

SUSTAINABILITY  
REPORT  
2023

ELECTRICAL SYSTEMS

LIGHTING

**Palalazzo**







*Let's be inspired*



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# Letter by the President

I open the second edition of our sustainability report and remember the main variations and improvements compared to the year before, 2022.

First of all, we remained faithful to our motto "Always a step ahead" which, in the absence of competitive references, means precisely maintaining an evolution and a continuous improvement.

We continued the action of recovery, modernization and reuse of available areas with the renovation, on a project by Studio Gaudenzi, of the area known as Ex cam and we have used it partly for new offices and partly to customers reception. The complex called Palazzoli Arena is equipped to receive customers, installers and designers both individually and in groups of up to 150 people at a time. In the future it will have to promote the offer and the Palazzoli Company more adequately.

In order to keep the Company strong, not only prosperous, we have expanded the catalogue with the completion of the Rotor line, with rotoswitch socket from 16A to 125 A. The line is very important for us because of the high degree of safety that can lead to the most exposed work environments to the

electric risk. Its functionality has already been appreciated by the Regulatory Body that has made it mandatory in the areas of entertainment and public entertainment.

Among the various innovations in lighting technology, it is worth mentioning the start of deliveries of the Fit 55 road floodlights that contribute to comfort and safety in driving in adverse weather conditions.

In the field of research and development, we have also added 5 international patents to our patent portfolio.

Regarding the energy supply, the doubling of the existing photovoltaic system to complete all the covered area of the Company is in advanced stage. This is a challenging task, which will allow us to take another step in the direction of the "Fit for 55" goals.

The Commission has also been working with the European Commission on the development of a new collaboration with a company with extensive electronic knowledge in the manufacture of electronic components and related software. To strengthen the organizational structure, we have made more con-



sistent the separation of the roles of the President and CEO in order to make more direct and effective responses to various sectors.

In 2024, Palazzoli will celebrate its 120th anniversary.

We do not feel, of course, at the end of the line and this gives us confidence that we can still do, and do better, in the years to come.

Good continuation.

Luigi Moretti  
President











# 1

# About us



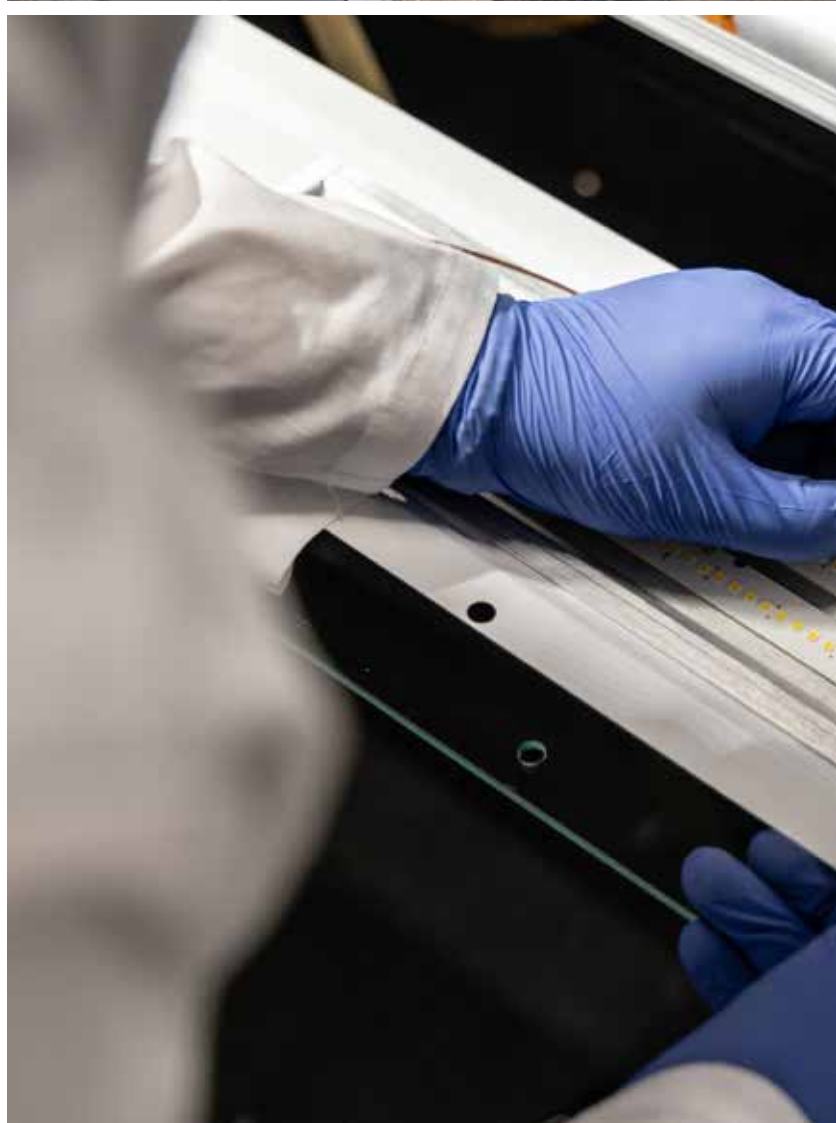
## About us

Palazzoli is a company specialized in the design and production of electrotechnical and lighting solutions for sectors such as industry, infrastructure, ATEX environments and the marine sector. Founded in 1904, it has consolidated its leading position in the electrical and lighting engineering field thanks to over a century of successes.

The headquarters and main production plant are located in Lombardy, in Brescia, and the company operates globally through a network of over 5,000 retailers.

With a catalogue of over 6,000 products, Palazzoli offers specific solutions that meet all the needs of professionals.

For Palazzoli, sustainability is a fundamental value and the company is committed to effectively balancing economic, environmental and social objectives. The company operates in various sectors, including industry, ATEX environments, infrastructure and marine, providing high quality electrical lighting solutions for extreme and critical environments. Its expertise extends to tunnels, galleries, cruise ships, military vessels and offshore platforms. The products are made of high quality materials, corrosion and fire resistant, making them ideal for high-risk environments.





Today, Palazzoli stands out for its in-depth knowledge of materials and for offering a wide range of solutions suitable for various environments, using thermoplastic, thermo-setting GRP, aluminium, stainless steel and brass.

To ensure customer satisfaction, protection and respect for employees and the territory, Palazzoli adopts a quality management system in accordance with the international standard UNI EN ISO 9001 and an environmental management system certified, according to the international standard UNI EN ISO 14001. Palazzoli also focuses on the well-being of its employees, supported by a health and safety management system certified ISO 45001.



# Locations

The Palazzoli group is present worldwide with more than 5,000 dealers.  
The network is constantly expanding.





**Palazzoli**  
GROUP

**Palazzoli**  
SISTEMI ELETTRICI E LUCE D'AUTORE

**Palazzoli**  
GROUP  
*Ibérica*

**Palazzoli**  
GROUP  
*Middle East*



**STRAL**









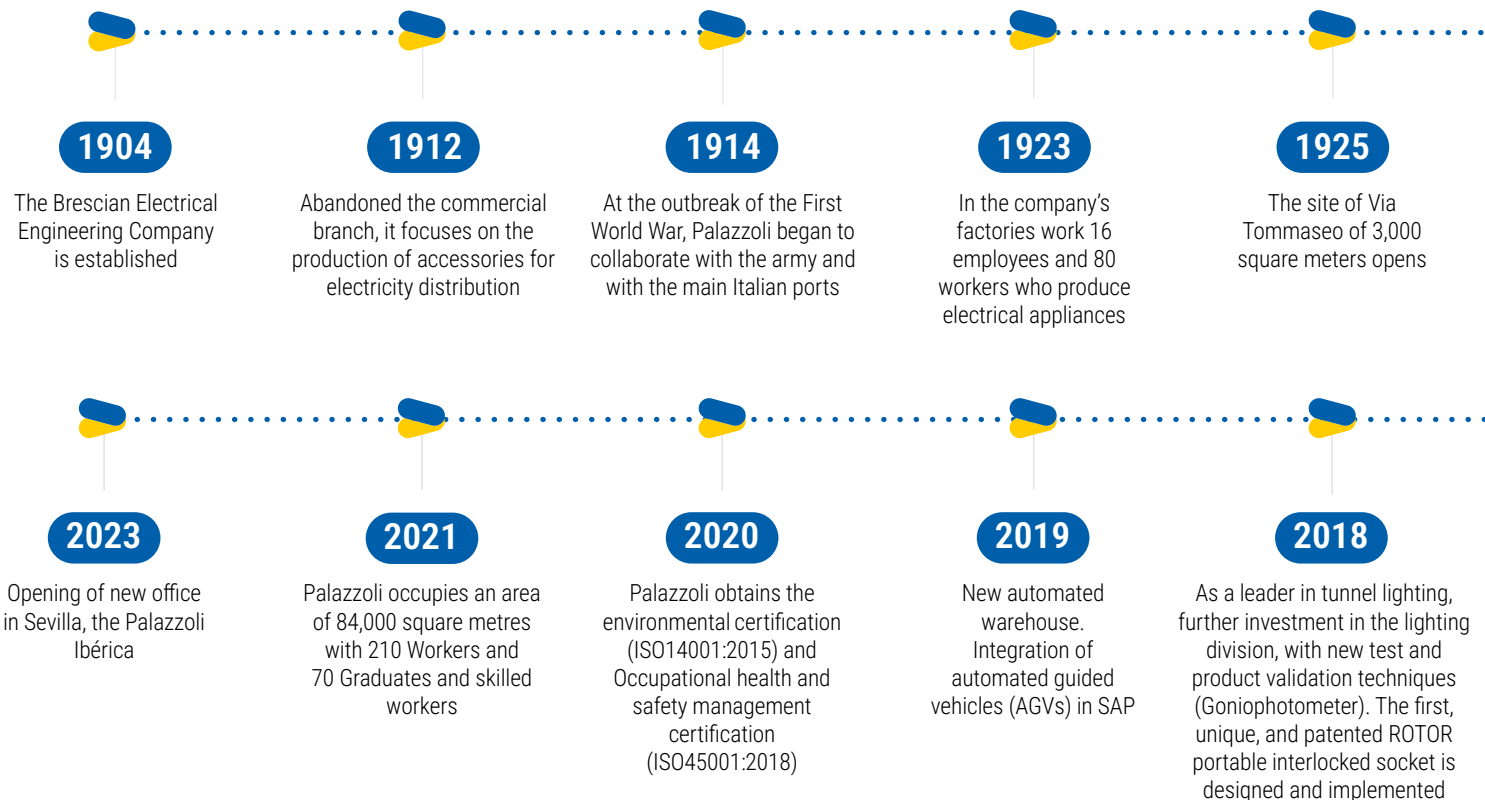
# 2

## Palazzoli from its origins to today

# Palazzoli from its origins

Founded in 1904 in a territory with a long industrial tradition, Palazzoli has played a significant role in the development of business for over a century. Facing the changes of society and industry, the company has constantly invested in test and measurement laboratories to ensure the highest quality of its products.

Since the 1950s, Palazzoli has been ahead of its time by establishing an internal laboratory dedicated to testing and measurement, thus ensuring the reliability of its products. Today, it has a photometric laboratory, certified by Oxytech, to also quickly evaluate the performances of its luminaires.





## to today

Since the 1990s, Palazzoli has expanded its product range to cover different sectors, upgrading facilities and adopting cutting-edge technologies such as automation and artificial intelligence.

**The company is today one of the major international players in the production of electrical systems and lighting.**



Discover the history of Palazzoli

1939

Expansion of the headquarters and workforce with 45 employees and 300 workers

1950

Palazzoli gives the Province an area of 21,500 square meters where the Institute Benedetto Castelli will be built

1955

The employees are provided with a canteen, sanitary facilities and social assistance and rental houses with low-rent

1966

Launch of the TAIS line, the first socket with switch equipped with mechanical interlock

1971

The prototypes of CEE plug sockets, modular insulating containers in polyester resin reinforced with glass fibre, produced for the first time in Italy, are developed

2017

Palazzoli Middle East FZE was founded in Dubai

2014

The acquisition of Lewden LTD in the United Kingdom is completed by Palazzoli

2000

Development of artificial intelligence, also Palazzoli enters the world of Industry 4.0

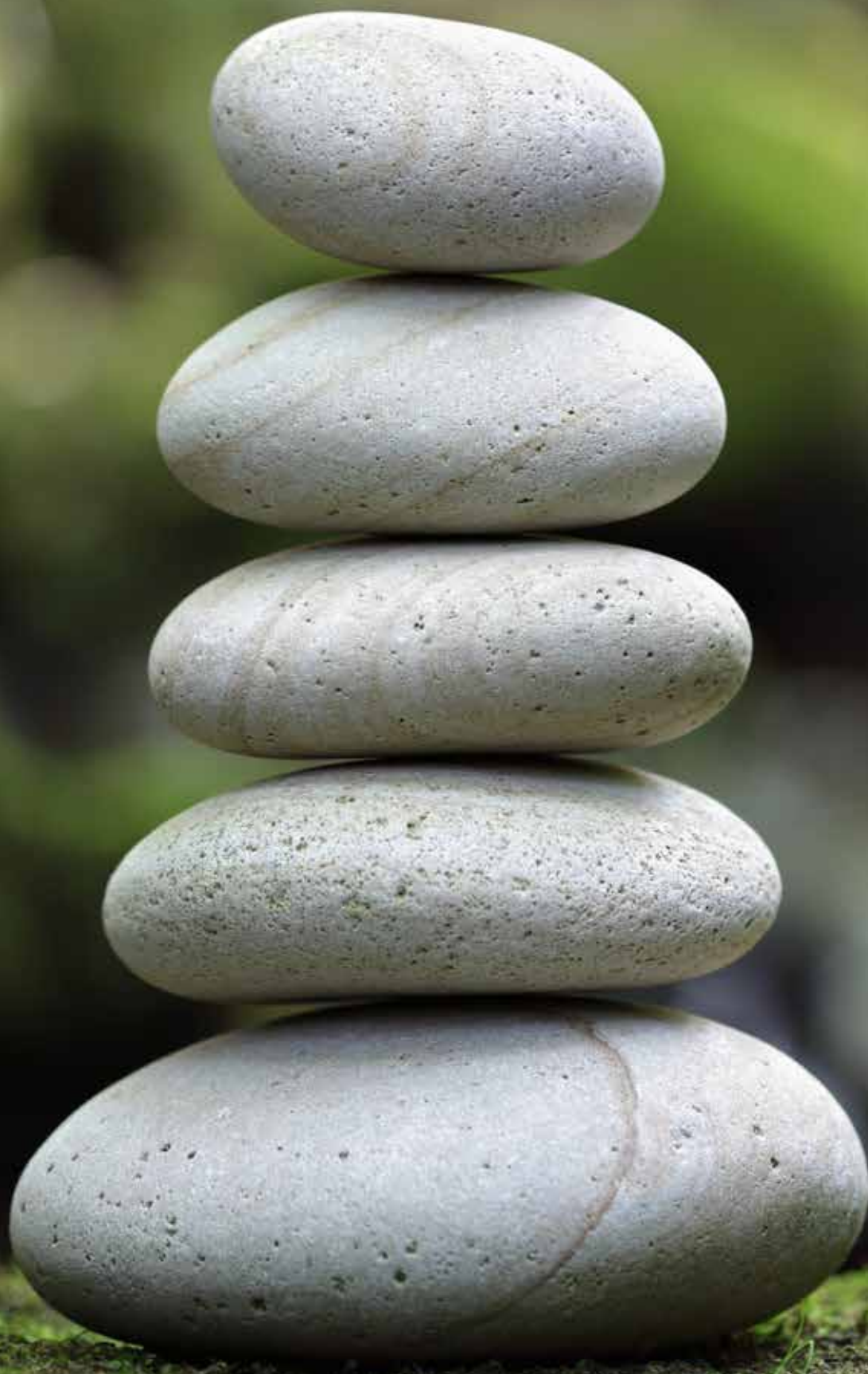
1990

TER Palazzoli products are chosen for the expansion of the Milan fair. The TAIS line is chosen for the equipment of the world's largest cruise ship

