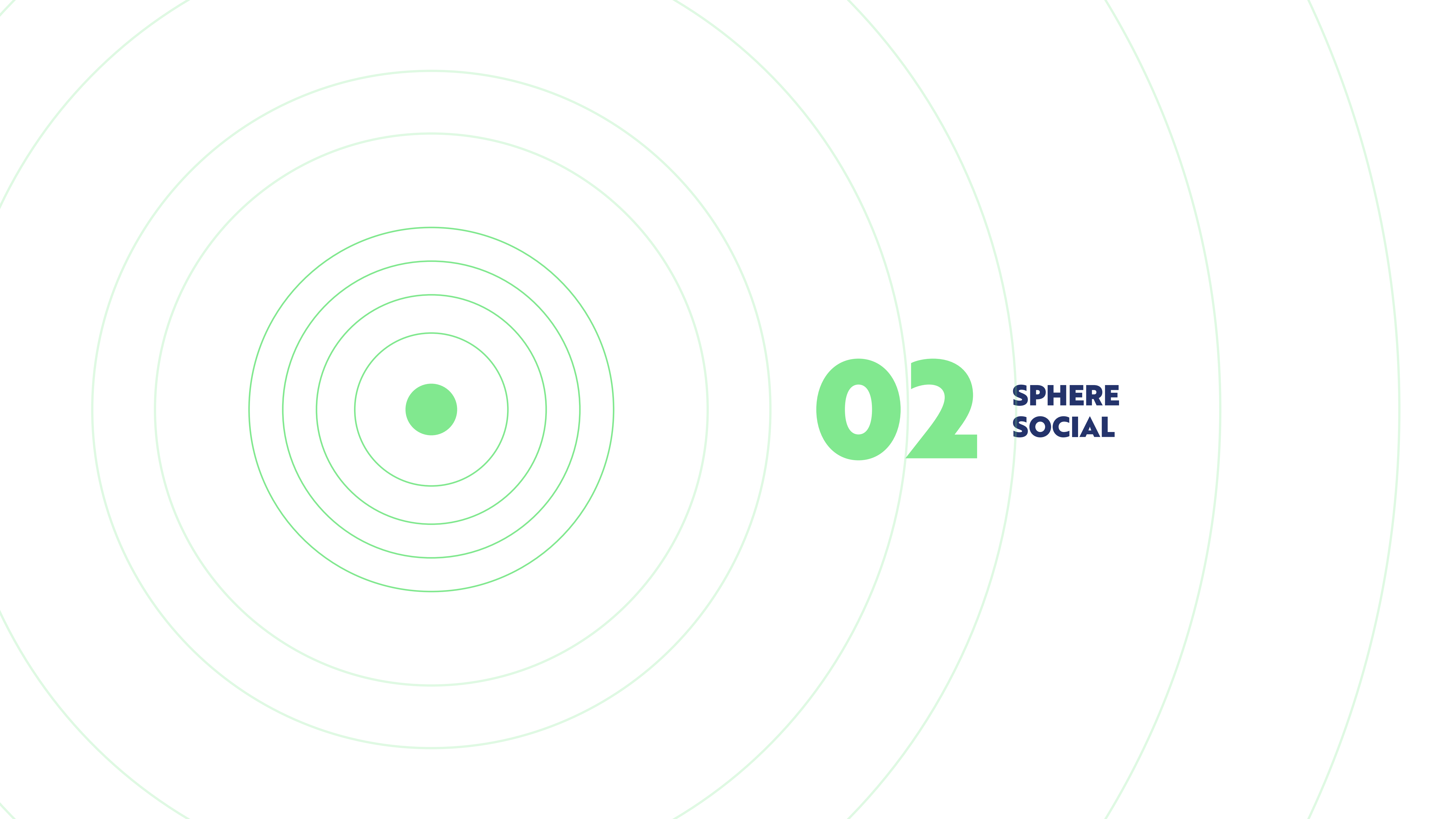
Area for Improvement

Raising employee awareness on water consumption and waste reduction (including at the household level).

Sphere Environment

WATER WITHDRAWALS





02

**SPHERE
SOCIAL**

Sphere Social

PERSONNEL AND TURNOVER

EMPLOYEE WELL-BEING

HEALTH AND SAFETY AT WORK

DIVERSITY AND EQUAL OPPORTUNITIES

COMMUNITY

●

Sphere Social

Personnel
and Turnover

Strengths

106 total workers (including direct employees and temporary staff) in 2023 (vs. 110 in 2022 and 108 in 2021).

