



**Cebi Motors**

# SUSTAINABILITY POLICY





# Introduction

**Cebi Motors** is a leading company in the design and production of DC electric motors for the automotive sector and intends to maintain and strengthen its position in the market, in an ethically correct context through a governance that is also based on the values and principles of sustainability.

Founded in 1976, it gradually entered the automotive industry, this becoming the market of choice in seat, window and door movement applications.

Its customers are generally qualified system engineers (Tier 1) of seat structures, electric windows and doors, through which Cebi Motors' product reaches all the main European car manufacturers and beyond.

The annual production capacity, achieved through continuous investments also with an "Industry 4.0" approach, is currently 25 million motors and, together with the continuous investments in R&D and product innovation, although in an extremely competitive and dynamic market context, this still allows

the company to maintain a position of sufficient competitiveness, even when compared to the main Asian competitors, sometimes also with production in Eastern Europe.

In the two plants of Veggiano (PD) and Bardello (VA) it has approx. 350 employees, and an overall turnover, almost all obtained abroad, close to 100 million euros.

The company is part of the Cebi International Industrial Group, a group operating in the automotive and household appliance components industry, with 11 production plants located on three different continents, 13 sales offices, seven research centres and a manufacturing process automation development centre.



# The reference paradigm



This sustainability policy is the result of in-depth reflections on the founding values of a company's operating in today's complex scenario of uncertainties, paradigm shifts, and complexity.

For this reason, CEBI MOTORS believed it was important to focus on generating lasting value shared with all stakeholders, aware that sustainability is primarily a modus operandi that pervades the entire company. It is thanks to the choices made every day in the way of conceiving and improving one's business model, in defining one's proposal to the market, considering the customer and its needs as central, and in believing in the importance of the people who work in the company, that CEBI MOTORS chooses to be sustainable.

Awareness for the importance of sustainability does not end at the internal perimeter of the company.

Indeed, today it is clear that the only viable economic model is that of sustainable development, theorised as early as 1987 in the "Our Common Future" Report of the UN World Commission on Environment and Development, better known as the Bruntland Commission.

It is necessary to approach the market considering not only the economic but also the social, ethical, and environmental aspects that the company brings with it along the entire value chain, also in light of the New European Green Deal that challenges all of Europe on the issue of decarbonising our continent by 2050.

For this reason, the company is attentive:

- to the environmental impacts it measures and monitors;
- to the R&D activity thanks to which it is able to innovate its product proposal to the market in order to satisfy its customers increasingly better;
- to the rationalization of the production process in order to avoid waste of primary resources and energy, using, in certain contexts, the circular economy approach;
- to the management of all types of risk (product, market, financial approach)

In the light of this awareness, it adheres to the principles of the United Nations Global Compact on Human Rights and promotes the 17 Goals of the United Nations 2030 Agenda, focusing in particular on:



### GOAL 3

#### GOOD HEALTH AND WELL BEING:

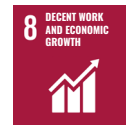
thanks to the safety system for workers at the headquarters and in its branches.



### GOAL 5

#### GENDER EQUALITY:

the company believes in the soundness of gender equality as a factor in professional and cultural growth. The female component in the company is essentially equal to that of the male one, and from a managerial point of view, women are present in many senior roles.



### GOAL 8

#### DECENT WORK AND ECONOMIC GROWTH:

the company has grown significantly in the last 10 years both in terms of people and turnover and is an important employer.



### GOAL 9

#### INNOVATION AND INFRASTRUCTURES:

most of our assembly lines are semi or fully automatic, and the company employs twenty or so resources dedicated to innovation. Moreover, in the company there is the application of vertical integration of the production process. Many production operations within the material flow are performed internally, such as moulding, forming, and even electronics. In addition, the company designs and builds the equipment for highly automated assembly lines.