1980

Palazzoli has 250 employees and exports to several countries in the world





# 3

## Figures

# Figures



## 120

Years of experience in the production of electrical and lighting systems



## 98%

Permanent contract



## 130

Number of employees (approximately)



## 54.000.000 €

Turnover



## 95%

Aluminium used from recycling





26%

Self-consumed electricity  
by the photovoltaic system



19.000

Hours devoted to  
Research & Development



76

Training hours/year per  
employee



100%

Staff with access to welfare



+ 100.000 €

For donations and sponsorships



In the process:


✔ ZERO HALOGEN

✔ ZERO CARCINOGENIC COMPOUNDS

✔ ZERO ASBESTOS

✔ ZERO EMISSIONS OF LIQUID POLLUTANTS



 Customer  
focused operations

 Smart  
engineering







Top  
manufacture



Service  
excellence



4

Values and  
principles

## Values and principles

Palazzoli is based on the values and ethical principles outlined in the company's Code of Ethics, which constitutes a fundamental pillar of the Organization, Management and Control Model adopted by the Company.

This code of ethics aims to clarify the values and principles that guide our activities and relations with our employees, business partners, shareholders and other stakeholders. All those to whom the Code is addressed are required to comply with specific principles of behaviour.

The Company's mission is to constantly improve profitability, by maximizing customer satisfaction to preserve and increase the corporate value and well-being of its internal and external employees.





The company Palazzoli S.p.A. and all those involved in any way in the operation of the company are required to respect the following values and operating principles:

- Legality
- Tradition and connection with the territory
- Economic efficiency
- Development of human resources
- Research and development
- Respect and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity of relations with the Public Administration
- Impartiality



The task of supervising compliance with the Code of Ethics, disseminating its ethical principles and values and clarifying any interpretative doubts, is assigned to the Supervisory Body established by the Company pursuant to Legislative Decree 231/2001. In 2023, the instrument provided by the Whistleblowing legislation was adopted using the platform made available by Confindustria Brescia.





# 5

## Corporate Strategy for sustainability



## Corporate strategy for sustainability



Palazzoli is committed to sustainability, both social and environmental, through the continuous improvement of production processes and the adoption of advanced technologies to ensure a safe working environment and compliance with the highest international environmental standards.

In 2023, Palazzoli launched a sustainability program to monitor and improve its performance related to social and environmental responsibility, actively contributing to the achievement of the UN Sustainable Development Goals.

In the same year, the company conducted the first analysis of the Organization and Products' Carbon Footprint, referring to the year 2022, with the objective of reducing emissions into the atmosphere.

These initiatives are part of Palazzoli's broader commitment to sustainability, to align its operations with the goals of the UN 2030 Agenda and European climate targets. This commitment is crucial to address the climate emergency and promote equitable and sustainable social development.

Palazzoli is not limited to carbon footprint management, but is developing a comprehensive action plan, supported by specialized consultants and internal professionals, to improve performance in all areas of sustainability. This plan includes short, medium, and long-term objectives not only environmental but also social, reflecting the importance that the company attaches to the well-being of people, and governance, defining the strategic direction and future vision of the company.



*“The combination of individual skills leads to better and innovative results”*

# The UN 2030 Agenda and the Sustainable Development Goals

In addition to the standards of the Global Reporting Initiative (GRI), this sustainability report refers to the Sustainable Development Goals (SDGs) which constitute the core of the UN 2030 Agenda.

The SDGs represent 17 key objectives for sustainable progress, agreed by the governments of the 193 UN member countries in 2015. Achieving these goals by 2030 requires the commitment of institutions, organizations, companies and individuals.

This sustainability report lists the relevant SDGs for each area covered, highlighting Palazzoli's contribution to the global path towards sustainability.







NO  
POVERTY



ZERO  
HUNGER



GOOD HEALTH  
AND WELL-BEING



QUALITY  
EDUCATION



GENDER  
EQUALITY



CLEAN WATER  
AND SANITATION



AFFORDABLE AND  
CLEAN ENERGY



DECENT WORK AND  
ECONOMIC GROWTH



INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



REDUCED  
INEQUALITIES



SUSTAINABLE CITIES  
AND COMMUNITIES



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



CLIMATE  
ACTION



LIFE  
BELOW WATER



LIFE  
ON LAND



PEACE, JUSTICE AND  
STRONG INSTITUTIONS



PARTNERSHIPS  
FOR THE GOALS

*“A better world, today  
and tomorrow, thanks  
to our dedication to  
social sustainability and  
environmental protection.”*



# 6

## Materiality and generated impact analysis

# Materiality and generated impact analysis

## Our priority: material issues

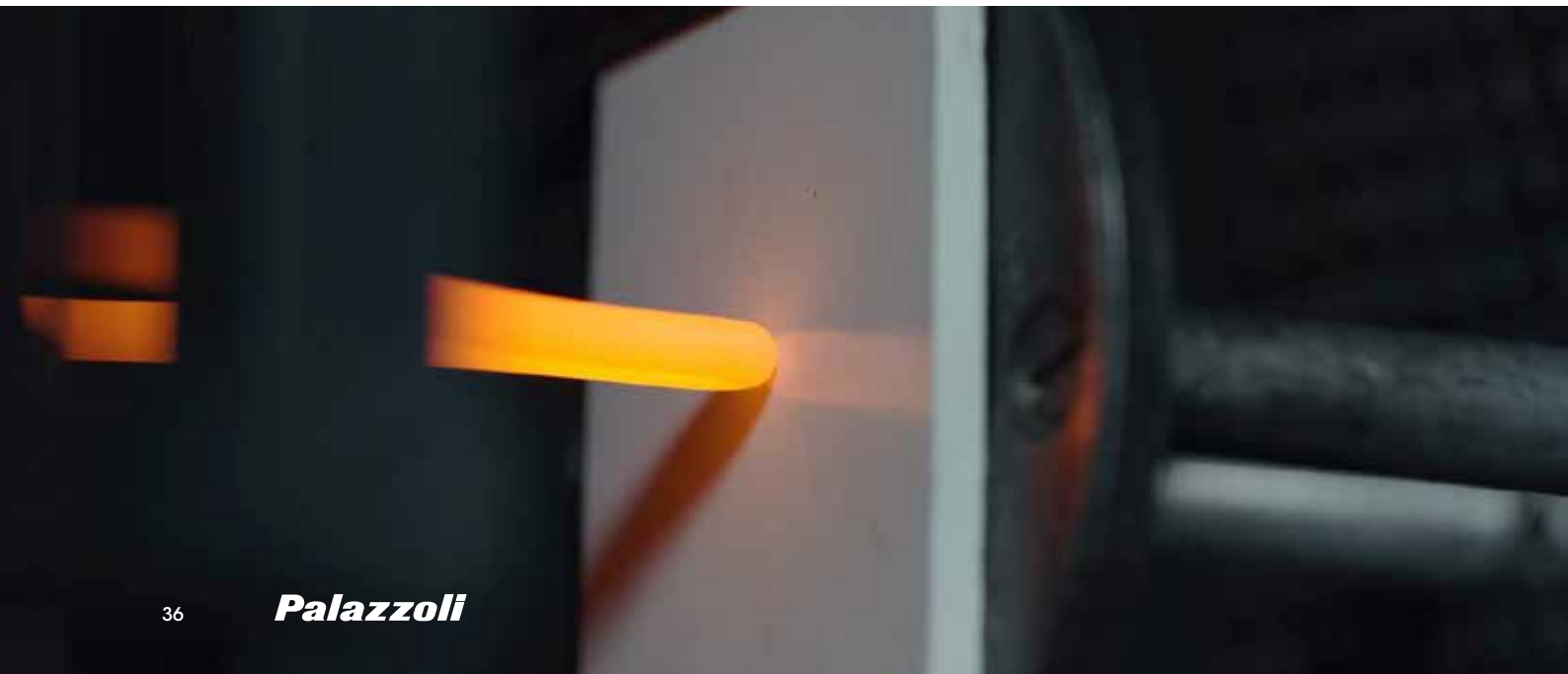
In 2023, Palazzoli conducted its first materiality analysis to identify key sustainability issues that have a significant impact on business operations, known as “material topics”. These topics reflect the relevant environmental, social and economic impacts both internally and for external stakeholders of the organization.

To define the material topics, Palazzoli has followed the updated GRI standards, identifying the impacts associated with each sustainability issue relevant for the business environment. The process involved several stages:

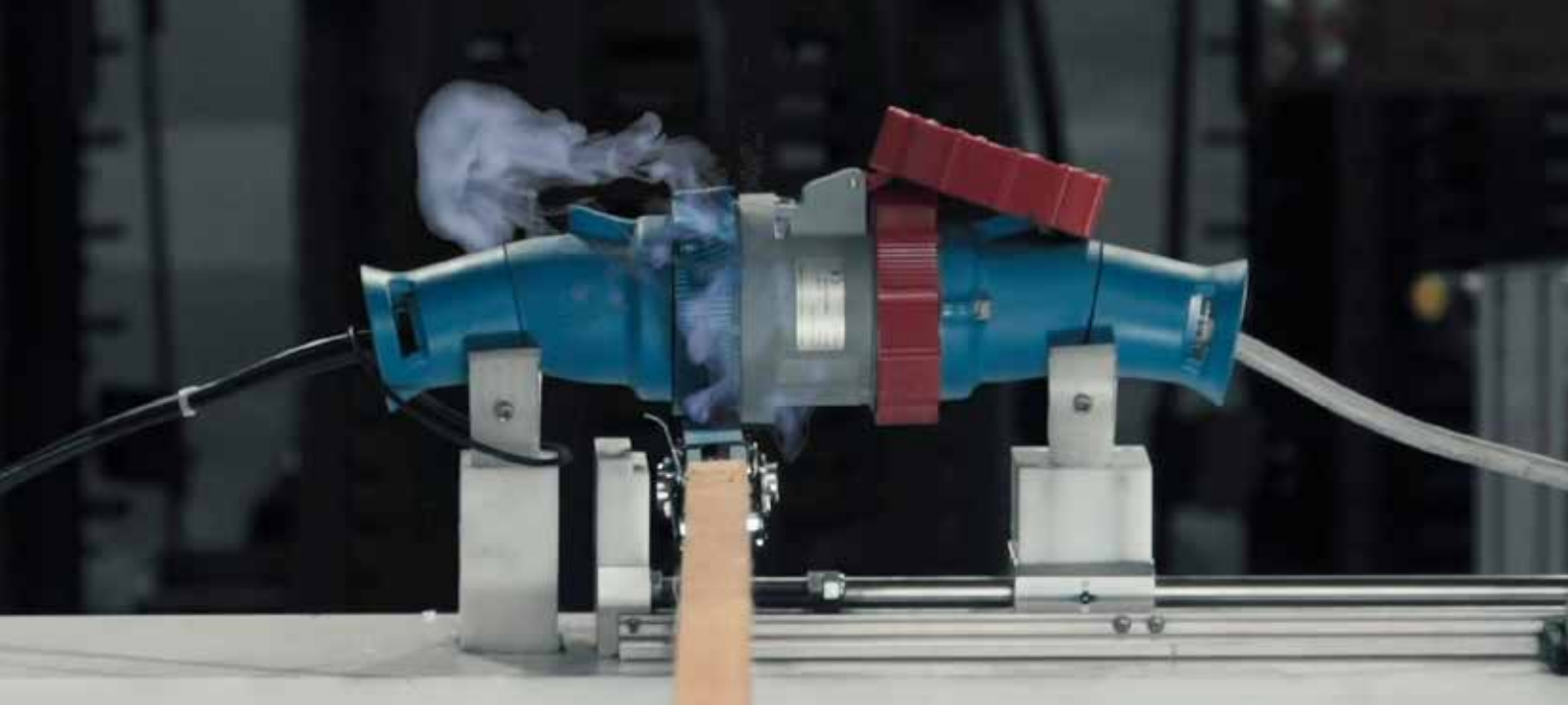
- A preliminary analysis of the context, examining in depth the reference sector and identifying potential significant ESG issues.
- Involvement of the management functions to select and prioritize the material topics in the field of sustainability for the organization.

- Final definition of the material topics and allocation of an internal relevance order between the different issues.

It is important to note that the material topics and the content of this document have been presented and approved by the Board of Directors of the company. To further improve the selection process of the most relevant sustainability issues, Palazzoli plans to directly involve stakeholders through stakeholder engagement initiatives.







The material topics identified during this first materiality analysis are presented below, subdivided by sphere:

### **PALAZZOLI FOR THE ENVIRONMENT**

- Energy and energy efficiency
- Environmental impact and emission reduction
- Responsible management of waste
- Materials and initiatives of circular economy
- Responsible management of water resources



### **PALAZZOLI FOR PEOPLE**

- Development and well-being of employees
- Training and professional development of employees
- Health and safety protection for workers
- Diversity, inclusivity and promotion of equal opportunities
- Value creation in the community



### **CORPORATE STRATEGY**

- Strategic direction
- Research & Development and technological innovation
- Economic and financial value creation
- Responsible supply chain management
- Privacy and data protection
- Customer satisfaction



Once the material issues were defined and in order to assess the so-called impact materiality, Palazzoli assessed the positive and negative impacts (actual and potential) generated by the company for each of these issues.