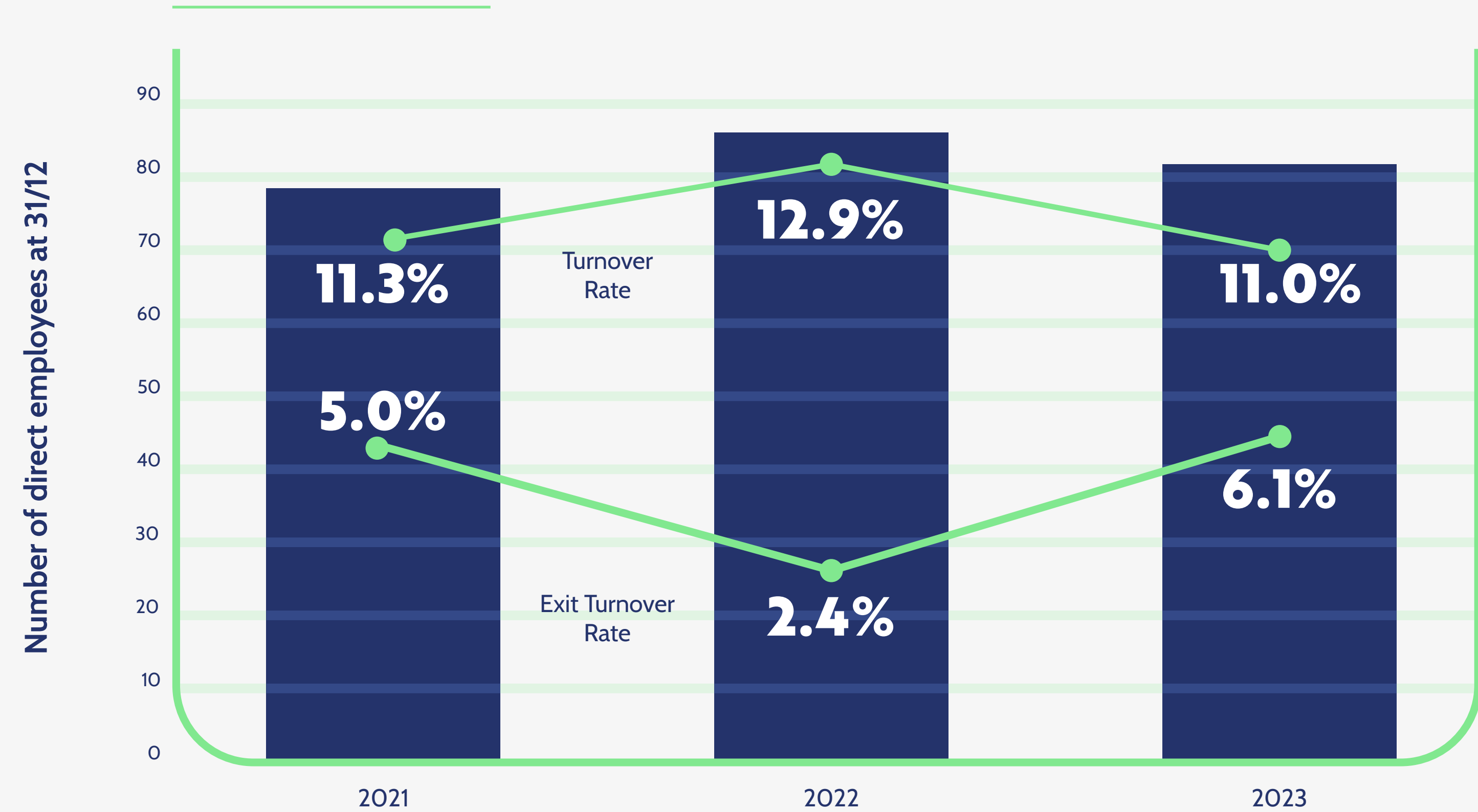
Turnover rate for direct employees is under control, remaining nearly constant over the past 3 years. Exit turnover rate: 6.1%*.

100% direct employees with permanent contracts.

*According to a 2023 Confindustria analysis, the average exit turnover rate for manufacturing companies is approximately 17.6%.

Sphere Social

DIRECT EMPLOYEE TURNOVER



N.B: Turnover rates are calculated as follows:

Overall Turnover = (No. of new hires + No. of exits) / Total employees as of 31/12 of the current year

Exit Turnover = No. of exits / Total employees as of 31/12 of the current year

●

Sphere Social

Health and safety at work

*Commute-related injuries (i.e., occurring during the home-to-work journey, 1 in 2021 and 1 in 2023) are not included in the ESG assessment.

Strengths

ISO 45001 Certification Present

**In the last three years, only 1 injury was recorded in 2022.
Zero injuries in 2023 and 2021.***

Sphere Social

Training and Education

*Reference Benchmark –
2015 ISTAT data: 21 hours/employee.

Strengths

Training hours increased in 2023 compared to 2022, both in absolute terms and in hours per employee.