### GOAL 12

#### RESPONSIBLE CONSUMPTION AND PRODUCTION:

thanks to the Quality, Environment and Safety and Energy management system, the company strongly believes in a business model based on responsibility towards the environment and people and identifies the approach to continuous improvement as one of its strategic drivers.

# The company's values

CEBI MOTORS has, over the years, built a process of identifying values that characterise its operations and that directly involve the leadership and the work group through a circular approach that permits the multidisciplinary development of issues to foster the increase of individual and team skills.

## CEBI MOTORS VALUES CAN BE SUMMARISED AS:



FOCUS ON PEOPLE



ATTENTION TO SAFETY



ATTENTION TO THE ENVIRONMENT



QUEST FOR TOTAL QUALITY



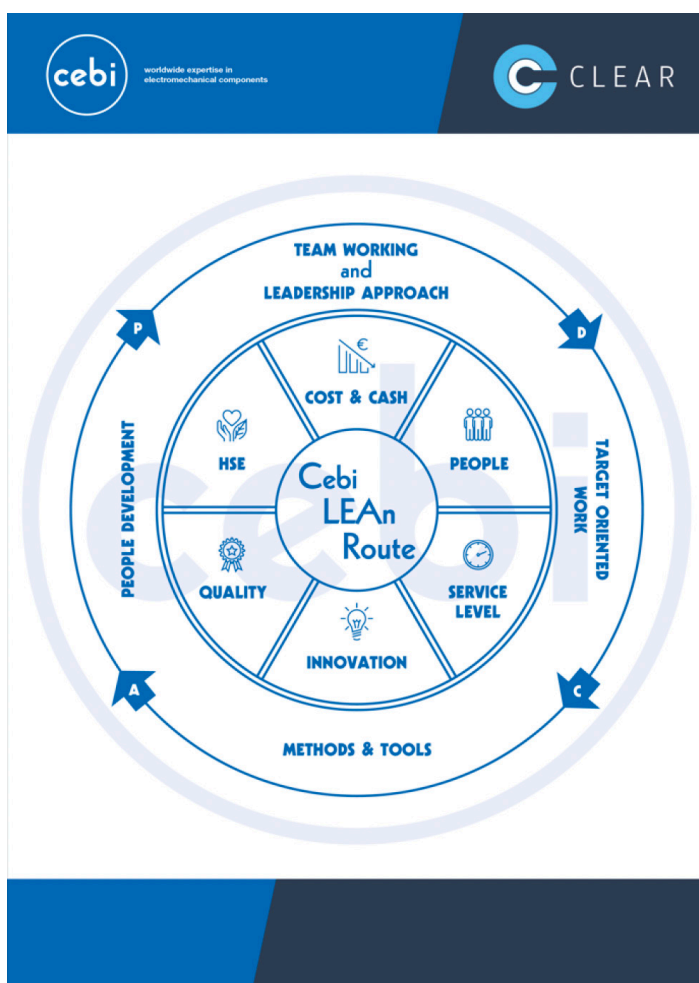
FOCUS ON INNOVATION



VALUE OF SERVICE



ECONOMIC RESPONSIBILITY





# Commitment of governance for sustainability

CEBI MOTORS has chosen a dynamic, cross-functional governance model that involves top management, the internal organisation and the **parent company at the international level** to pool market vision, orientations and developments, and share sustainability goals that **are becoming increasingly stringent throughout the company's value chain**.

## THE GOVERNANCE PILLARS

**SHARING CORPORATE OBJECTIVES:** the corporate objectives, including those relating to sustainability, are shared with all corporate parties, involved thanks to opportunities for cross-functional relational exchanges involving both top management and the corporate structure

**RISK MANAGEMENT:** risk is managed from all points of view through constant analysis and monitoring activities. The company uses risk analysis in which both business needs and evidence pertaining to environmental, social, and governance (ESG) issues are assessed to ensure the implementation of its development strategies through its verification and control plans.