# Impacts generated by Palazzoli

To assess the impacts of the three dimensions of sustainability (Environment, Social and Governance), we conducted interviews with key figures of the company in order to assess their significance. The impacts have been classified by considering both their severity and probability: for potential impacts, the degree of likelihood of occurrence and the severity of the expected harm or benefit was assessed using a scale from 1 to 4.

In the case of actual impacts, we have examined only the magnitude of the event (both positive and negative) that has already occurred.

For positive impacts, the maximum value (4) represents an optimal impact, while for negative impacts it indicates a significant threat to the organisation. Also, for potential impacts, we have assigned a score based on the probability of happening: the higher the score (up to 4), the more likely the event will occur.

This study first examines the actual impacts generated by the organisation and then introduces the identified risk and opportunity matrices, focusing on the potential impacts of the organisation that emerged during the project.



# Actual impacts

The following are the actual impacts generated by the organisation, highlighted in the table below. This table includes the results of the analysis carried out to identify the main actual impacts, both positive and negative, directly and indirectly generated by the holding in the course of its activities.

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Environment	Energy and energy efficiency	Upgrading of PV plants covering a portion of the electricity demand		
		Implementation of an energy diagnosis to investigate possible interventions to increase the energy efficiency of plants		
		Reduction in the use of natural gas		
		Start-up of a new PV plant to increase energy independence		
	Responsible management of waste	Development of projects for external reuse of production waste		
		Improvement of the management of all waste and greater capillarity of dedicated containers		
	Environmental impact and emissions reduction	Monitoring and certification of the organization's carbon footprint for the year 2022 according to ISO 14064-1		
		Implementation of the carbon footprint of product according to ISO 14067		
		Elimination of 3 natural gas burners, resulting in reduced direct emissions		

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
	<b>Materials and initiatives of circular economy</b>	Attention to the development of a production process inspired by the principles of circular economy, implemented recycling and recovery of scrap both plastic and brass		
	<b>Responsible management of water resources</b>	Monitoring of water consumption flow (both civil and process uses)		
		Reduced water consumption due to efficiency measures		
<b>Social</b>	<b>Diversity, inclusion and promotion of equal opportunities</b>	No reporting within the whistleblowing channel		
	<b>Training and professional development of employees</b>	Training projects to create a company culture of lifelong learning		
		Average training hours per employee are higher than the national average (24 vs 21)		
	<b>Promotion and well-being of employees</b>	100% of employees have access to welfare		
		Presence of a system of suggestions, which allows employees to propose ideas and suggestions for improvement for the business. Participation in line with expectations		
		Flexible hours (for tasks that allow it) with benefits to the work-life balance of employees		
		<b>Health and safety protection for workers</b>	Development of a health management system certified according to ISO 45001	
	All data are improving compared to 2022			
	<b>Value creation at the community</b>	Presence of projects in collaboration with universities and research institutions		
	<b>Strategic direction</b>	Regular publication of the sustainability report according to the latest international standards		



SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Governance	Economic and financial value creation	The company is in a condition of financial stability that allows it to plan investments for development and growth in the medium and long term.		
		Increase in market share covered		
	Customer satisfaction	Communication to customers about the composition of products		
	Privacy and data protection	Training on computer security		
	Strategic direction	Presence of the Organizational Model of Management 231/2016 and related channels of reporting irregularities and systems for managing them		
		Presence of ISO 9001 and ISO 14001 certifications		
	Research & Development and technological innovation	Collaboration with research organisations for technological innovation projects		
		Obtaining patents for new products and projects		

## Potential impacts generated

In addition to the actual impacts, we also examined the potential positive and negative impacts generated by Palazzoli during its activities. To this end, the organisation has assessed these impacts considering their severity and likelihood of occurrence as described in the introductory paragraph of this chapter.

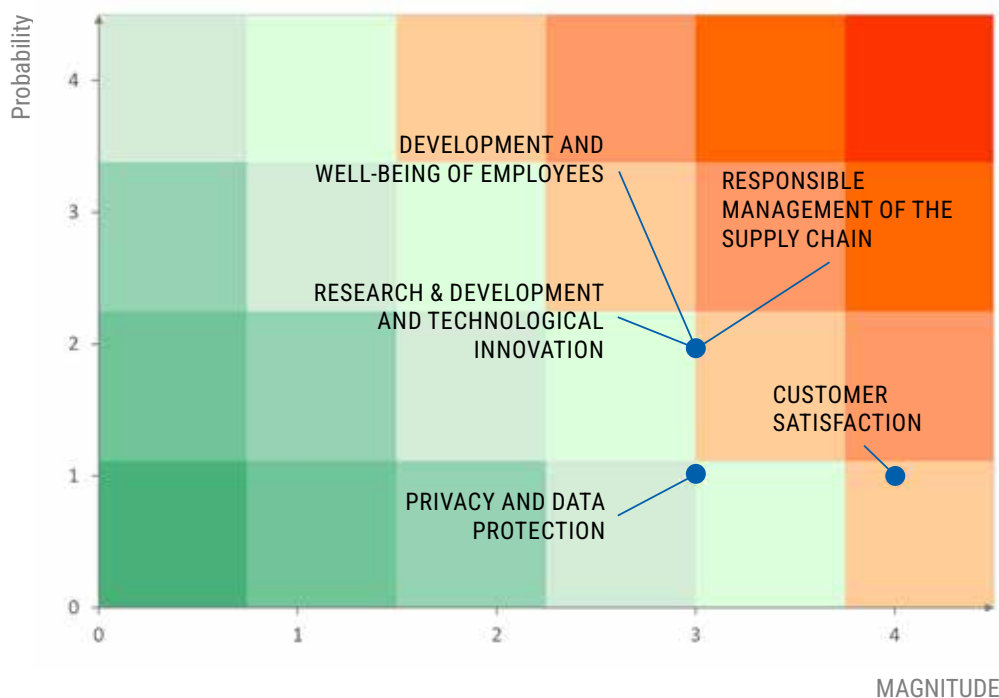
## Potential negative impacts

The following is a table listing the main potential negative impacts associated with the material topics: The EU has a number of key organizational elements, identified by the organisation as being divided into categories E (Environment), S (Social) and G (Governance).

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Social	Development and well-being of employees	Potential increase in staff turnover and consequent difficulty in finding strategic figures on the market	🍃🍃🍃🍃	🕒🕒🕒🕒
Governance	Customer satisfaction	Increase in complaints both in absolute terms and in relation to turnover. To be monitored the closing % of the same currently low, favourable	🍃🍃🍃🍃	🕒🕒🕒🕒
	Privacy and data protection	Cyber attacks and resulting data loss or financial damage related to inadequate cybersecurity training or other deficiencies in computer systems	🍃🍃🍃🍃	🕒🕒🕒🕒
	Research & Development and technological innovation	Delays in technological innovation and the transition to more sustainable materials	🍃🍃🍃🍃	🕒🕒🕒🕒
	Responsible management of the supply chain	Lack of attention to the sustainability performance of its suppliers and difficulties in tracking the supply chain	🍃🍃🍃🍃	🕒🕒🕒🕒

The main potential negative impacts identified in the table are represented in the following matrix, assessed on their significance by combining severity and probability for each impact. The more the issue is in the top right-hand corner of the matrix, the more relevant the impact of that issue is to the organization.

### POTENTIAL NEGATIVE IMPACTS



As highlighted in the matrix, all potential negative impacts associated with different sustainability issues identified as material have a low probability of occurrence, between 1 and 2. This reflects the commitment of the organisation to implement a range of initiatives to mitigate and prevent such impacts. With regard to the magnitude of potential impacts, the matrix shows a high value (4) for the theme “Customer satisfaction”. A possible increase in complaints could lead to loss of customers and, as a result, to a reduction in market shares. However, the likelihood of this risk is very low, as Palazzoli pays great attention to the quality of the products offered on the market. In addition, the risks associated with a lack of technological innovation (such as “Research & Development and technological innovation”) and the failure to update selection criteria for suppliers (such as “Responsible Supply Chain Management”) can be significant.

To prevent possible negative impacts related to these areas, Palazzoli has dedicated specific resources to research and development and started collecting qualitative information on ESG aspects within its supply chain.

As far as the social sphere is concerned, the same magnitude and probability value of the two previous themes was also attributed to the theme “Valorization and well-being of employees”, which is related to the risk of a potential increase in voluntary turnover.

The “Privacy and data protection” issues have minimum probability of occurrence (1), due to continuous updates to the company’s computer systems and training courses for its employees are ongoing.





# Positive potential impacts

As already mentioned, the methodology and the analysis process also include the identification and management of the positive potential impacts generated by Palazzoli, these are shown in the table below.

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE	
Environment	Responsible management of waste	Reduction of the amount of waste generated sent to landfills and, consequently, increase in the percentage of waste sent to recovery			
	Environmental impact and emission reduction	Purchase of electricity with a guarantee of origin and, therefore, from renewable sources.			
		Setting GHG emission reduction targets			
	Materials and initiatives of circular economy	Introduction of a system for monitoring and tracking at point of origin the percentage of recycled material in raw materials and packaging			
		Development of eco-design projects and obtaining eco-labels for their products			
	People	Training and professional development of employees	Delivery of specific courses on sustainability		
		Development and well-being of employees	Conduct of an indoor climate analysis		
			Organization of team building events		
			Introduction of services to support employees with parental and/or caring responsibilities		
		Health and safety protection for workers	Joining the WHP (Workplace Health Promotion) program		
Value creation in the community		Increased employee involvement for community activities (donations, corporate volunteering)			

SPHERE	MATERIAL TOPIC	IMPACT GENERATED	IMPACT TYPOLOGY	MAGNITUDE
Governance	Customer satisfaction	Development of a system for assessing customer satisfaction through customer involvement		
	Privacy and data protection	Obtaining the business legality rating		
	Responsible management of the supply chain	Adoption of a written policy for responsible sourcing, which favours local suppliers with good ESG performance		

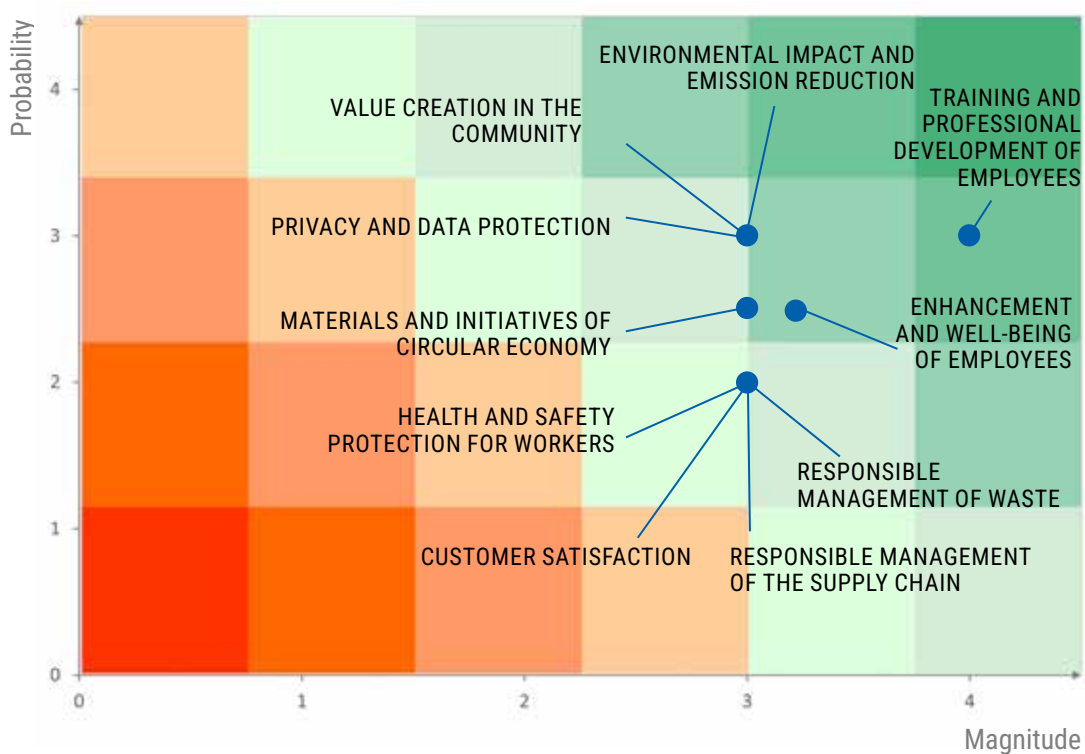


In this context, the corresponding positive potential impact was also associated with each material topic and assessed in terms of likelihood of achievement and magnitude.

The matrix of potential positive impacts related to the material topics of Palazzoli is given below.

The higher the topic is in the top right-hand corner of the matrix, the greater the potential positive impact (opportunity) associated with that topic.

### POSITIVE POTENTIAL IMPACTS





In the matrix presented, the company identifies as significant opportunities, characterized by high magnitude and probability, several topics. Particular attention is paid to “Training and professional development of employees” and to “Enhancement and well-being of employees”.

Equally important, with a high magnitude (3 out of 4), but with varying chances of realization, are the opportunities related to other material topics of the organization. The probability is high for topics such as “Community value creation”, “Privacy and data protection” and “Environmental impact and emission reduction”.

Palazzoli intends to intensify its commitment towards the community with new initiatives to create social value. In the field of data protection, cybersecurity activities and obtaining the rating of legality are provided. As regards the reduction of emissions, the organisation has already started monitoring its carbon footprint and is looking at targets for further reductions in greenhouse gas emissions.

Another significant aspect concerns “Valorization and well-being of the employees”, where it is expected that the main opportunities may result from an in-depth analysis of the internal climate. In addition, in the context of “Materials and initiatives for circular economy”, Palazzoli is aiming at the development of eco-projects and to obtain ecological certifications for its products.

Finally, opportunities related to occupational safety, responsible supply chain management, waste management and worker’s safety have been assessed with a lower probability (2) but with a significant magnitude (3).

The health and safety of employees remains a priority for Palazzoli, which is implementing various initiatives to prevent workplace accidents and improve the well-being of its employees through programs such as WHP. In the field of waste management, the company is developing projects to reduce waste destined for landfill and further increase recycling.

Finally, Palazzoli is considering involving customers more in improving the system for assessing their satisfaction and is ESG performance of its supply chain.