Training on the Code of Ethics

In 2023, training on sustainability

Area for Improvement

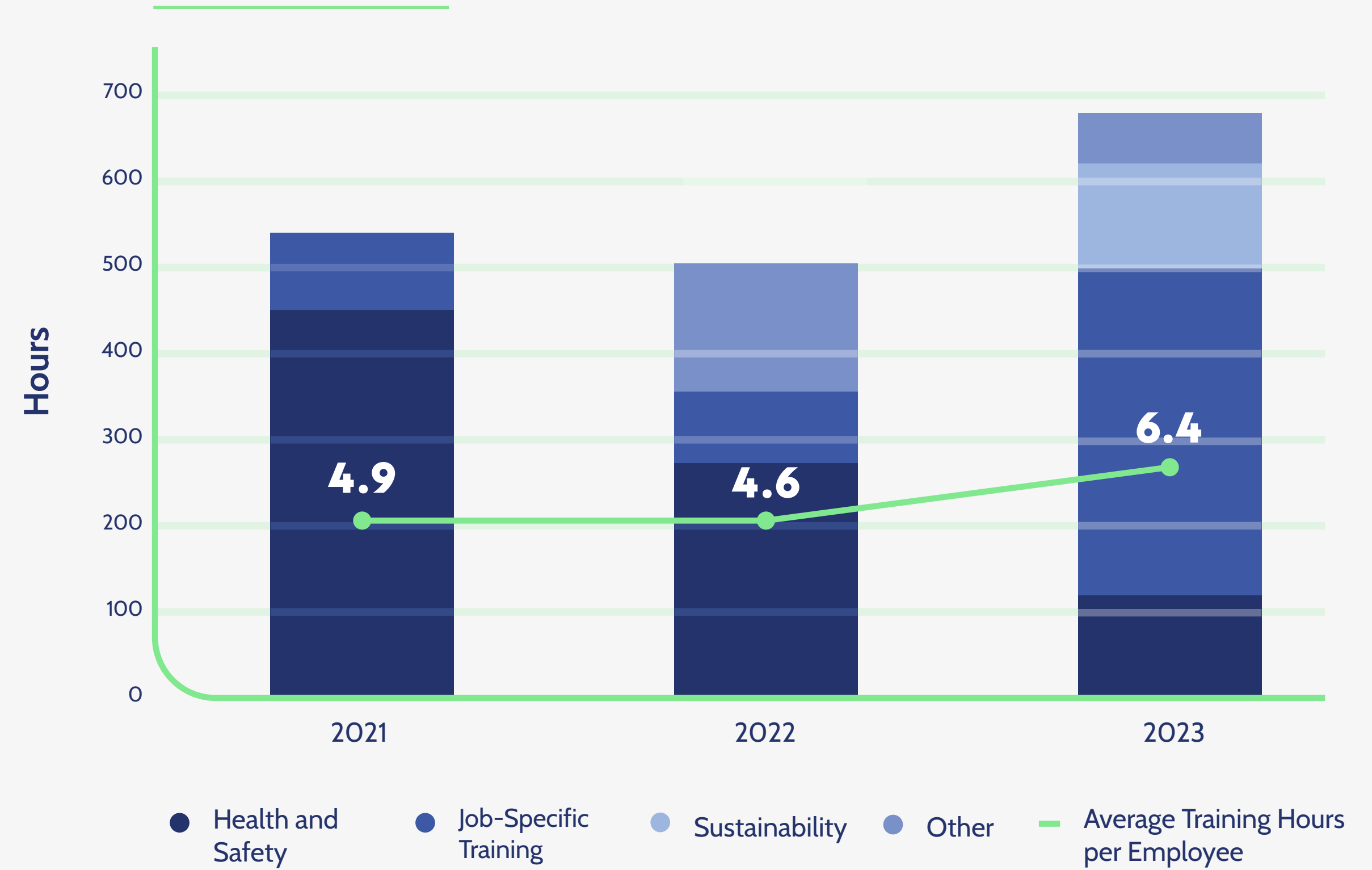
Further increase training hours, both in absolute terms and per employee.*

Reintroduce specialized courses focused on topics such as sustainability.

Consider offering additional courses on key areas such as cybersecurity.

**Sphere
Social**

HOURS OF TRAINING BY TOPIC



●

Sphere Social

Diversity and Equal Opportunities

Strengths

Decrease in the Under 30 population in 2023 compared to 2022 (-5 employees).