**BUSINESS ETHICS AND INTEGRITY:** honesty and rigorous ethical conduct are the solid foundations of CEBI MOTORS' business activities, the pillars of the company's actions towards its stakeholders, starting with the internal perimeter consisting of employees and contract workers up to the more external one represented by suppliers. The Internal Regulations are based on the principles of trust, honesty, transparency, focus of human resources, protection of the

**HEALTH AND SAFETY:** On the safety management front, the company has 45001 certification. The HSM (Health and Safety Manager) is in-house and reports directly to the CEO. The Safety Management Committee, consisting of the HSM together with 4 other Health and Safety Officers, manages the topic with quarterly meetings and an annual meeting aimed at assessing progress and any necessary improvements.

**ATTENTION TO ENVIRONMENTAL IMPACTS:** monitoring environmental impacts is a strategic issue for CEBI MOTORS, which uses ISO 14001 certification in its production sites to monitor their progress with a view to continuous improvement and, in order to manage this issue, it has identified the key figure of the HSE manager (manager for health, safety and environmental issues)

**INNOVATION:** the company focuses resources and investments to develop innovative projects in terms of internal processes, products and services, with a special attention and awareness towards environmental impacts.

**TOTAL QUALITY:** the company places Total Quality, meaning process, service and product quality, at the centre. The Integrated Quality, Safety and Environment Management System defines and guarantees this vision.



# The importance of people

CEBI MOTORS considers human capital to be the most important strategic asset in order to correctly manage and innovate its business model while pursuing excellence. The protection of people's rights as well as the health and integrity of employees are indispensable and priority objectives. CEBI MOTORS promotes a participatory style that enables people to express and develop their potential. With this in mind, therefore, CEBI MOTORS recognises the following as highly qualifying areas:

## ETHICS AND VALUES

The company recognises people and their diversity as a value. It combats any form of discrimination in the workplace with reference to gender, sexual orientation, race, nationality, language, religion, political opinion, age, and other personal and social conditions. It recognises gender difference and protects equal opportunities, motherhood and fatherhood.

## EMPLOYEES AND GENDER EQUALITY

The snapshot of employees as at 31/12/2022 tells us that 284 direct employees work in the company (plants in Veggiano (PD) and Bardello (VA)) broken down into 225 factory workers, 6 apprentices, 44 office workers and 8 managers. The data show that CEBI Motors is an entity with a significant production department corroborated by a strategic area dedicated to product and process innovation. This area consists of technical design with 6 people, laboratory with 10 people, industrialisation 4 people, quality assurance with 7 people and 1 HSE manager.

Attention to gender equality is a value that the company has been tenaciously and willingly pursuing for several years, and it is also found in the concrete numbers. Indeed, the female component consists of 163 people out of 284 of whom 146 are employed in production where they represent the absolute majority and 15 in the office worker area.

The company's turnover rate related to 2022 (plants in Veggiano - PD and Bardello - VA) is 16.6%, considered normal for the type of company. The turnover rate does not jeopardise operational and business continuity.

## HEALTH AND SAFETY

The company pursues continuous improvement in addition to legal compliance thanks to ISO 45001 certification. At CEBI MOTORS, all workers are pro-actively involved in the proper management of the safety issue, preferring an ex ante approach capable of assuring the workstation and/or machine so that the operator can work safely.

The ongoing training programme on safety issues intended for all workers is also always in place.

Compared with previous years, with the continuous work on improvement and staff awareness on safety, the number of accidents has dropped significantly.

In 2022, the company had 2 minor accidents, in line with the accident target for 2022 expressed in the ISO 45001 certification. A sharply decreasing trend compared to previous years and a very positive result that was achieved thanks not only to investments in safety, but also to training and development of awareness.

The 1.11 frequency index confirms the good work done in this area by carefully and consistently promoting safety in the work environment.