# 7

## Corporate strategy



# Corporate strategy

Strong governance, a strong focus on innovation and a constant commitment to creating a working environment based on respect, fairness and collaboration are the fundamental pillars of Palazzoli's business model. The company code of ethics, quality management, safety and environment systems, the model of Organization, Management and Control according to Legislative Decree 231/2001 and the hours dedicated to Research & Development are the operational tools to translate this philosophy into concrete actions, a distinctive feature of the Company.

## GOVERNANCE HIGHLIGHTS

**54.000.000 €**  
Economic value generated



**39%**



Expenditure to suppliers allocated to local suppliers

**15%**

Distributors channel accessible market share (Italy)



**8%**

Hours worked are for R&D



**0**

Data loss



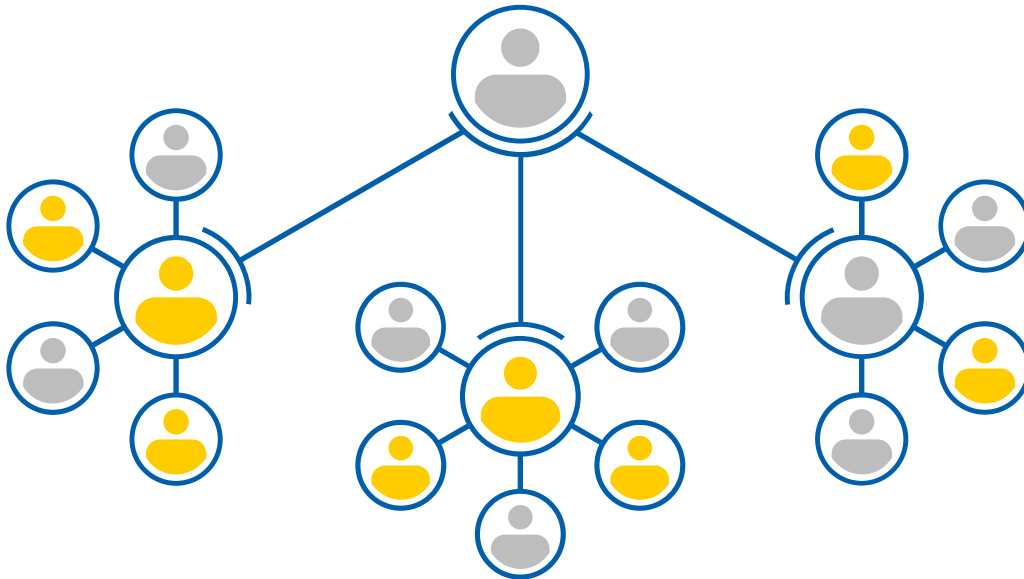
# Company organization and guidelines for governance

To ensure the ethical and transparent governance of its activities, Palazzoli has a solid governance structure supported by specific tools. The company, a S.p.A., is managed according to a one-tier management model.

The Board of Directors, endowed with the most extensive powers for the ordinary and extraordinary management, is composed by 7 members (6 over 50 and one member between 30 and 50 years - all men), including Chairman, CEO and Board members.

The appointment of members shall be based on professionalism and fairness in personal and professional conduct.

The management audit function is carried out by a management audit committee, elected by the Board of Directors, which carries out four audits per year. The audit is carried out by an auditing firm. The Supervisory Body (SB), provided for by the Organizational Model 231 (MOG 231) and composed of an internal and an external member, shall be responsible for preventing fraudulent conduct within the organisation.



With the aim of ensuring transparent, efficient and effective management, Palazzoli has been equipped with several tools, including the following:

- Model of Organization, Management and Control ex Legislative Decree 231/2001 and platform Whistleblowing
- Code of ethics
- Management Systems (Quality, Safety and Environment).

# Strategic direction



DECENT WORK AND  
ECONOMIC GROWTH



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

## Organization, Management and Control Model

As already mentioned, Palazzoli has adopted an Organizational, Management and Control Model with the aim of implementing an internal organization and control system in accordance with the provisions of Legislative Decree 231/2001. This system aims primarily to promote principles of sound business management, focusing on honesty, legality and transparency. Responsibility for ensuring compliance with and proper application of the model, including requirements of independence, professionalism and continuity of the measures envisaged is

entrusted to the Supervisory Body (SB). This body carries out audits, offers suggestions and advice, and collects any reports from company staff through a structured whistleblowing procedure.

The SB also has the obligation to report promptly to the Board of Directors the violations, infringements and non-conforming behaviour found, proposing revisions, modifications and/or additions necessary to prevent such phenomena.





# Ethical code

In 2021, Palazzoli updated its code of ethics, the document that defines the principles and guiding values of the organization and the guidelines to be followed by all those who interact with the company and have relations with it in various ways. This code of ethics is closely linked to the Model of Organization, Management and Control, integrating it with the definition of values and rules of conduct that Palazzoli intends to adopt in relations with its stakeholders.

## THE VALUES

The main values indicated in the code of ethics, which aim to inspire the conduct of business and activities as well as the management of people and information, are:

- Legality
- Tradition and connection with the territory
- Cost-effectiveness
- Exploitation of human resources
- Research and development
- Respect and protection of the environment
- Fairness and transparency
- Sense of responsibility
- Fairness and integrity of relations with the Public Administration
- Impartiality

It is primarily the responsibility of the governing bodies to give concrete form to the values and principles of the code of ethics, assuming both internal and external responsibilities and strengthening trust, cohesion and team spirit within the organisation.

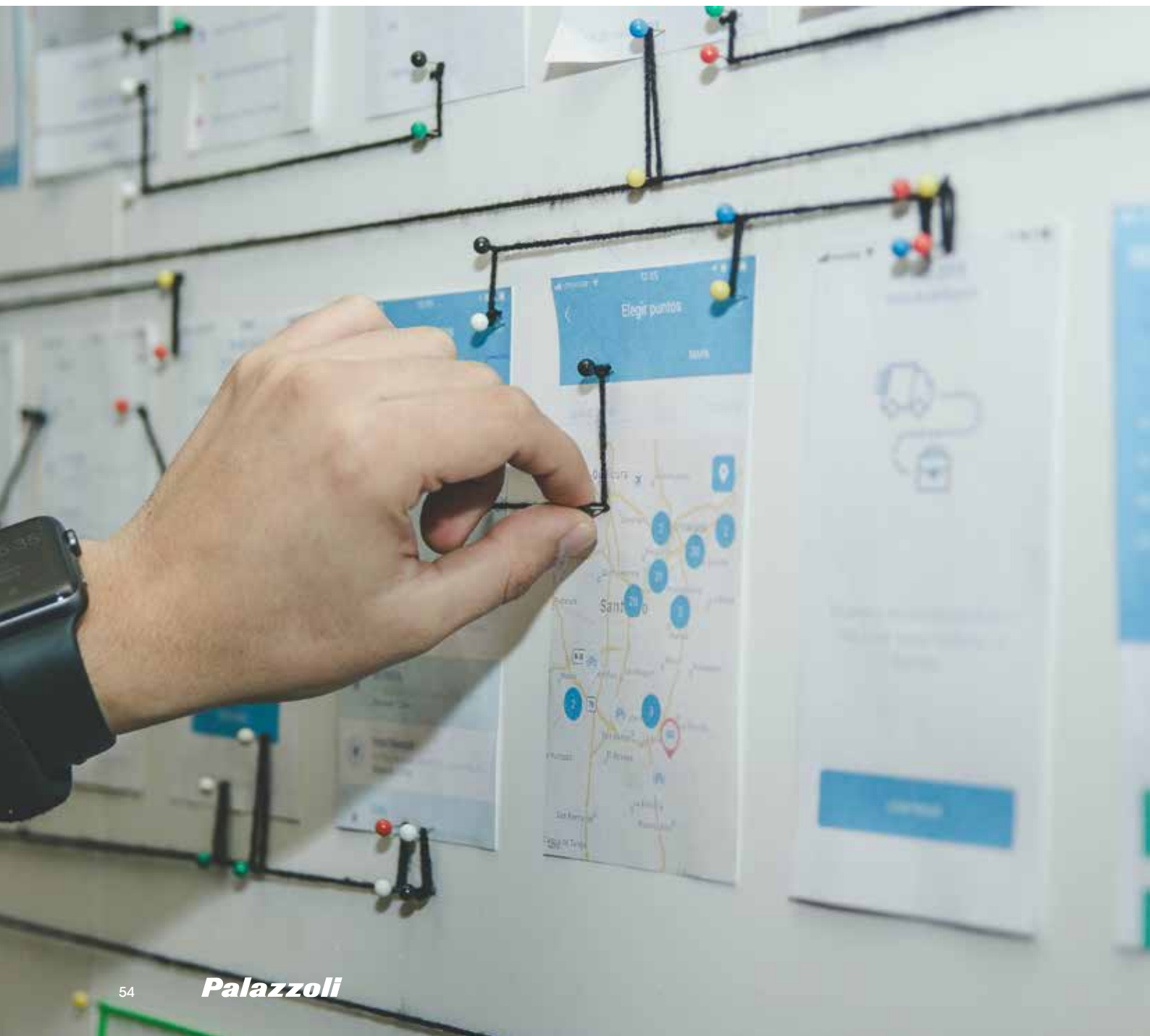


# Management system

Palazzoli is constantly engaged in maintaining and expanding management systems for some priority areas of the company's activities. The main priorities of Palazzoli are health and safety at work, the environment and the quality of the products offered.

These themes are managed by the ISO 45001, ISO 14001 and ISO 9001 certifications.

In line with these management models, the organization has implemented a process of assessment and management of short-term, medium-term and long-term business risks, with a focus on the issues mentioned. This includes an assessment of the negative impacts, potential and actual, of business activities, with a focus on local communities.



# Research & Development and technological innovation



DECENT WORK AND  
ECONOMIC GROWTH

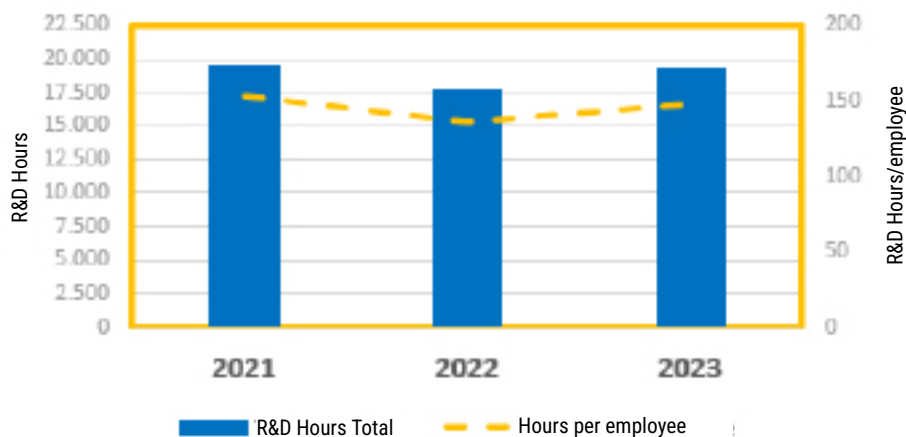


INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

Given the importance of innovation for the company's business, in 2023 Palazzoli dedicated approximately 19,500 hours in Research and Development, with an average of 145 hours per employee.

The company employs more than 10 resources per year in R&D projects, with the aim of minimizing the environmental impact of products and making them more and more in line with customer requirements.

## HOURS DEVOTED TO RESEARCH AND DEVELOPMENT



Thanks to the activities and projects carried out, the company has filed and obtained in 2023, 5 patents for industrial invention in different markets (Italy, Brazil, Israel, Africa, India).



# Economic and financial value creation



DECENT WORK AND ECONOMIC GROWTH



INDUSTRY, INNOVATION AND INFRASTRUCTURE



SUSTAINABLE CITIES AND COMMUNITIES

Palazzoli is aware that ethics and profit must go hand in hand, since long-term economic development cannot be separated from environmental and social development. For this reason, in the sustainability report, the company decided to map the wealth generated for itself and its stakeholders, measured in terms of economic value directly created and distributed. This calculation is based on the main non-financial reporting standards (GRI Standards), which define the two concepts as follows:

- “Directly generated economic value” means the revenues, such as net sales plus income from financial investments and sales of assets.
- The “distributed economic value” includes the following components: operating costs, wages and employee benefits, payments to capital providers, interest payments on loans and other forms of debt, payments to the Public Administration and investments in the community.

## VALUE GENERATED AND DISTRIBUTED



In 2023, the economic value generated by Palazzoli was more than 56 million euros (up 12% compared to 2022); 82% of these were redistributed among suppliers (59% of the value generated), employees (19%), shareholders (1.3%), public bodies (2.2%) and communities (0.1%).

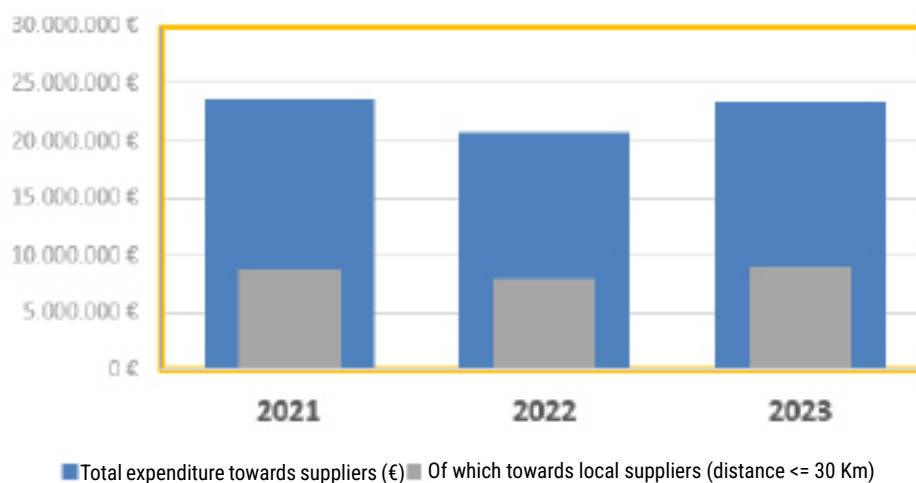
# Responsible management of the supply chain



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

The Company pays particular attention to the evaluation of the quality and reliability of all actors in the supply chain. In 2023, there was a slight increase in expenses towards local suppliers: 39% of total supplier expenditure was spent on people within a 30 km radius of the company's headquarters.

