

OUR INTEGRATED MINDSET

The Epta approach
to sustainable innovation



SUSTAINABLE INNOVATION IS AT THE HEART OF EPTA

Innovation is the focus for **designing products and services able to intercept the continuous evolutions of refrigeration** in the Food Retail, Food & Beverage, and Ho.Re.Ca. sectors.

But **innovation is also the ability to combine the business opportunity with positive social and environmental impacts**, in a mutually beneficial manner that inspires every aspect of the business life and creates **a shared and sustainable long-term value**.



OUR RESPONSIBLE COMMITMENT IS SUSTAINED BY MAJOR KEY FACTORS

In line with the **2022-2025 Strategic Plan** - which natively includes ESG (Environmental, Social and Governance) elements - and supported by **realistic targets and measurable KPIs**, we commit ourselves to integrating evaluations and solutions into the different sectors to manage in the best possible way the sustainability of our products and services, the integrity of our supply chain, the wellbeing of our human resources and the environmental impacts of our company.

A GLOBAL REACH

11 state-of-the-art production facilities
100+ countries served all over the world

FOCUSED INVESTMENTS

€32 mln CapEx year 2022
€1.8 mln CapEx on environmental impacts (2022)

SUSTAINABLE INNOVATIONS

270 people working in 10 R&D Centres and 1 Innovation Centre
140 patents for refrigerated cabinets and refrigeration systems

A SOLID GOVERNANCE and SUPPLY CHAIN MANAGEMENT

A dedicated **ESG Advisory Committee**
Due diligence on **supply chain compliance** with ESG Criteria

PEOPLE DEDICATION

6,000 #EptaPeople working with competence and passion
An **EPTAcademy** dedicated to talent development

TECHNOLOGIES AND SOLUTIONS

SUPPLY CHAIN

EPTA PEOPLE

ENVIRONMENT

Natural systems and technologies ✓

Efficient solutions ✓

Smart products and digital services ✓

Circular product lifecycle ✓

Responsible supply chain management ✓

Diversity and Inclusion ✓

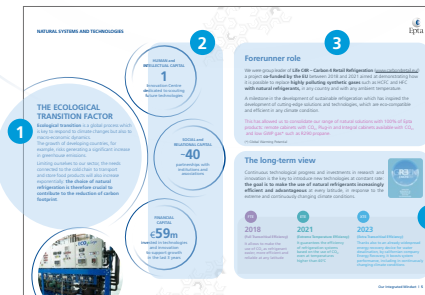
Training and continuous learning ✓

Responsible environmental management of our entities ✓

The purpose of this document

Regarding the tangible approach which distinguishes Epta, **the following pages set out the methods with which we integrate sustainability themes into our operating model** and thought for each of these sectors, according to a 4-stage framework.

CONTENT STRUCTURE OVERVIEW:



- 1 Context analysis
- 2 Epta capitals
- 3 Case-history
- 4 Long-term approach

THE ECOLOGICAL TRANSITION FACTOR

Ecological transition is a global process which is key to respond to climate changes but also to macro-economic dynamics.

The growth of developing countries, for example, risks generating a significant increase in greenhouse gas emissions.

Limiting ourselves to our sector, the needs connected to the cold chain to transport and store food products will also increase exponentially: **the choice of natural refrigeration is therefore crucial to contribute to the reduction of carbon footprint.**



HUMAN and INTELLECTUAL CAPITAL

1

Innovation Centre dedicated to scouting future technologies

SOCIAL and RELATIONAL CAPITAL

~40

partnerships with institutions and associations

FINANCIAL CAPITAL

€59m

invested in technologies and innovation to support growth in the last 3 years

Forerunner role

We were group leader of **Life C4R – Carbon 4 Retail Refrigeration** (www.carbon4retail.eu/) a project **co-funded by the EU** between 2018 and 2021 aimed at demonstrating how it is possible to replace **highly polluting synthetic gases** such as HCFC and HFC **with natural refrigerants**, in any country and with any ambient temperature.