1 - The frequency index was calculated as follows: (no. of accidents/hours worked)\* 200,000 as required by GRI 403-9



## TRAINING:

In CEBI MOTORS the strategic development of the business model goes hand in hand with the professional growth of its employees, who thus become the true protagonists of the company's success. Maintaining knowledge assets effective is one of the most complex challenges given the rapid evolution not only of technologies but also of social and economic aspects. For this reason, innovating skills means maintaining competitiveness in the market.

Training has been divided into 4 macro categories that summarise the approach introduced on the employee skills improvement front:

-  **Safety, compulsory training.**
-  **Technical area, to improve/strengthen technical knowledge/skills**
-  **Linguistic area, to improve/strengthen linguistic technical knowledge/skills**
-  **Soft skills, to improve/strengthen soft skills**

In 2022, the company delivered the following training activities (plants in Veggiano (PD) and Bardello (VA)):

**1,513 hours** of compulsory safety training

**3,571 hours** of on-the-job training

**3,995 hours** of technical-managerial training

**9,259 hours** of total training

# Centrality of the environment

CEBI MOTORS has dedicated increasing attention to environmental issues as demonstrated by the Quality, Safety and Environmental Management system and ISO 50001 certification for the Energy Management system.

Today, the fundamental principles on which CEBI MOTORS bases its approach to defining and measuring environmental impacts can be summarised as follows:

- prevent any form of pollution and operate responsibly with regard to safety;
- orient all business processes to a responsible use of energy sources
- assess in advance any effects on the environment and on the energy dynamics regarding new activities/products/processes;
- adopt operational expedients that are most cautious for worker safety and have the least environmental impact;
- carry out training, information and awareness-raising activities, involving all company personnel, making them aware of their individual obligations and the importance of each individual action in achieving the expected results.

For measurement activities, indicators related to the following were identified for this policy:

- ENERGY
- EMISSIONS
- WASTE



## ENERGY

In CEBI MOTORS, energy management is monitored by ISO 50001. The purpose of certification is to keep the Energy Management system functioning properly at all times with a view to energy procurement, efficiency, and savings. These issues represent an area of great attention for the company. Today, cautiously monitoring energy markets and defining purchase agreements able to combine the economic aspect with environmental sustainability is a necessary activity to protect the company against potential supply risks.

On the energy consumed front, in 2022 the company consumed 6.39 million Kwh, 97% of which coming from purchase on the free market and 3% from internal production from renewable sources thanks, to photovoltaic panels on the roof.



## EMISSIONS

It is clear that there is a direct link between human activities and the abrupt climate changes that are seriously CEBI MOTORS has started measuring CO<sub>2</sub> emissions of both Scope 1 and of Scope 2, aware of the impact that its business model has on this front.

From the perspective of the production process, the company does not have significant direct emissions; there is only the combustion of methane gas for heating.

As for indirect emissions, these come from the purchase of electricity from suppliers without a guarantee of origin. Therefore, CO<sub>2</sub> emissions were accounted for according to the "location based" and "market based" accounting method<sup>2</sup> as required by the GHG Protocol, while the calculation of emissions was accomplished using the "market based" conversion factor that includes the residual mix.

As regards 2022, total Scope 1 emissions amounted to 147 tCo<sub>2</sub>, while Scope 2 emissions amounted to 2,803.5 tCo<sub>2</sub>.