## EXPENDITURE TOWARDS LOCAL SUPPLIERS



In general, it is important to stress that where possible, with the same technical, product and economic requirements, the Company tends to favour suppliers located in areas close to its own plant. This demonstrates its commitment to supporting employment and creating wealth for the local economy. Regarding the supplier selection procedure, in 2023 Palazzoli sent evaluation questionnaires to its suppliers. These questionnaires also consider social and environmental aspects (HSE, certifications, etc.) in order to gather information on the sustainability of their supply chain. To date, the main suppliers have participated in the questionnaire; to be precise, 72 questionnaires were completed out of a total of 128 sent.

# Privacy and data protection



INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



SUSTAINABLE CITIES  
AND COMMUNITIES

Palazzoli has implemented an access control policy and offers cybersecurity awareness courses to corporate staff to prevent phishing and data loss. During 2021 and 2022, no anomalies related to data loss, cybersecurity or phishing phenomena were found. In 2023, a cyber attack occurred that affected the IT part of Lewden in Brianteo. The attack was quickly detected and its propagation to Brescia was promptly stopped, without any data extraction from the company's archive. In the code of ethics, Palazzoli invites all employees to contribute to the protection of information and data delegating to each employee a share of the responsibility for the security of the systems used. Finally, no complaints were received from external regulators or entities for privacy breaches, nor were transactions with corruption risks detected.





# Customer satisfaction

Customer satisfaction is a crucial element for business success.

Palazzoli is constantly committed to the continuous improvement of quality, product efficiency and respect for delivery times.

Monitoring and improving customer satisfaction is a fundamental pillar for Palazzoli. To collect information on the quality of service and products offered, the company uses both qualitative data and specific indicators for quantitative analysis.

An example of a monitored quantitative indicator is the percentage of defective parts in relation to the total number of parts shipped during the year. In this sense, there was an improvement between 2022 and 2023 with a decrease of 15% of complaints per thousand pieces.

Another quantitative data monitored concerns customer complaints: Palazzoli analyses the proportion of complaints opened by the end of the year. In 2023, this proportion was slightly lower than the previous year with a 10% improvement.









# 8

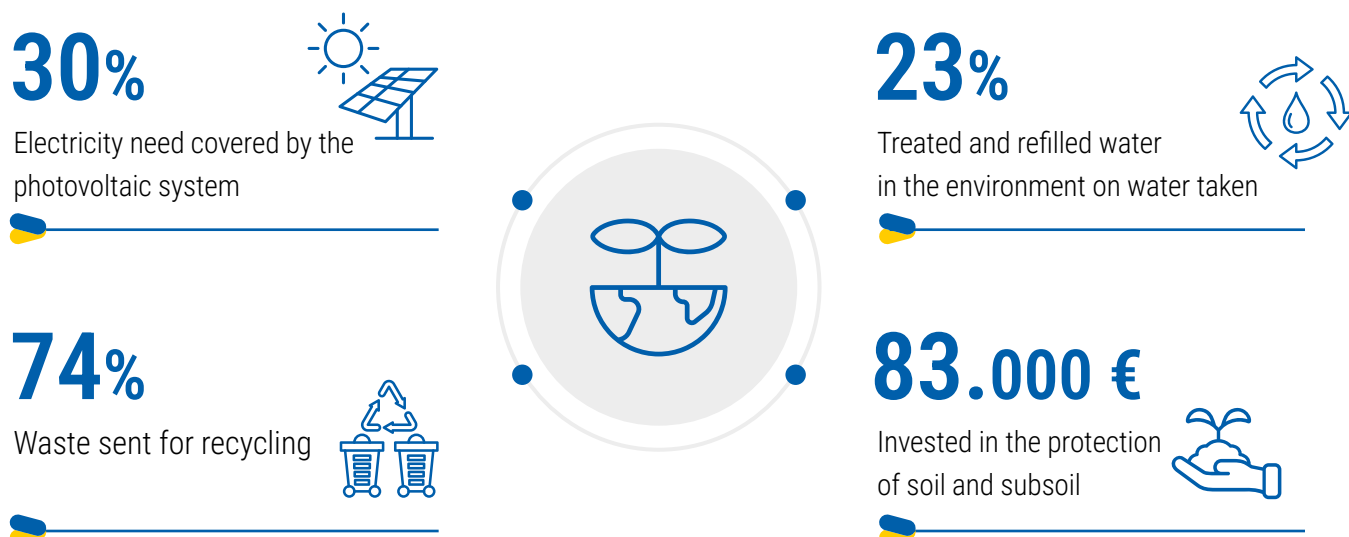
## Palazzoli for the environment



# Palazzoli for the environment

Palazzoli is committed to ensuring respect and protection of the environment, in accordance with its UNI ENISO 14001 certified environmental management system. The company aims to ensure compliance with environmental laws and regulations and to adopt the most sustainable choices possible on all issues related to environmental management. In 2022, Palazzoli began monitoring greenhouse gas emissions from its corporate perimeter, including direct and indirect emissions from imported energy. In addition, targeted interventions for resource efficiency have been introduced and a sustainability project has been launched to improve environmental performance in the short-, medium- and long-term.

## ENVIRONMENTAL HIGHLIGHT



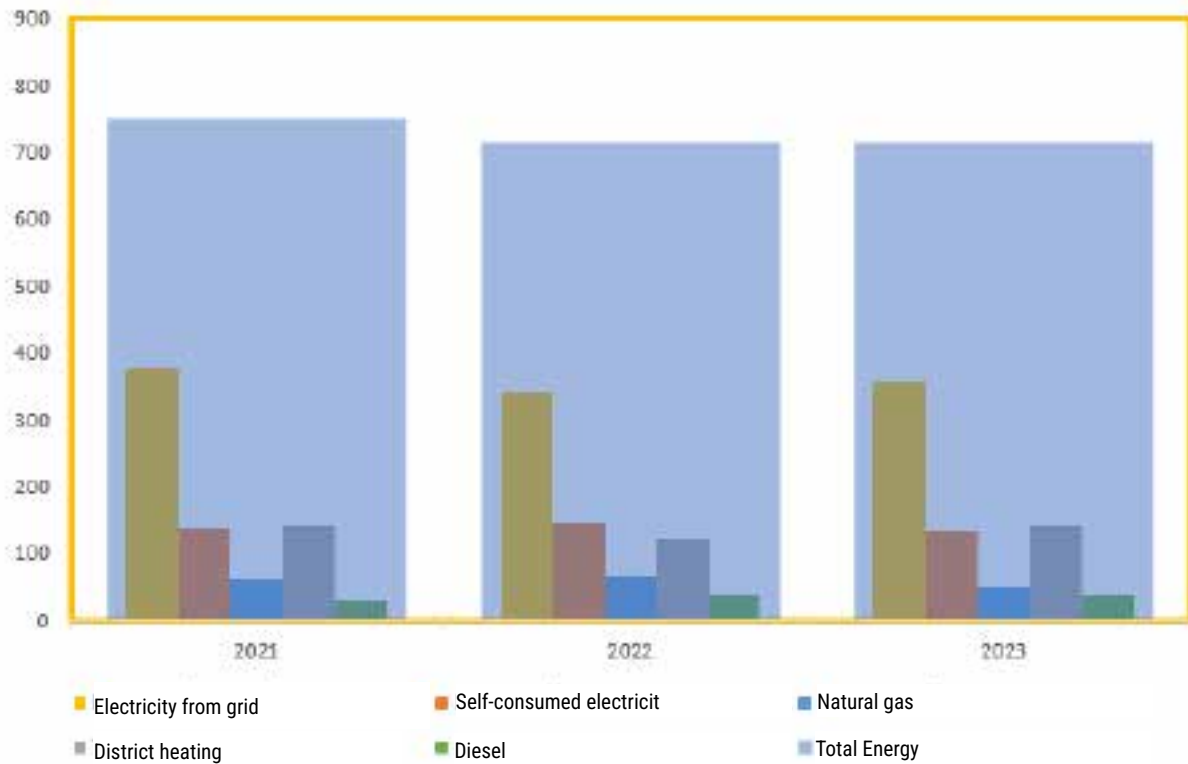
## Energy and energy efficiency



The energy required for the activities of Palazzoli is supplied by different energy carriers: first of all, by electricity, whose needs are covered, 26% of the energy used is solar, followed by thermal energy for district heating, natural gas and diesel.

As shown in the graph below, the different quantities have been converted into toe (tonnes of oil equivalent) so that they can be compared.

## ENERGY CONSUMPTION



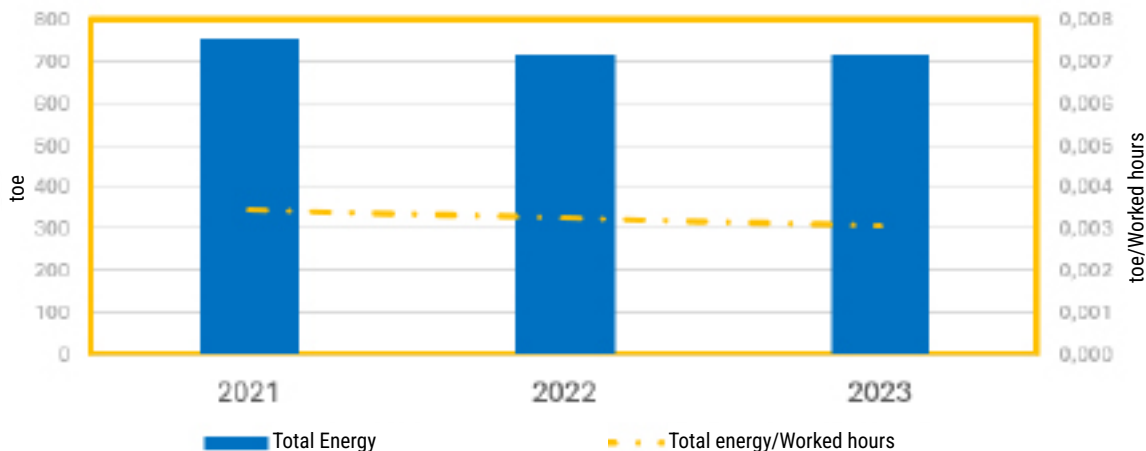
According to the above chart, in 2022 total energy consumption is in line with 2022, showing a 2% increase in 2023 and a 3% decrease compared to 2021.

Electricity, both from the national grid and from self-consumption, represents the predominant part of total consumption in both years (69%).

Of this, about 26% is generated by the photovoltaic system. The thermal energy required for space heating constitutes 19% of total consumption and is supplied by the district heating system, produced by a waste-to-energy plant.

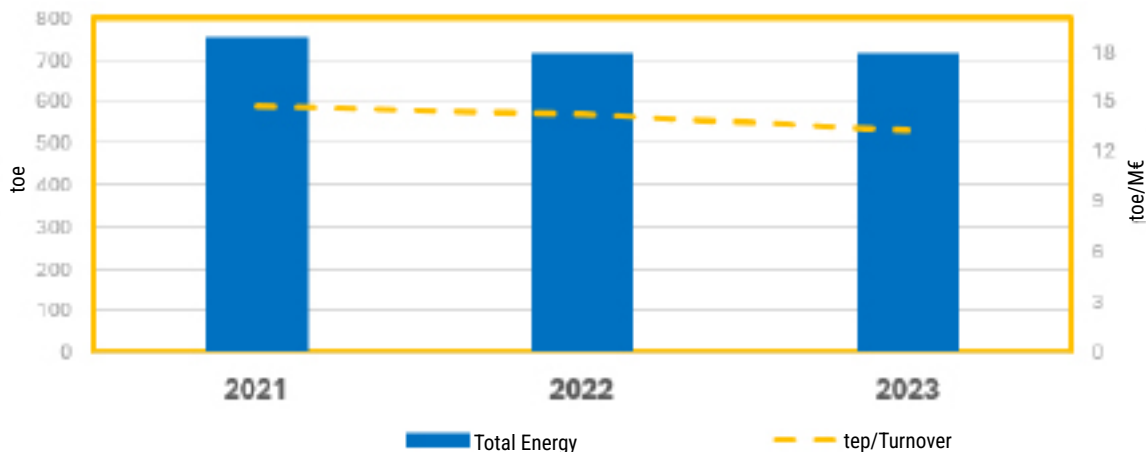
The consumption of natural gas, used only in the Painting process, has decreased considerably in 2023 compared to 2022, by 28%. This consumption is due to a process change aimed at reducing energy consumption and its emissions into the atmosphere. Diesel consumption also fell by 5% compared to 2022.

### TOTAL AND SPECIFIC CONSUMPTION (IN RELATION TO HOURS WORKED)



In contrast, when comparing energy consumption with revenue, the trend shows a slight decrease, with a 5% reduction compared to 2022.

### TOTAL AND SPECIFIC CONSUMPTION (IN RELATION TO TURNOVER)



Among the energy efficiency interventions carried out in the past (2020), it is worth noting, finally, the replacement of traditional lights (both the departments and outdoor) with LED lights. Towards the end of 2023 with activation in the first quarter of 2024, efforts were made to extend the photovoltaic system to increase the portion of self-consumed renewable energy; it is a photovoltaic system with a nominal power of about 825 kWp. In addition, an initiative is being taken to switch from manual meters to digital ones to further improve the monitoring of energy consumption.



# Environmental impact and reduction of emissions



Palazzoli demonstrates its priority focus on monitoring greenhouse gas (GHG) emissions through the initiatives included in its corporate sustainability strategy. In 2023, Palazzoli completed a study of the Organization's Carbon Footprint, analysing the greenhouse gas emissions generated by its activities and related to them according to UNI EN ISO 140641:2018, with reference to the year 2022. This analysis showed that the total GHG emissions of the organisation amount to 7,374.1 tonnes of CO2 equivalent (tCO2eq). Emissions were listed in a GHG inventory divided into six categories.

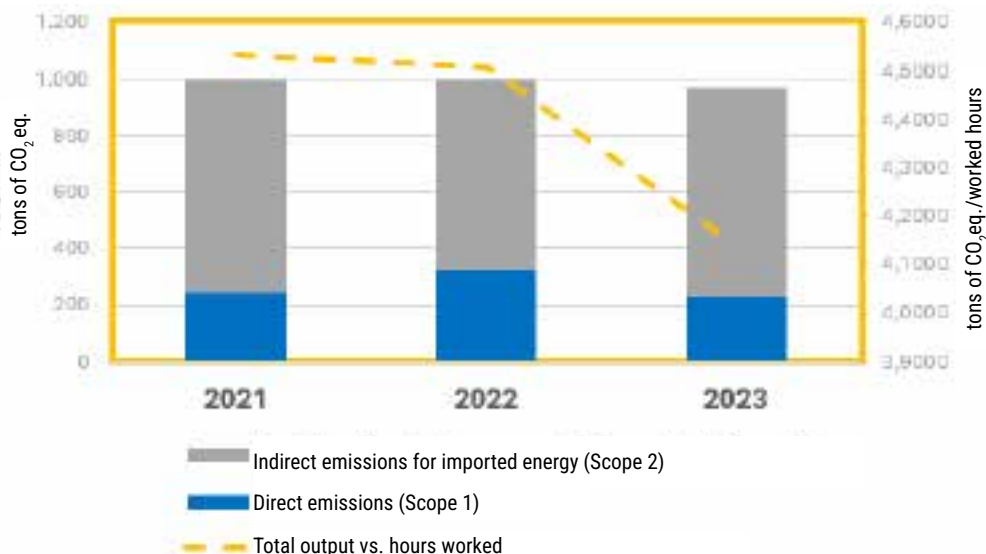
The first category includes direct emissions, mainly from fuels used in company cars and from natural gas consumption at the plant, the proportion of them in the total is small (4%).