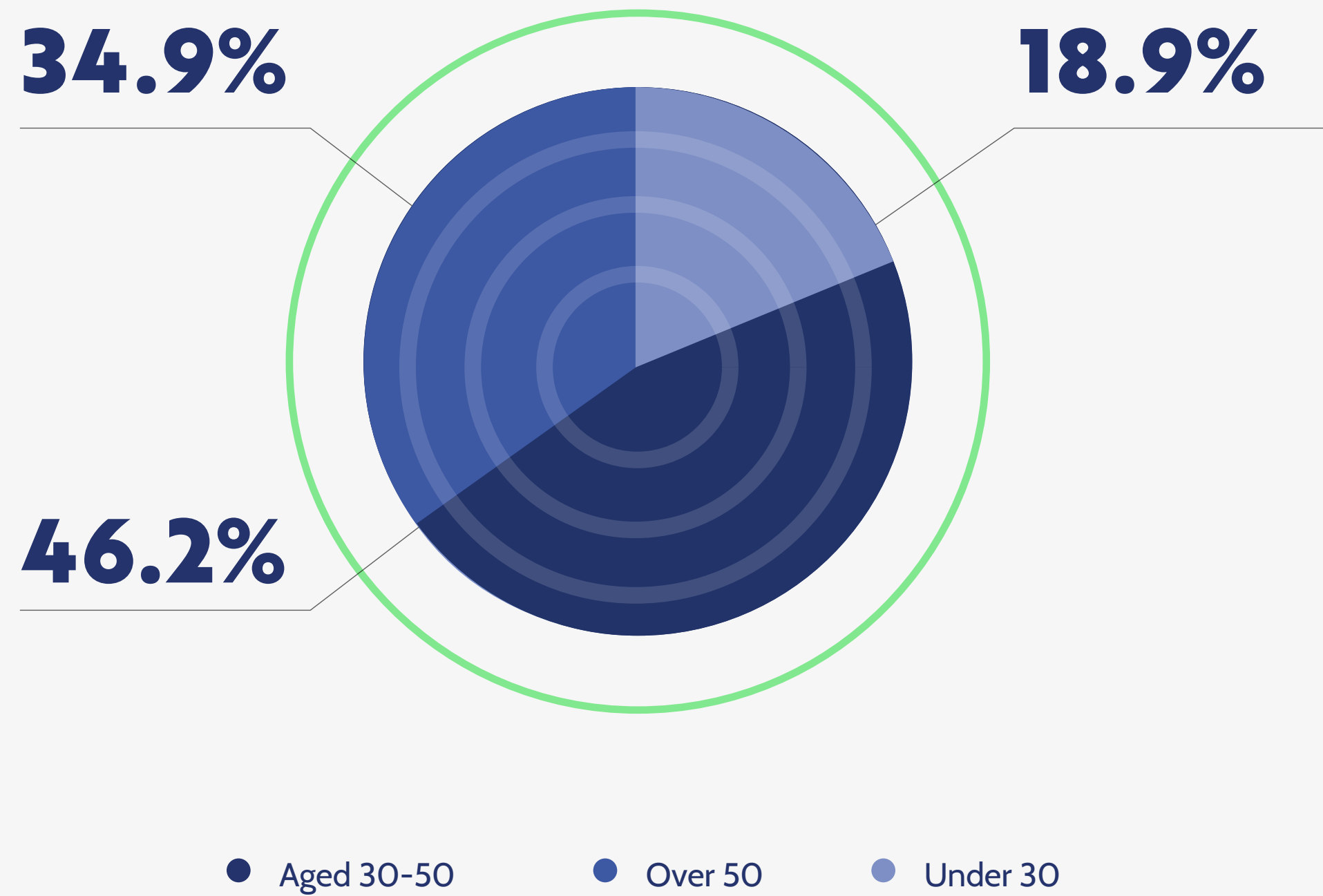
65% of employees are under 50

Stable female workforce

Area for Improvement

Focus on inclusive language during job interviews to attract female candidates in technical roles (not just administrative).

EMPLOYEES BY AGE - YEAR 2023



EMPLOYEES BY GENDER



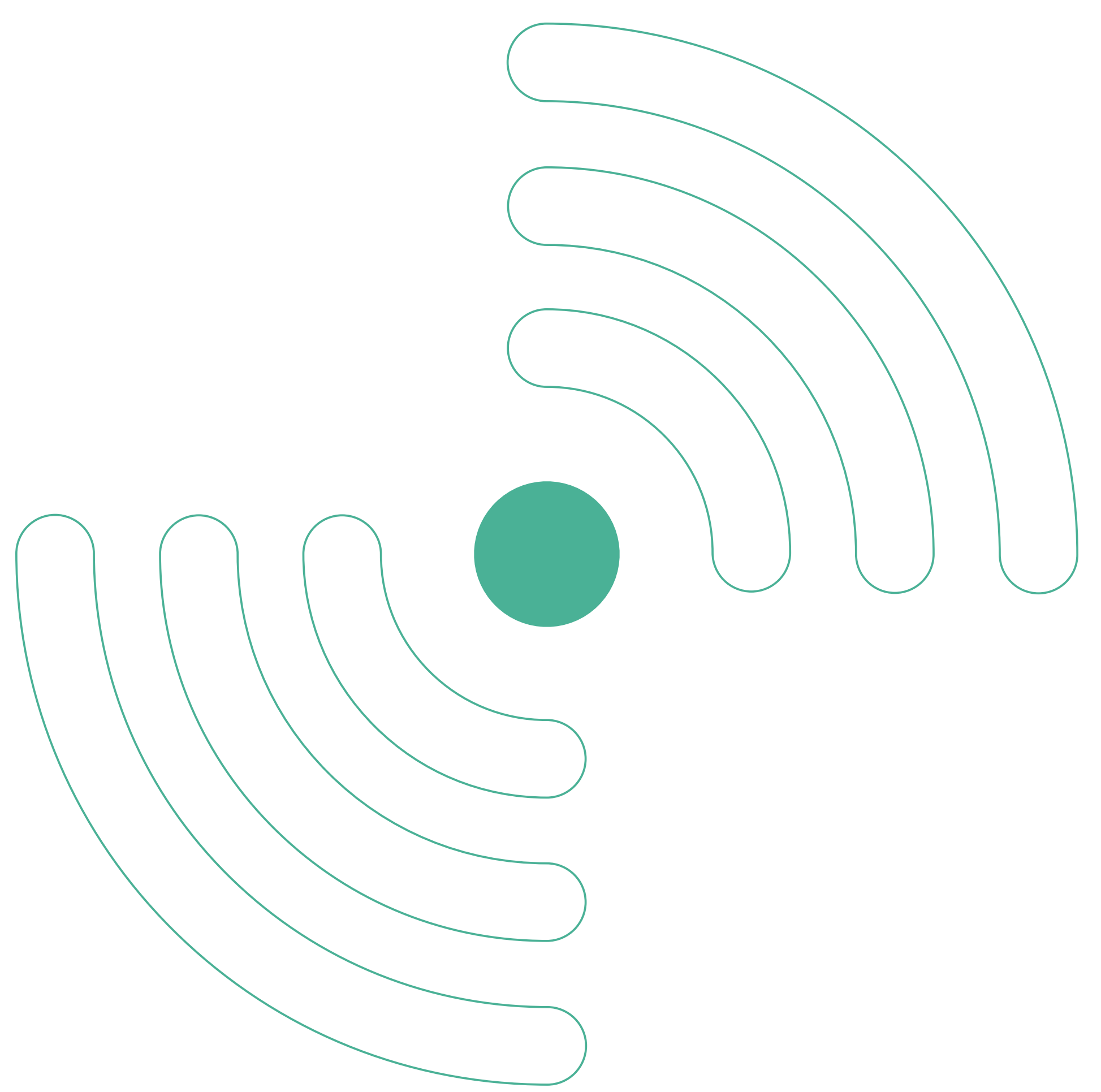
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Sphere Social Community