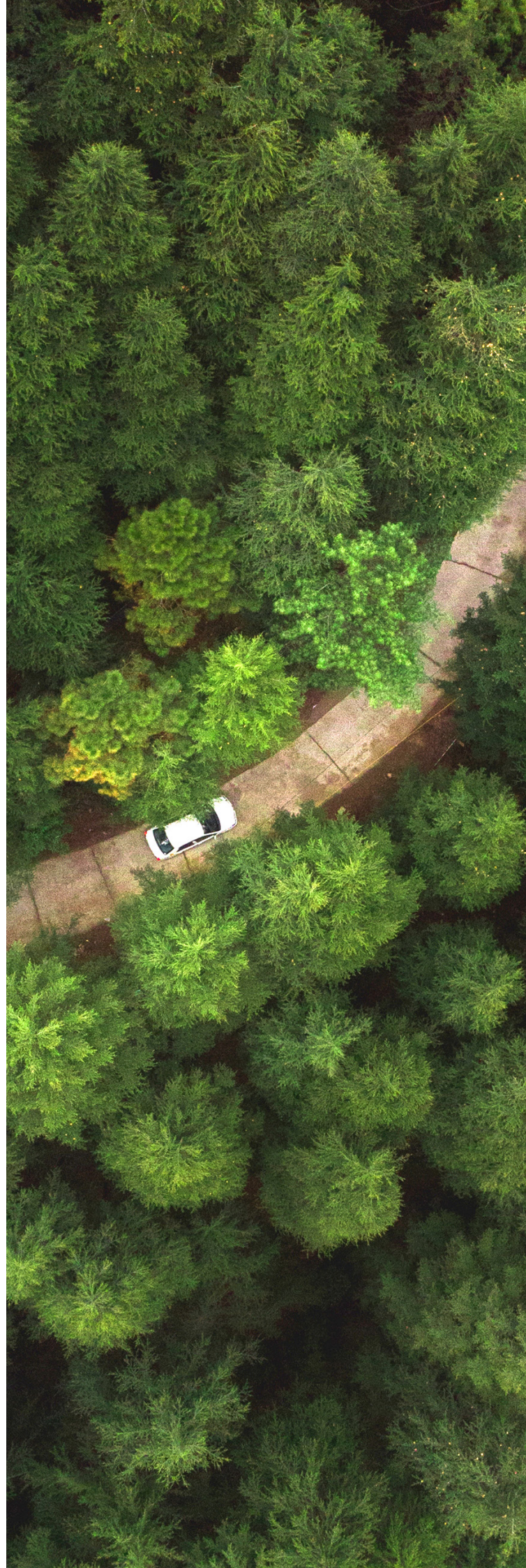
2 - The conversion coefficient for scope 2 electricity emissions, calculated on the "market based" inventory with residual mix was taken from European Residual Mixes 2021, AIB Association of Issuing Bodies.





## WASTE

Waste is a very well monitored issue in CEBI MOTORS. Over 90% of waste, corresponding to approx. 300 tonnes, is sent for recovery, while the remaining approx. 10% is disposed of. Primary packaging is recovered through a circular economy project (return of empties, for reuse of trays intended for the finished product) and, with a view to process efficiency and improvement, it is intended to further increase the portion of waste sent for recovery compared to that disposed of.



## **APPROVAL AND APPLICATION**

This policy has been approved by the Board of Directors and will be reviewed once a year or whenever there are changes that require revision.

## **COMMUNICATION AND DISSEMINATION**

Communication and dissemination are two key activities in order to create culture and awareness on sustainability issues.

In this regard, CEBI MOTORS has involved all its employees in this process by bringing the policy to their attention and knowledge, and the document has been placed in open consultation on the company's website.

## **PURPOSE AND METHODOLOGICAL NOTE**

The purpose of this sustainability policy is to define CEBI MOTORS' priorities and areas of commitment to its stakeholders at each organisational level. The ambition of the policy is to interact responsibly with all stakeholders that have relations with CEBI MOTORS whose continuous contribution helps to define and strengthen the principles for responsible management of activities for all the people who work with us. In drafting the sustainability policy, CEBI MOTORS took into consideration the perimeter of the 2 production plants in Veggiano (PD) and Bardello (BG) and wherever possible in collecting data used the indicators of the Global Reporting Initiative 2016:

GRI 102-1 Name of the organisation  
GRI 102-2 Brands and Services  
GRI 102-7 Scale of the organisation  
GRI 102-8 Employees and other workers  
GRI 102-16 Values, principles, standards and norms of behaviour  
GRI 102-18 Governance structure  
GRI 302-1 Energy  
GRI 305-1 Emissions

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Integrated Quality, Environment and Safety Manual  
Internal Regulations







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