The second category (8%) includes indirect emissions for imported energy, such as electricity from the grid and district heating (in the location-based scenario). Indirect emissions from transport are the third category (11%), influenced by incoming and outgoing goods movements, employee travel and work trips.

Category four (77% of the total) includes indirect emissions for products used, such as upstream production of materials for the production process and their disposal downstream, including waste. To compare data between 2021 and 2022, Palazzoli focused on calculating GHG emissions in categories 1 (direct emissions) and 2 (indirect emissions for imported energy), as data for 2021 in categories 3-6 of scope 3 of ISO 14064-1 are not available.



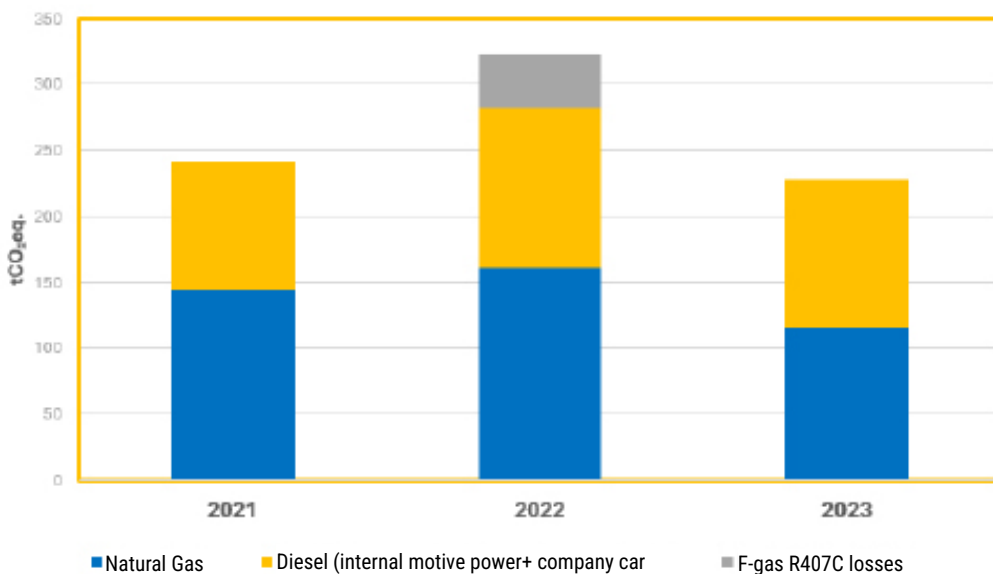
### GHG EMISSIONS



The analysis of the presented graph shows a substantial stability in greenhouse gas (GHG) emissions in the absolute value (-0.6%) but a decrease in relation to the hours worked (-5.7%).

For direct emissions, there is an improvement of 29% compared to the previous year due to a low natural paint use for electrical solutions and no F-gas losses.

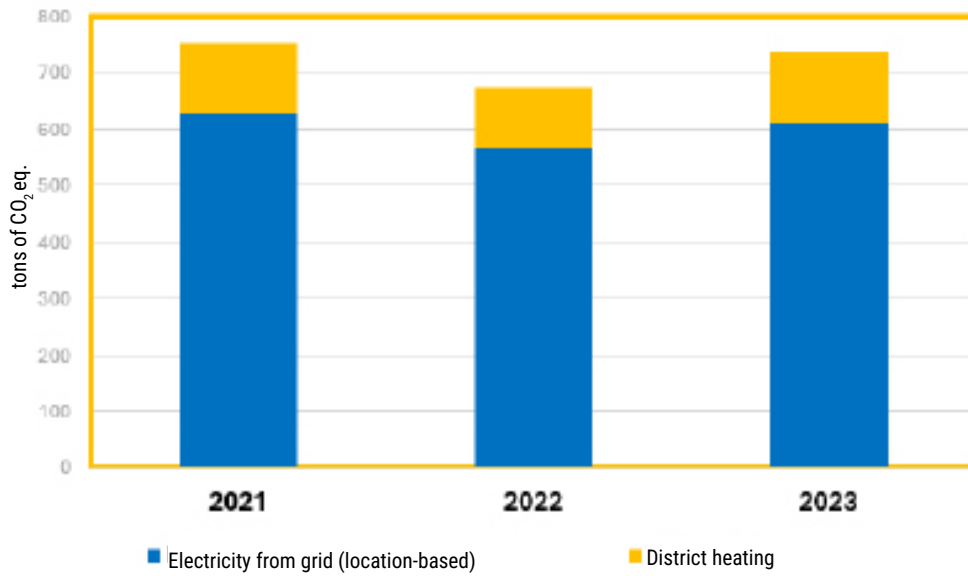
### DIRECT EMISSIONS (CATEGORY 1)



For category 2, data on electricity from the national grid and thermal energy for district heating have been taken into account. To calculate the indirect emissions associated with electricity from the national grid, the “location-based” the scenario was used.

The value of the emission factor was obtained from the report “Efficiency and decarbonization indicators in Italy and in the biggest European Countries. Edition 2023” published by ISPRA. This type of emissions represents about 76% of the total analysis carried out (scope 1 and 2).

## INDIRECT EMISSIONS FOR IMPORTED ENERGY (CATEGORY.2)



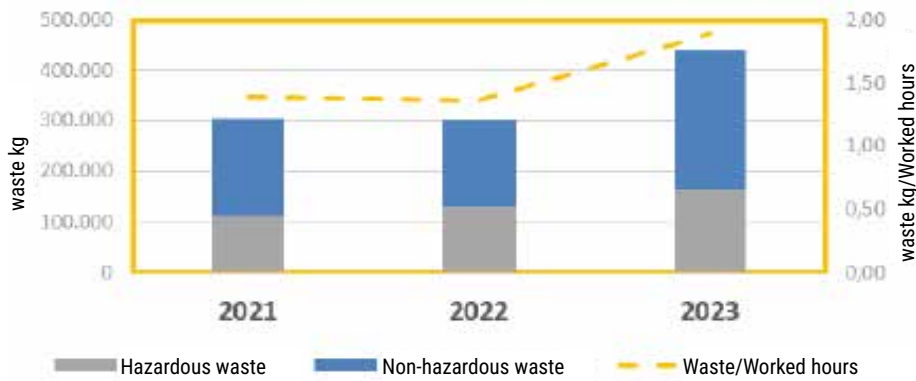


# Responsible management of waste

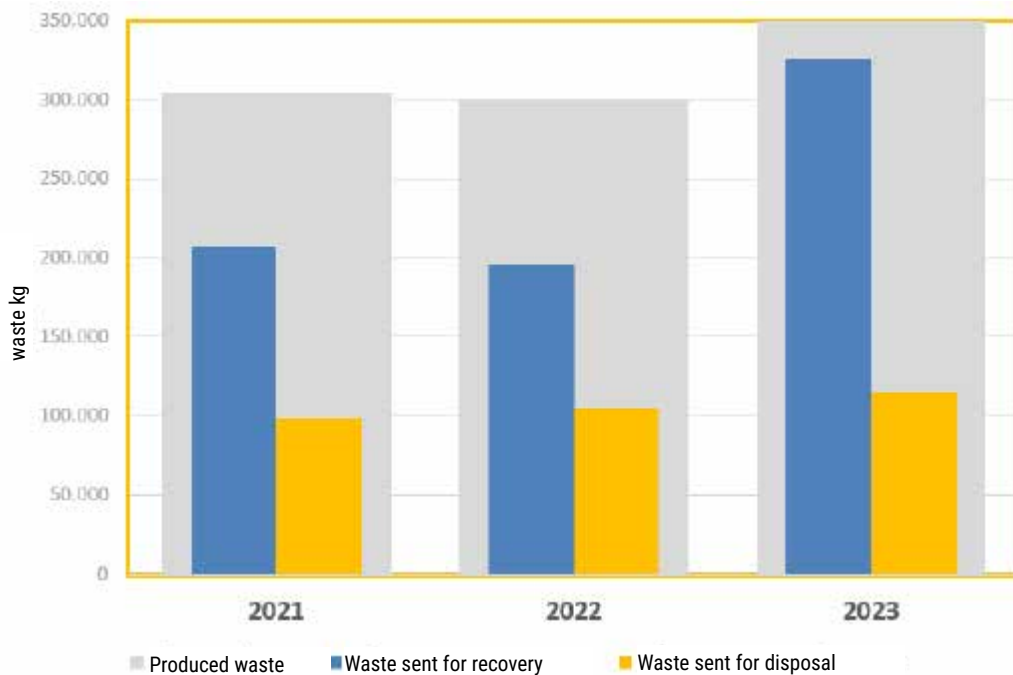


In 2023, 74% of the waste produced by Palazzoli was recycled. The total waste has increased a lot (441,134 kg in 2023 compared to 300,794 kg in 2022 vs 305,030 kg in 2021). The main reasons are an imprecise emulsion and waste water management in the previous year and a mass scrapping of obsolete furniture and products carried out in 2023.

## TRENDS IN WASTE PRODUCTION



## TOTAL WASTE PRODUCTION



It is worth noting that projects are being studied to reduce the waste produced and, in addition, initiatives are being taken to internally exploit production waste.

# Materials and initiatives of circular economy



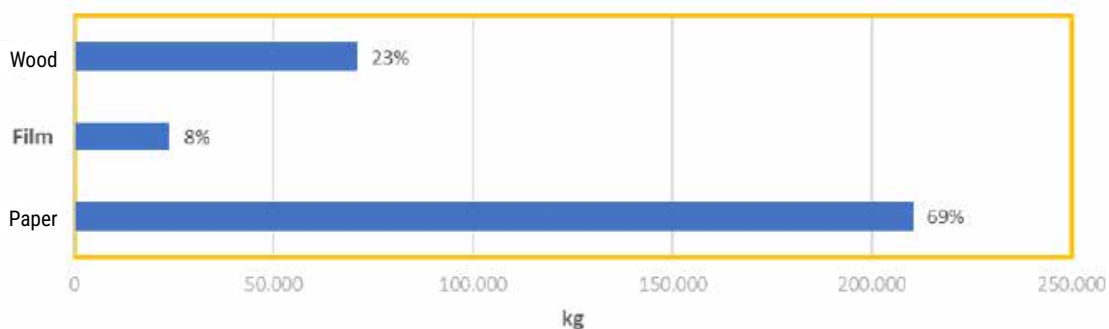
The manufacturing processes at Palazzoli involve the use of different types of parts and materials. To make the complex production process more understandable, the main macro-categories of materials used for the manufacture of the finished product are presented below:

- Thermoplastic materials, composed of master and plastic raw materials
- Metal, mainly aluminium, raw materials and ingots
- Heat-resistant raw materials
- Electrical wires in a skein, the material of which is copper
- Seals and sealing rings, mainly of rubber

- Drawing for lathes, mainly of iron and brass
- Sheets, strips and plates, mainly of iron, with other materials added in marginal quantities such as brass and copper

Among these materials, the main components in 2023 were plastic raw materials (403,624 kg), thermosetting raw materials (116,395 kg) and aluminium ingots (267,243 kg) and rubber (179.941 kg). Palazzoli estimates that 5% of the raw materials used come from recovered or reused materials.

## OUTGOING PACKAGES



Palazzoli closely monitors the quantities of its outgoing packages, as shown in the previous chart. In 2023, over 50% of the packaging used for the finished product consisted of paper and cardboard packaging. Also significant are the quantities of wooden pallets and polyethylene film. As regards packaging, in 2023 Palazzoli has launched a study aimed at reducing plastic in packaging.

In line with the principles of the circular economy, the company has always been committed to ensuring the quality of its products, promoting extended life cycles for the entire range of products, with usage expectations that exceed the market benchmark.



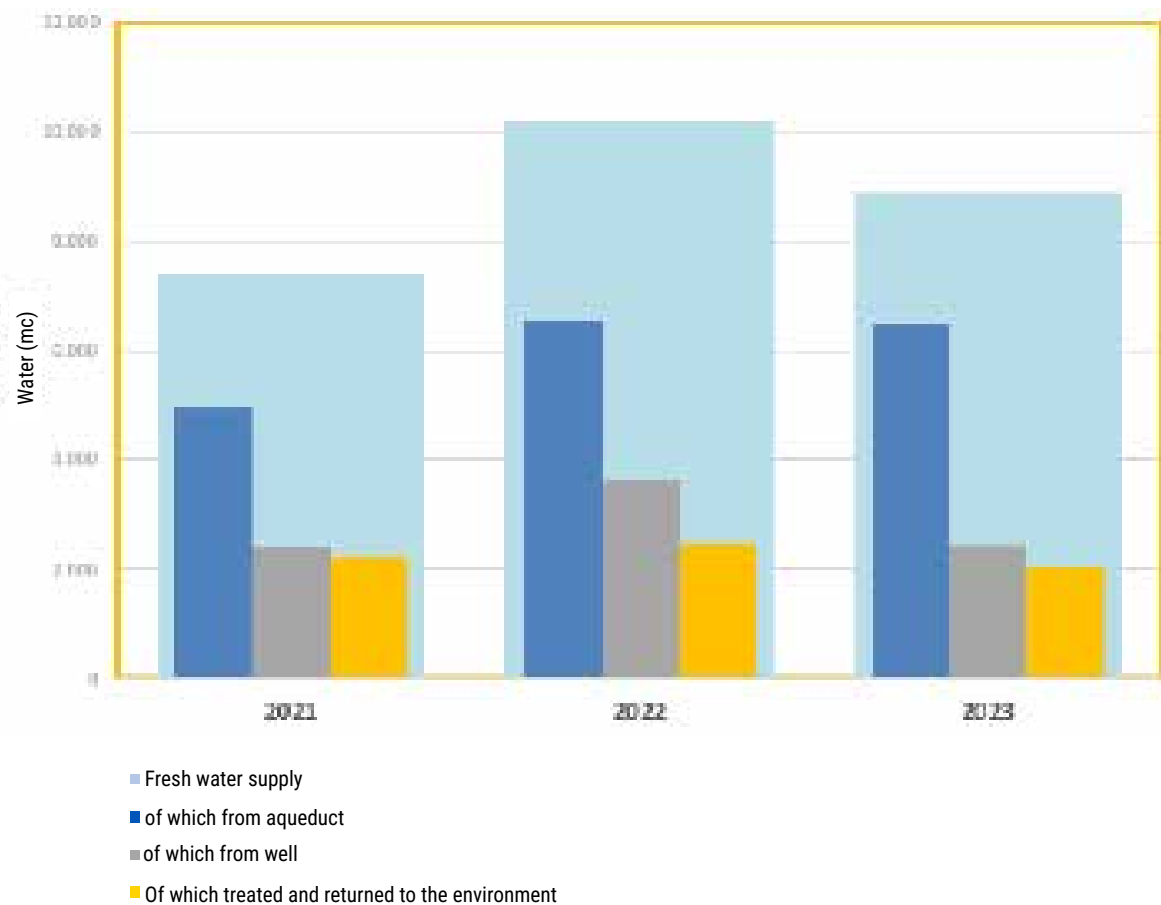


# Responsible management of water resources



Palazzoli uses water for both the production process and civil use, mainly from the aqueduct (about 72%), while the remaining part comes from a well for industrial use. In 2023, total water consumption decreased by 13% compared to 2022, reaching a total of 8,902 cubic meters. According to the graph, about one quarter of the fresh water used is treated and returned to the environment through a water treatment plant.