Area for Improvement

Collaboration projects with schools and universities, which could lead to the strategic hiring of young talents.



03

**SPHERE
GOVERNANCE**

Sphere Governance

ECONOMIC PERFORMANCE

SUPPLY CHAIN

PRIVACY AND DATA PROTECTION

DEVELOPMENT AND INNOVATION

CUSTOMERS AND CONSUMERS

STRATEGIC MANAGEMENT AND BUSINESS OPERATIONS

●

Sphere Governance

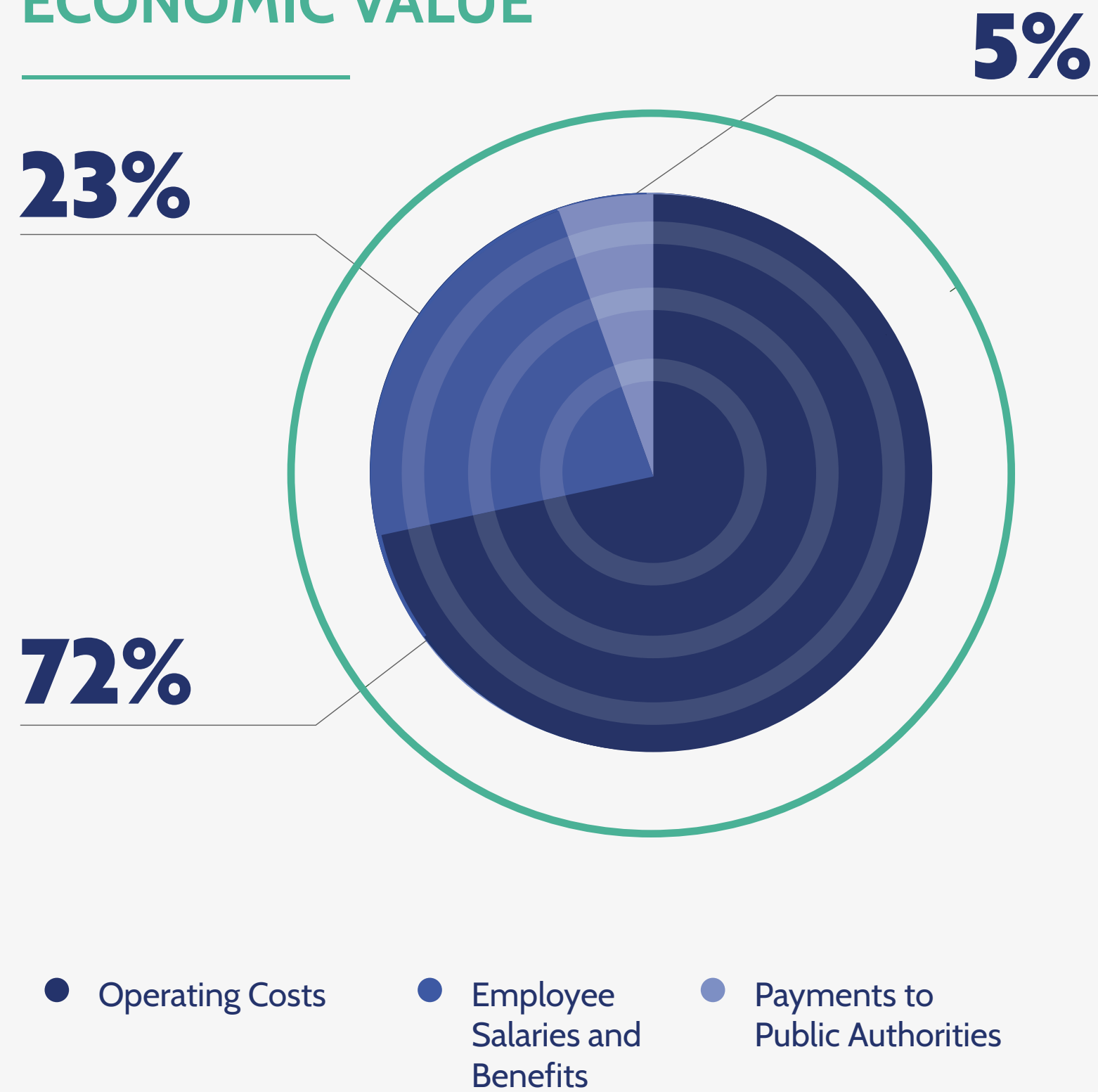
Economic Performance