A milestone in the development of sustainable refrigeration which has inspired the development of cutting-edge solutions and technologies, which are eco-compatible and efficient in any climate condition.

This has allowed us to consolidate our range of natural solutions: 100% of Epta products are available with natural refrigerants like CO₂ or other low GWP* gases like propane R290.

(*) Global Warming Potential

The long-term view

Continuous technological progress and investments in research and innovation is the key to introduce new technologies at constant rate: **the goal is to make the use of natural refrigerants increasingly efficient and advantageous** at every latitude, in response to the extreme and continuously changing climate conditions.



FTE

2018

(Full Transcritical Efficiency)

It allows to make the use of CO₂ as refrigerant easier, more efficient and reliable at any latitude

ETE

2021

(Extreme Temperature Efficiency)

It guarantees the efficiency of refrigeration systems based on the use of CO₂, even at temperatures higher than 40°C

XTE

2023

(Extra Transcritical Efficiency)

Thanks also to an already widespread energy recovery device for water desalination, by Californian company Energy Recovery, it boosts system performance, including in continuously changing climate conditions

THE OVERWHELMING POWER OF CHANGE

In recent years, heterogenous factors have generated a strong push in all our sector in the search for highly efficient solutions.

The **energy crisis** has shifted the focus to consumption management, particularly relevant in a context in which **40% of the energy costs** of large-scale retailers are **connected to refrigeration**.

The **Regulation on Ecodesign, which came into force in 2021, has also become more stringent** and prohibits placing on the market products in Class G and freezers for ice-cream in class E/F/G in Europe, from September 2023.



HUMAN and INTELLECTUAL CAPITAL

270

people are employed in Research and Development in more than 10 centres around the world

PRODUCTION CAPITAL

from **10% to 70%** energy savings reached in the laboratory by our solutions

FINANCIAL CAPITAL

€31.6m
CapEx year 2022

Context creates opportunity

Today, manufacturers in the Food Retail, Food Service Equipment and Food & Beverage sectors must objectively highlight the energy consumption of the different products, according to “Ecodesign” and “Energy labelling” regulations issued by the EU: for us, this obligation works as a favourable competitive factor as **we have already been voluntarily participating in the “Eurovent” energy certification scheme since 2008.**

Four Epta solutions of the Costan and Bonnet Névé brands – in specific configurations – stand out for the **improvement in energy performance** and ability to offer clients a tangible saving resulting in reduced energy bills.

Tango Ultra/MultiFresh Perform



A

-40% consumption*
CLASS A vs. CLASS B

GranVista Ultra/SkyView Perform (Remote* & Integral)**



B

-26% consumption
CLASS B vs. CLASS C

GranBering Integral Ultra/SkyEffect Integral Perform



B

-35% consumption*
CLASS B vs. CLASS C

Valzer Ultra/MultiFreeze Perform



B

-40% consumption*
CLASS B vs. CLASS D

(*) Compared to the previous version.

(**) Compared to GranVista Next/SkyView Plus.

A bright vision for the future

Our R&D team has launched the **“EPTA DESIGN FOR ENVIRONMENT”** programme which defines three priorities in the design and development of new products.

- 1 Energy efficiency**, for production and use.
- 2 Innovation of materials**, to reduce the consumption of resources used and optimise the environmental impact.
- 3 Recycle**, to update the products over time and their end-of-life disposal.

TECHNOLOGY AS A SUSTAINABILITY ASSET

With modern technologies and network development, **refrigerated cabinets can also be connected** and enable the collection of data used for multiple purposes, offering retailers key services and **information for better store management**.

From a commercial point of view, they can improve the visibility of goods or facilitate the identification of new needs to develop increasingly better products and services.

But above all, with a view to sustainability, digitisation allows to **optimise the efficiency of the refrigerated cabinet over time**, prevent malfunctions or be used for predictive purposes, prolonging its useful life.