## WATER COLLECTION AND TREATMENT







9

Palazzoli  
for people



# Palazzoli for people

Palazzoli understands that corporate sustainability goes beyond the environmental sphere and includes human capital and value creation both inside and outside the organization. It also integrates social sustainability aspects into its strategy, making them an essential part of the business.

As emphasized in the company's code of ethics, people are at the centre of the organization. Palazzoli is committed to developing the skills of each employee, offering an environment conducive to the exploitation of creativity and skills of each employee.

Palazzoli supports the principle of meritocracy and ensures equal opportunities for professional growth to all staff. It promotes an environment in which everyone receives fair treatment, free from discrimination.

In addition, Palazzoli attaches great importance to the creation of value in the community and to the promotion of initiatives with a high social impact. The company is rooted in the local territory and is constantly engaged in projects that contribute to the progress and development of the local community.

## SOCIAL HIGHLIGHT

98%

Employees hired indefinitely



76

Training hours/year per employee



0

Discrimination reports



100%

Staff (employees and temporary staff) with access to welfare



0

Serious accidents in 2023



# Development and well-being of employees



GOOD HEALTH  
AND WELL-BEING



DECENT WORK AND  
ECONOMIC GROWTH

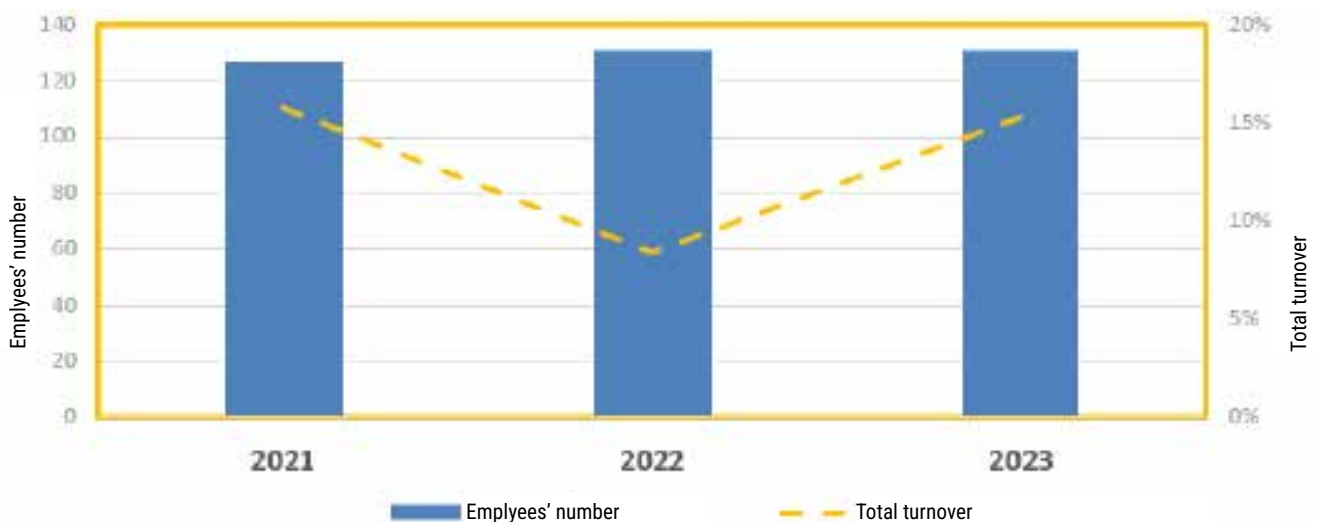


REDUCED  
INEQUALITIES

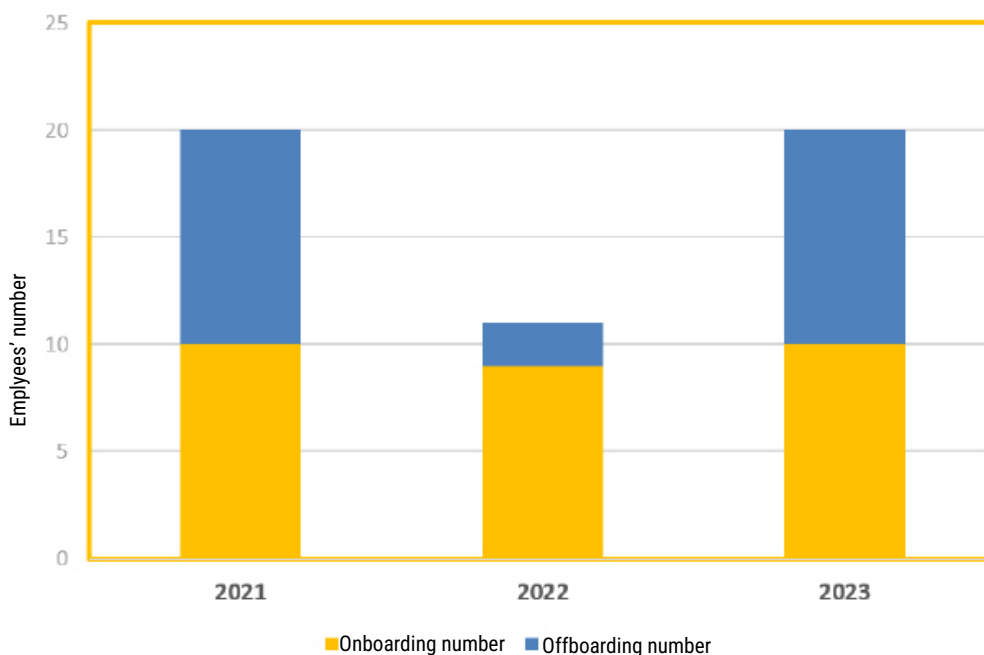
Human capital is an indispensable value for Palazzoli, which is constantly committed to enhancing its people and to promote their continuous development, both professional and personal. As of 31 December 2023, the total number of employees at Palazzoli was 131, in line with the previous year.

In 2023, a total of 10 new employees were hired. The overall turnover rate of staff, calculated as a result of transfers from previous to the period in question, is less than the total number of staff at the end of the same period, was 15.2%, a significant increase compared to 8.4% registered in 2022. It is noteworthy that 98% of the staff were employed on permanent contracts in 2023, equal to 128 people, compared to 129 people in 2022.

## EMPLOYEES AND TURNOVER OF STAFF



## EMPLOYEE ONBOARDING AND OFFBOARDING



Palazzoli is committed to the well-being of its employees.

To this end, the organization guarantees 8 hours of paid leave for personal medical visits every year. In addition, the company offers all employees access to corporate welfare. During 2023, €177,000 was granted as corporate welfare, showing an increase of 29% compared to 2022 and 130% compared to 2021. In addition, there are benefits worth approximately €44,000.

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## FOCUS - system of suggestions

To improve the involvement of the resources, especially operational resources, a suggestion system was introduced within the company portal.

The resources have the possibility of proposing solutions and reporting problems in various areas, such as the production process, work and labour, health and safety, and environmental protection.

Each suggestion is evaluated by a committee of experts. If the suggestion receives a positive assessment, it is implemented and the team or resource that promoted the proposal is recognised. If not, the committee shall provide detailed feedback and justify its decision not to implement the suggestion.

In 2023, the first award ceremony was held and more than 20 employees were awarded for a total of over €10,000.

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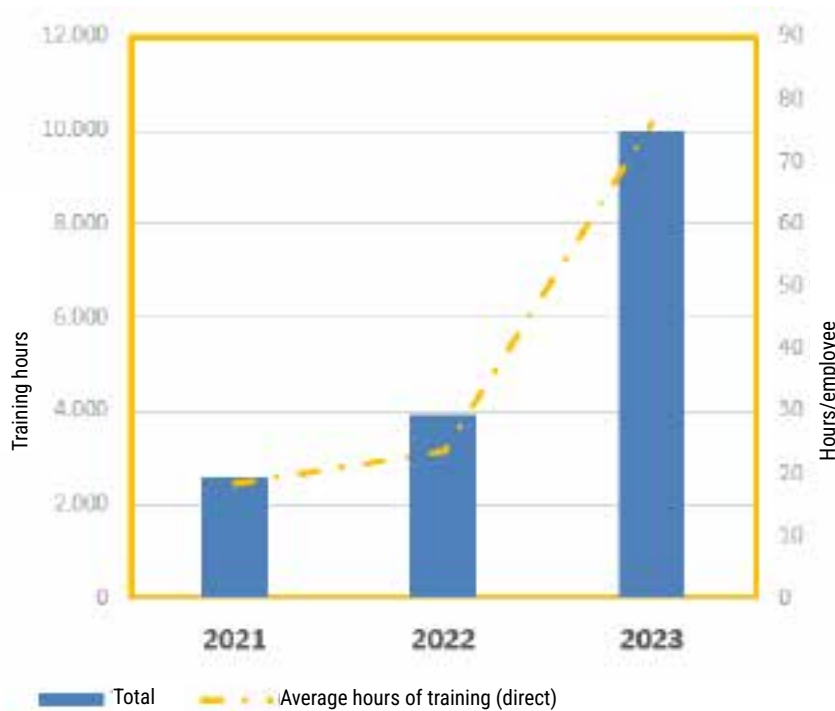


# Training and professional development of employees



Palazzoli is committed to promoting the continuous development of each worker's skills and competences, aiming at constantly improving the professionalism and quality of work performed. In 2023, the company delivered more than 10,000 hours of training altogether, an increase of 154% compared to the previous year. This highlights the central importance attached to training within Palazzoli. In particular, there was an increase in the average hours of training per employee, which went from 18.4 in 2021 to 23.6 in 2022 and 76.3% in 2023. This is more than twice the national average.

## TRAINING HOURS



Palazzoli attaches great importance to the professional development of its employees. In 2023, the company adopted the MbO (Management by Objectives) approach to assess the performance and professional development path of around 30% of its workforce. This methodology aims to improve efficiency in achieving business objectives and provide the resources involved with an effective tool for their professional growth.

## FOCUS – MIP (Manufacturing Improvement Plan)

MIP is a methodology developed to measure for Palazzoli, aimed at improving the performance of the production system through different approaches:

- Quantification of costs arising from waste and losses, with the definition of a structured plan for reduce them.
- Improvement of operational processes.
- Increased speed of response to customer needs.
- Active involvement of resources at all levels of the company.
- Upgrading skills at all levels.

This programme operates in all areas of the company's organisation, including production sectors (capital intensive and labour intensive), logistics, quality, personnel management, product development and maintenance. For each of these areas, medium-long term and short-term plans are defined, monitored through periodic internal assessments and Key Performance Indicators (KPIs) and Key Activity Indicators (KAI) are always available.

To achieve the objectives set, dedicated standard tools were developed, initially tested on pilot areas involving a selected group of resources, who then transferred their skills to other areas of the company. This process has facilitated the dissemination of knowledge within the company.

In addition, a specific pillar for Energy and the Environment has been integrated, whose objective is to ensure sustainable business development, harmonizing production needs with respect for the environment. The vision of this team focuses on improving the environmental management system to minimize impacts on the environment.

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# Health and safety protection for workers

The safety and health of all those directly and indirectly involved in work activities are a fundamental pillar for Palazzoli.

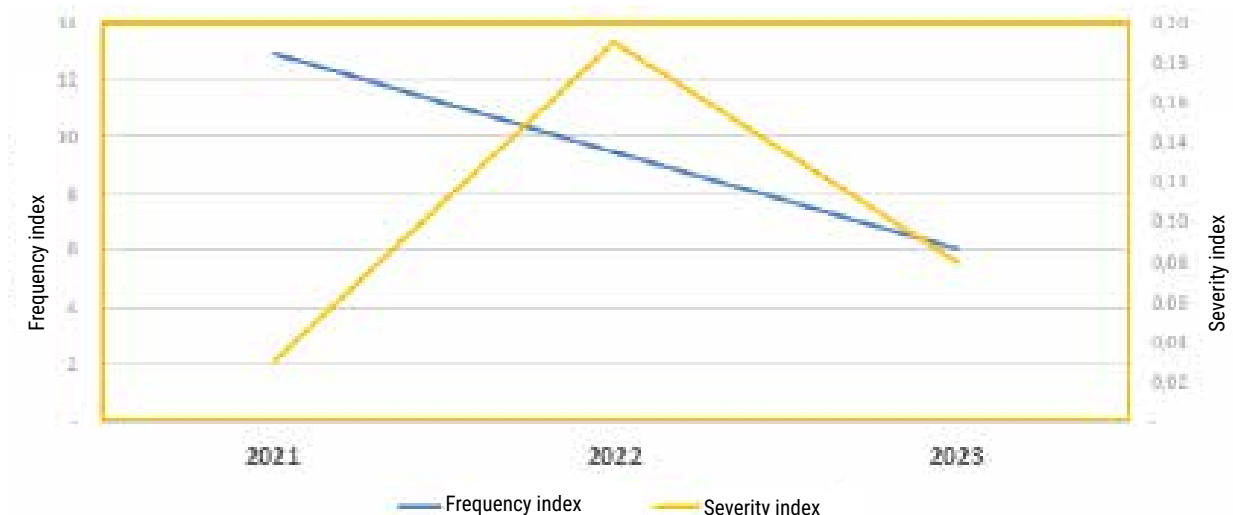
The company confirms its highest priority for health and safety, managing all its business activities through management systems certified according to UNI ISO 45001 "Management systems for health and safety at work". This commitment translates into compliance with the highest standards, in compliance with the current legislation and the continuous implementation of training activities on health and safety, going beyond the legal requirements to ensure a safe and healthy working envi-

ronment.