Decrease in economic value generated and distributed compared to 2022 (still in line with 2021 values).

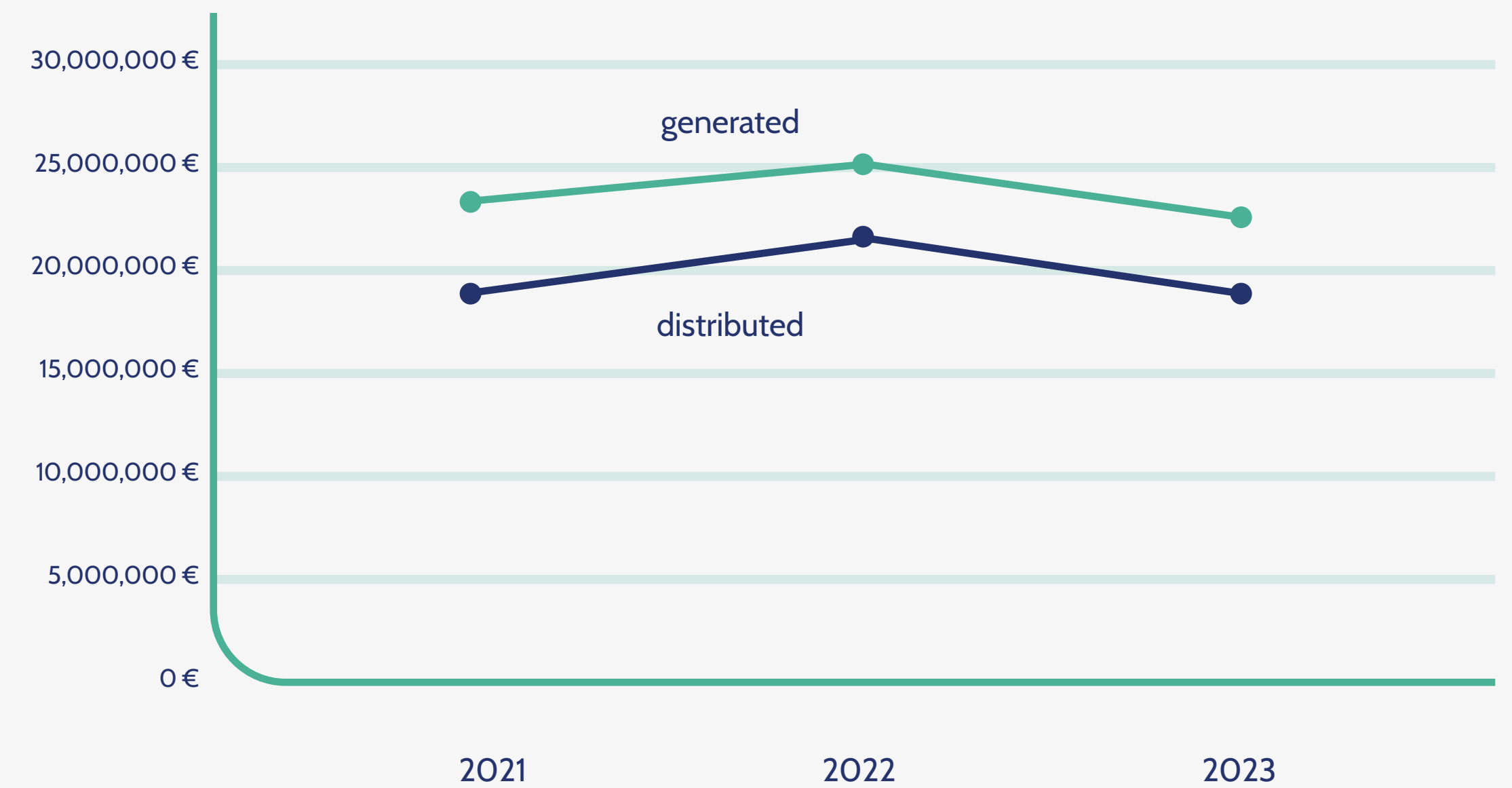
Area for Improvement

Consider reintroducing sponsorships and donations to local entities and communities.

DISTRIBUTION OF ECONOMIC VALUE



ECONOMIC VALUE GENERATED AND DISTRIBUTED



●

Sphere Governance

Supply Chain

Strengths

65% of supplier spending is directed toward local suppliers (Lombardy).