HUMAN and INTELLECTUAL CAPITAL

More than
15
people in the Digital Committee

More than
4,700
stores under remote monitoring

FINANCIAL CAPITAL

€140m
cumulated loans received from EIB (European Investment Bank) and CDP (Cassa Depositi e Prestiti) to foster energy efficiency and the digitalization of products and solutions

The 'digital' solutions developed by EptaService

SwitchON is an advanced **diagnostic platform** able to offer access to **remote refrigerated cabinets and control units**. Its evolved functions, together with **predictive maintenance algorithms**, allow not only to timely intervene on any possible faults, but to provide useful, structured and effective information to technicians for easier and faster troubleshooting.



LineON, dedicated to the plug-in world for beverages and ice cream, makes every refrigerated cabinet "smart" enabling it to dialogue digitally with the operator, offering 24-hour remote monitoring of electric consumption, temperature and humidity level, guaranteeing **superior efficiency and minor maintenance work**.

Potential for exponential development

The **PLM software (Product Lifecycle Management)** developed in-house by the R&D department to manage the **entire product lifecycle** is another example of digital asset to enable better overall efficiency of design and production processes thanks to:

- ✓ its improved data accuracy
- ✓ its availability in real time for the entire Group
- ✓ its open architecture ready to be implemented with innovative functions

HUMAN and INTELLECTUAL CAPITAL

The UNIT is the first Epta product that is

95%
recyclable

RELATIONAL and SOCIAL CAPITAL

Meetings and dialogue with the **EU institutions** were pivotal to shape our attitude towards innovation

PRODUCTION CAPITAL

100%
sustainable modular product designed to comply with the 4R view

PUSHING THE BOUNDARIES

Food Retail, Food Service Equipment and Food & Beverage manufactures will be requested to design their products respecting a framework of **ecological requirements** in compliance with the **“Ecodesign for Sustainable Products Regulation” (ESPR)**.

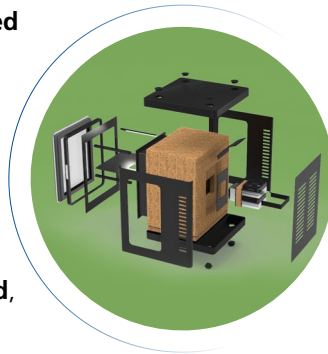
This will be a major shift for the market that will trigger a new vector of competition in these sectors.

Epta has immediately exploited the new context thanks to its renown **commitment to integrate energy efficiency, innovation of materials and recycling in the design and the development of new products.**

Meet The UNIT, a future-proof refrigerating cabinet

The UNIT is the first Epta product **designed and manufactured in line with the new ESPR vision of sustainability**, and the first of a new era of environmental friendly products.

- The UNIT is **95% recyclable** and made with sheet metal, glass, PLA and cork.
- **It doesn't require refrigerants** because its cooling is based on thermoelectric technology (Solid State Cooling system).
- It is also designed to be **easily disassembled and upgraded**, and to **recycle its components** and give them a new life.



A REAL ECONOMICALLY SUSTAINABLE PRODUCT



95% recyclable



No refrigerant



Modular & Upgradable



Easy maintenance & cleaning



Reliable design



End-of-life friendly

Looking forward to new frontiers

Each single tangible action aimed at **achieving carbon neutrality** counts: thinking out-of-the-box by **changing the approach to production design** is one of the many paths Epta has embraced responsibly to give its contribution towards this goal.

The UNIT is hopefully just the beginning, a true legacy for the future and symbol of what Epta believes in - quality, full respect for the environment and the collective well-being - as well as a brilliant example of the **4R view outcomes**:

RE-USE



Reuse a product or its parts for the same purpose they were conceived for.

RE-PAIR



Return a faulty product or waste to a state where it can fulfil its intended use.

RE-CONDITION



Build a product from wasted objects or components, with at least one change.