In 2023, 2 accidents were recorded (compared to 3 in 2022 and 4 in 2021), none of which had serious consequences. However, the total number of days of accident decreased compared to the previous year, reaching 16 days.

Compared to the previous year, calculated according to UNI 7249, the accident frequency index has fallen to 6.03 (compared to 9.43 in 2022), while the severity index has increased to 0.08 (compared to 0.19 in 2022).

## FREQUENCY AND SEVERITY INDEX



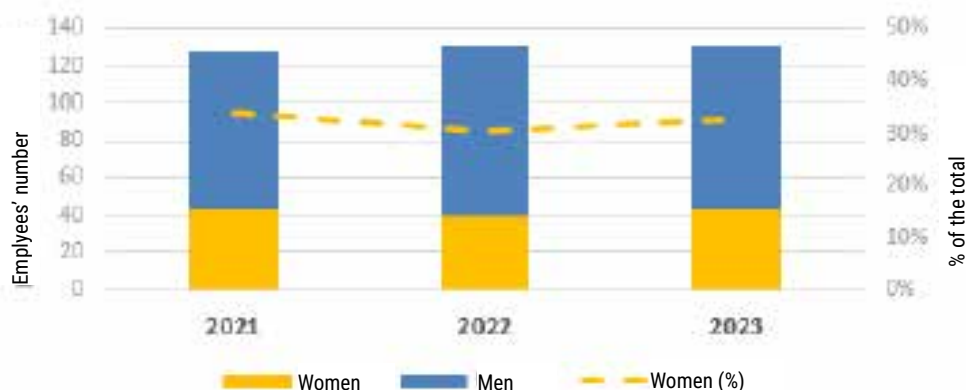


# Diversity, inclusion and promotion of equal opportunities



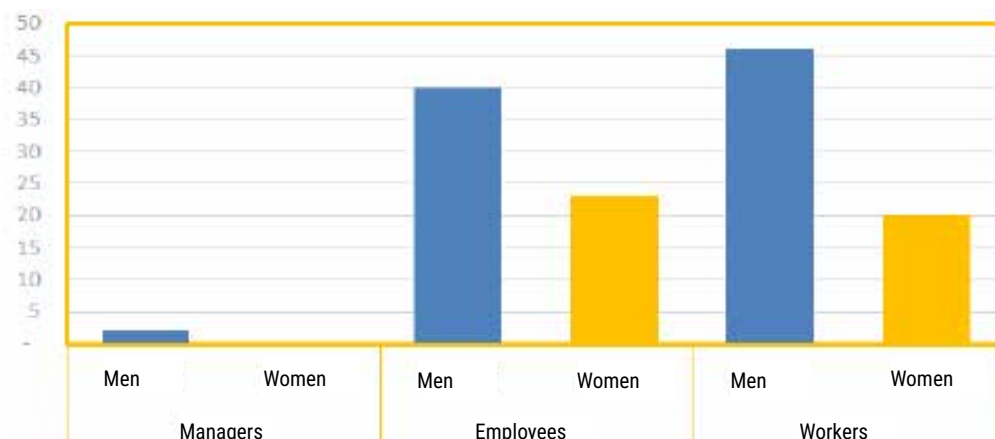
The female presence in the company is lower than that of men, with women constituting about 33% of the staff, up 2% compared to the previous year, as shown in the following chart. This figure is positive because it exceeds the benchmark for metalworking companies, to which Palazzoli belongs. According to a FIM CISL study published in August 2023, the percentage of women in these companies is around 21%.

## DIPENDENTI PER GENERE



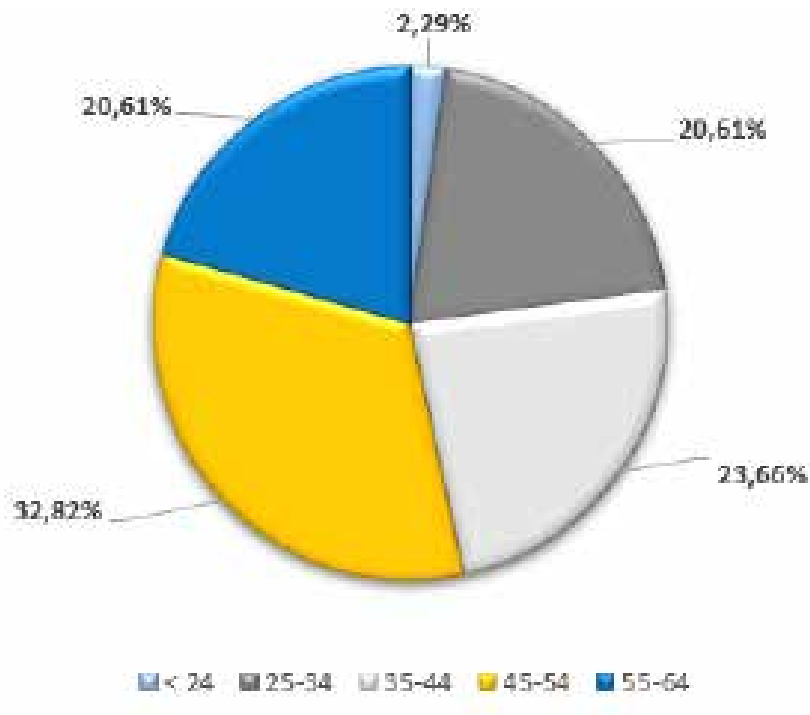
In 2023, the distribution of staff by function will be 51% (66 people) in worker roles, 48% (63 people) in professional roles and the remaining 2% (2 people) in managerial roles. These figures were broadly in line with those recorded in the previous year.

## EMPLOYEES BY OCCUPATION AND GENDER



In terms of the distribution of the workforce by age group, the majority of employees at the end of 2023 (56%) will be between 35 and 55 years old; those under 35 will represent 23%, a decrease of 2% compared to the previous year. The over-55s will represent 21% of the workforce.

### EMPLOYEES BY AGE GROUP



In 2023, Palazzoli welcomed three students for a period of school-work alternation and offered an extra-curricular internship to a candidate who was subsequently hired.

The company is firmly committed, as required by its code of ethics, to promoting an inclusive working environment based on collaboration and mutual respect for fundamental values, without tolerating any form of discrimination.

In accordance with the Organization, Management

and Control Model (MOG 231), which will be described below, Palazzoli has an internal channel for reporting discriminatory behaviour.

During 2023, as in previous years, no such notification was received. Furthermore, Palazzoli is committed to using an inclusive language in the drafting of its job postings and marketing campaigns, both externally and internally, in order to attract talent without any distinction.

# Value creation in the community



SUSTAINABLE CITIES  
AND COMMUNITIES



PARTNERSHIPS  
FOR THE GOALS

Palazzoli identifies with the territory where it operates and develops its activities. Having as its objective the development of the local community, in fact, Palazzoli gives annually in the form of donations and gifts sums of money destined to social initiatives.

In 2023, donations worth €57,000 were made to the following entities:

- Foundation of the Community of Brescia, with particular reference to the Maria Rosa Moretti Fund
- AIRC - Foundation for Cancer Research
- Castelli Foundation
- Parish of San Bartolomeo (BS)

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## MARIA ROSA MORETTI FUND

The Fund established by the will of Eng. Luigi Moretti, in memory of his sister Maria Rosa Moretti, is aimed at supporting charitable, social and cultural initiatives, with a special focus on those actions aimed at young people in all their physical, intellectual and moral needs.

The Fund shows a particular support in Favor of the Clinical Pedagogical and Biomedical Research Laboratory, Ambra Onlus, operating at the San Rocchino Children's Hospital.



## CONFINDUSTRIA BRESCIA

The spirit of association has always characterised our company policy and in fact we have been a member of Confindustria for over a century.





## AIRC - AIRC Foundation for Cancer Research

Since 1965 the AIRC foundation has been continuously supporting, through fundraising, the progress of cancer research and disseminating accurate information on the results obtained, on prevention and on therapeutic perspectives.

Since January 2020, the company has launched the project "DIAMO LUCE ALLA RICERCA" ("LET'S GIVE LIGHT TO RESEARCH") in support of the AIRC Foundation for cancer research. Thanks to this project, the products of the lighting line contribute to support the breast cancer research project of Giampaolo Bianchini, responsible for breast cancer pathology at the San Raffaele Hospital and AIRC researcher at the Fondazione Centro San Raffaele in Milan. In 2023, at the end of the project, Palazzoli continued to support AIRC research in a generic form with total contributions of €15,000.



## CASTELLI FOUNDATION

The foundation aims to:

- Initiate projects aimed at the efficiency and enhancement of technical equipment in technical institutes.
- Promote and manage initiatives aimed at engaging teachers and students, with the aim of improving the effectiveness of teaching, and adding value to learning.
- Demonstrate the importance of training, to stimulate commitment and enhance excellence among students.
- Involve companies in an increasingly close and ongoing collaboration with the world of schools.
- Facilitate the integration of new graduates into the world of work, encouraging the activation of internships and training experiences.







# 10 Global Reporting Index (GRI) Content Index



# Global Reporting Index (GRI) Content Index

For each individual material topic identified, the correlation with the main international reference standards for sustainability reporting, the GRI is presented below (Global Reporting Index).

There are no GRI industry standards relevant to the business of Palazzoli.

<b>Declaration of use</b>	Palazzoli S.p.A. has submitted a report “with reference to” regarding the GRI Standards for the period 01/01/2022 - 31/12/2022.
<b>Used GRI 1</b>	GRI 1 - Fundamental Principles - 2021 version

<b>GRI 2 GENERAL INFORMATION 2021</b>		
<b>GRI Standard</b>	<b>Disclosure</b>	<b>Reference paragraph</b>
<b>THE ORGANISATION AND ITS REPORTING PRACTICES</b>		
	2-1 Organisational details	Methodological note
	2-2 Entities included in the organisation’s sustainability report	Methodological note
	2-3 Reporting period, frequency and contact	Methodological note
<b>ACTIVITIES AND WORKERS</b>		
	2-7 Employees	Development and well-being of employees
	2-8 Non-employee workers	Development and well-being of employees
<b>GOVERNANCE</b>		
	2-9 Structure of governance	Company organization and guidelines for governance
	2-10 Appointment and selection of the highest governing body	Company organization and guidelines for governance
	2-11 President of the highest governing body	Letter to stakeholders

	2-12 Role of the highest governing body in monitoring impact management	Company organization and guidelines for governance
	2-13 Delegation of responsibility for managing impacts	Company organization and guidelines for governance
	2-14 Role of the highest governing body in sustainability reporting	Company organization and guidelines for governance
	2-17 Collective knowledge of the highest level of government	Company organization and guidelines for governance
	2-18 Assessment of the performance of the highest governing body	Company organization and guidelines for governance
<b>STRATEGIES, POLICIES AND PRACTICES</b>		
	2-25 Processes to remedy adverse impacts	Potential negative impacts
	2-27 Compliance with laws and regulations	Strategic direction
<b>INVOLVEMENT OF STAKEHOLDERS</b>		
	2-29 Approach to stakeholders' engagement	Our priority: the material topics
GRI 3 - Material topics - 2021 version	3-1 Process for determining material topics	Our priority: the material topics
	3-2 List of material topics	Our priority: the material topics
	3-3 Management of material topics	Our priority: the material topics

INFORMATIVE	REFERENCE PARAGRAPH
<b>Standard topic - economic scope</b>	
201-1 Directly generated and distributed economic value	Economic and financial value creation
203-1 Infrastructure investments and services financed	Energy and energy efficiency
204-1 Proportion of expenditure towards local suppliers	Responsible management of the supply chain 1
<b>Standard topic - environmental scope</b>	
301-1 Materials used by weight or volume	Materials and initiatives of circular economy
301-3 Recycled or regenerated products and their packaging material	Materials and initiatives of circular economy
302-1 Energy consumed within the organisation	Energy and energy efficiency
302-3 Energy intensity	Energy and energy efficiency
302-4 Reduction of energy consumption	Energy and energy efficiency
303-3 Water sampling	Responsible management of water resources
303-4 Water discharges	Responsible management of water resources
303-5 Water consumption	Responsible management of water resources
305-1 Direct GHG emissions (Scope 1)	Environmental impact and emission reduction
305-2 Indirect GHG emissions from energy consumption (Scope 2)	Environmental impact and emission reduction
305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environmental impact and emission reduction
305-4 Intensity of GHG emissions	Environmental impact and emission reduction
305-5 Reduction of GHG emissions	Environmental impact and emission reduction
306-1 Waste generation and significant waste-related impacts	Responsible waste management



306-2 Management of significant impacts related to waste	Responsible waste management
306-3 Waste produced	Responsible waste management
306-4 Waste not intended for disposal	Responsible waste management
306-5 Waste destined for disposal	Responsible waste management
307-1 Non-compliance with environmental laws and regulations	Our priority: material topics
<b>Standard topic - social scope</b>	
401-1 New hires and turnover	Development and well-being of employees
401-2 Benefits for full-time employees but not for part-time or fixed-term employees	Development and well-being of employees
403-1 Occupational health and safety management system	Health and safety protection for workers
403-2 Hazard identification, risk assessment and accident investigation	Health and safety protection for workers
403-5 Training of workers in occupational health and safety	Health and safety protection for workers
403-6 Promotion of workers' health	Health and safety protection for workers
403-9 Occupational accidents	Health and safety protection for workers
404-1 Average annual training hours per employee	Training and professional development of employees
405-1 Diversity in governing bodies and among employees	Diversity, inclusion and promotion of equal opportunities Company organization and guidelines for governance
406-1 Discrimination incidents and corrective measures taken	Strategic direction
413-1 Operations with local community involvement, impact assessments and development programmes	Value creation in the community
413-2 Operations with significant actual and potential impacts on local communities	Value creation in the community



Sustainability Report 2023

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Palazzoli S.p.A.

Via F. Palazzoli, 31 - 25128 Brescia - Italy

Phone +39 030 2015.1

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



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