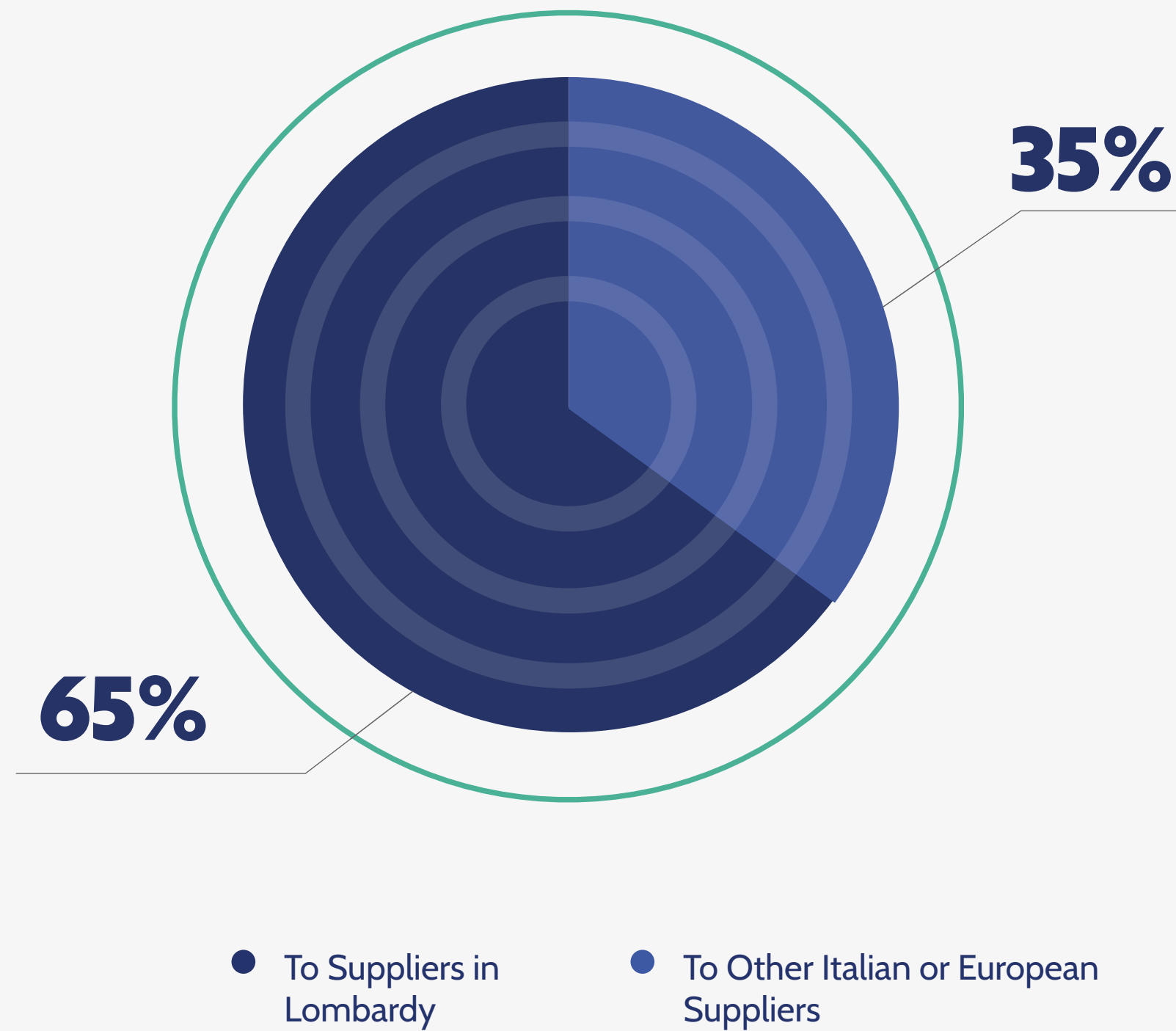
Area for Improvement

Conduct supplier audits (already planned).

Distribute a sustainability questionnaire to suppliers and introduce a supplier code of conduct.

Sphere Governance

SPENDING ON SUPPLIERS



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Sphere Governance

Privacy and Data Protection

Strengths

No data loss events or penalties related to data breaches were reported.

Area for Improvement

Integrate cybersecurity and privacy topics into risk analysis, as these areas are closely linked and significant due to potential economic and reputational damages from adverse events such as accidental data losses or breaches.

Following a thorough risk assessment, consider implementing preventive strategies, including: phishing event tests, specialized training courses on cybersecurity, redundancy in backups (both on-site and in the cloud), distributed cloud solutions.

Sphere Governance

Development and Innovation

Strengths

11 people engaged in the Research & Development department (compared to 10 in 2021 and 12 in 2022, not full-time).

Increase in working hours dedicated to R&D (both absolute and per employee) compared to 2022.