RE-CYCLE



Reprocess waste materials into new products, materials or substances.



SUSTAINABILITY AS OPPORTUNITY FOR IMPROVEMENT

Our complex ecosystem of global suppliers develops **purchase volumes close to 45% of the Group's turnover.**

In a market characterised by **uncertainty, challenges and continuous changes**, the diversification of supply sources to minimise the risks and rigorous governance of commodity management processes are no longer sufficient.

Such a significant asset requires **evolved management able to integrate the ESG factors** inside global and local sourcing/contracting/purchasing strategies.



SOCIAL and RELATIONAL CAPITAL

More than
2,700
global suppliers

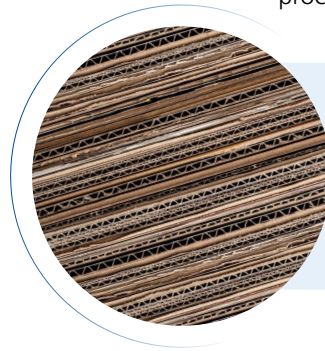
HUMAN and INTELLECTUAL CAPITAL

1
ESG Committee engaged in defining the ESG agenda and its implementation, in particular for the Supply Chain

A more responsible and sustainable supply chain

We have launched a project of **Due Diligence on compliance of the Supply Chain with ESG requirements** established by the Group Policy, based on new proactive processes of collaboration with critical suppliers.

During 2023 the **partnership with EcoVadis** got underway – leading rating supplier on the sustainability of companies – to stimulate a virtuous growth of our suppliers in environmental, social and governance terms, and ensure an increasingly transparent procurement model.



The majority of the **raw materials** supplied (steel, glass and aluminium) is **recyclable** at end of life but the search for innovative solutions continues: we have developed **eco-compatible packaging** based on carton and wood which can be reintroduced into the economic cycle and reused during the production phase, generating new value.

Consolidate our role of Green Transition Enabler

Thanks to the EcoVadis evaluation model we will be able to:



analyse the performance of each supplier through multiple parameters (e.g., compliance with ESG criteria, work ethic, respect for rights)



monitor the operation of business partners



identify **strong points** and areas of **improvement**, encouraging the achievement of increasingly higher standards

Furthermore, in the three-year period 2023-2025 **we will progressively complete the digitisation program of the Procurement to Pay and Supplier Relationship Management processes**, to further reduce the risk of supply, always with a view to economic sustainability.

THE ETHICAL APPROACH OF EPTA

The dimensional growth of the Group over the years has inspired management to reflect with **ever-increasing responsibility** on the management of **human resource** policies as **primary capital** for the generation of value and asset to protect with the highest sense of integrity.

Making the best possible use of the experience of human resources and interpersonal differences is a goal which falls into the 'S' dimension inside an organisation which is wholeheartedly nurturing the strategies to develop the ESG culture.



HUMAN and INTELLECTUAL CAPITAL

More than
6,000 EptaPeople worldwide
60 nationalities represented

SOCIAL and RELATIONAL CAPITAL

30
EptaPeople in the Group
D&I Committee

SOCIAL and RELATIONAL CAPITAL

First Group
D&I Manifesto

Ongoing commitment

In 2023, we created the Group **D&I Committee** formed by **30 people** to represent all geographies of the Group. Supported by a specialised external partner, it is engaged in a journey that involves as a first step the co-creation of the Group D&I Manifesto and the creation of a training focused on the value of multiculturalism.

In 2022, **we joined 'Valore D'**, a network of more than 300 companies which have promoted gender equality and the inclusive culture in Italy for more than 10 years.

Other important element is the **diffusion of the 'Eptiquette'**, a set of rules and principles that promote reciprocal respect and makes the most of the Group's multicultural attitude.



International Women Day

Increasingly ambitious Goals

We are committed to **increasing the female presence in all roles**, with a target of **+25% by the end of the next three-year period (2023-2025)**.