Continuous development of new products. In 2023:

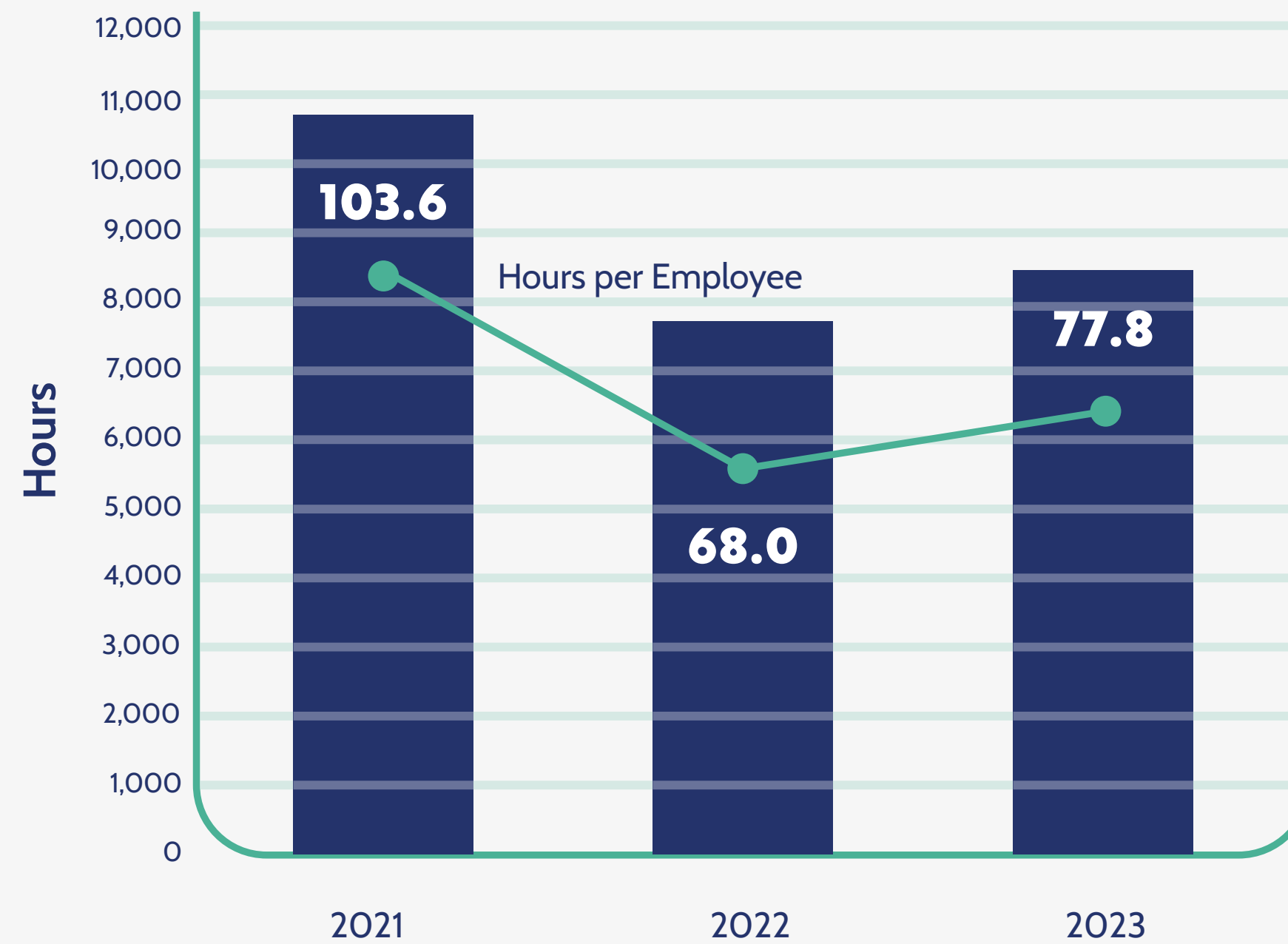
New electronic pressure switch with display

New digital pressure switch

New communication protocols for electronic sensors

Sphere Governance

HOURS DEDICATED TO RESEARCH AND DEVELOPMENT



●

Sphere Governance

Customers and Consumers

Strengths

Complaint resolution rate: 100%, with a complaint rate (per delivery note line) of 0.6%.

A complaint evaluation system is in place, which considers both the type of issue identified (internal analysis) and the client's revenue and importance (in terms of customer satisfaction).

Area for Improvement

Expand the customer satisfaction survey, which currently focuses only on clients with >€100,000 in transactions, although feedback from other clients is also collected and addressed.

Sphere Governance

COMPLAINT MANAGEMENT



● Sphere Governance

Strategic
Management
and Business
Operations

Strengths

Certifications: 9001, 14001, 45001 and the conduct of a risk analysis.

Presence of an ethical code.

Area for Improvement

Update the ethical code with a focus on sustainability issues, particularly social aspects.

Consider integrating or creating specific policies related to key sustainability topics, based on an analysis of specific market demands (e.g., through surveys). Potential policies to adopt include: Diversity and Inclusion, prevention and opposition to gender-based violence in the workplace, anti-corruption and anti-bribery and anti-influence peddling policies, supplier Code of Conduct.



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