HUMAN and
INTELLECTUAL CAPITAL

86,000

hours of training
(2022)

IN SEARCH OF EXCELLENCE

We have always offered **structured trainings and skill development programmes for all employees**; today, they are possible face-to-face and remotely with e-learning solutions and/or synchronous courses managed through the business collaboration platform.

“Where Fresh Thinkers Bloom” is the claim we are using to declare and communicate the **Employee Value Proposition (EVP)** of Epta to all #EptaPeople, the way in which the company intends to satisfy the needs, expectations and aspirations of employees, with the goal of making Epta a workplace which is increasingly stimulating and fertile for new valuable ideas.

SOCIAL and
RELATIONAL CAPITAL
Collaboration with

6 main technical and
business faculties
in Italy and France

>20 STEM High Schools
in Italy, France & UK

HUMAN and
INTELLECTUAL CAPITAL

**New
Training
Center**

in Mannheim (GER)

Training never stops

Since 2022, the EPTAcademy programme was **updated to promote the latest management and leadership concepts** and to perfect the model of understanding of the different professional dimensions of the company. Furthermore, in addition to external trainers, we increasingly use expert resources already active in the company according to the logic of **sharing knowledge as driver of growth**.



The Projects for new generations

We support training initiatives aimed at **developing future generations**, increasing their technical skills, and helping them enter the employment market.



- › **School of Refrigeration** – Istituto Salesiano Manfredini of Este (PV) in Italy
- › **Refrigeration Technician Training Centre** - Magenta (MI) in Italy
- › **Treccani School training programme** for upper secondary schools of the Belluno area in Italy
- › **Cantau EptaSchool 4.0**, reference point for the commercial and industrial cold sector in France
- › **DAAS Academy**, to train new “Refrigeration technicians” in Romania

During 2022 we launched:

- › **EPTAcademy Alumni**, a continuous updating course for managers and future managers who have already participated in EPTAcademy
- › a **Change Management** course on the Epta4Me platform
- › a new **Training Centre in Germany**

By 2023 we aim to:

- › develop **new training programmes**
- › **increase training hours provided by 65%**



RESPONSIBLE ENVIRONMENTAL MANAGEMENT OF OUR ENTITIES

An increasingly responsible awareness

Our production activities generate **significant impacts on the environment**, starting from the areas adjacent to the factories.

From year to year, **we aim at improving our environmental performance** and providing a tangible contribution to **combatting climate change** considering primarily 4 dimensions.

- 1 **Consumption** connected to energy sources used for business activities (energy, water, refrigerant gas with GHG impacts).
- 2 **Waste and discarded materials** (including hazardous or toxic substances).
- 3 The **emissions** generated by transport vehicles used for logistics and business trips.
- 4 The possibility to contribute through **compensation** initiatives.

HUMAN and INTELLECTUAL CAPITAL
Activation of a specific
Training Course on ESG
at European level, in association with Altis, Università Cattolica

FINANCIAL CAPITAL
1.8+ €m
CapEx to manage environmental impacts

>14,000 m²
surface area of the Group's Italian photovoltaic systems



Improving our environmental performance

2020-2022

-19%
CO₂ emissions

-29%
H₂O consumption

92%
waste recycled

PROGRESSIVE IMPLEMENTATION OF SAFETY SYSTEMS:

ISO 14001 for the environment
ISO 50001 for energy

A series of activities coordinated by an integrated approach, completed by initiatives **to raise awareness among personnel**, has also contributed to these results.

- › Purchase of systems, equipment and components with reduced energy consumption.
- › Responsible use of raw materials and use of regenerated materials.
- › Closed cycle production systems.
- › Self-production of energy and purchase of "certified" eco-friendly energy.
- › Solutions to enhance the sustainability of work-related travels.
- › Environmental monitoring and sampling to verify regulatory compliance.
- › Efficiency of lighting systems.
- › Collection and use of rainwater.
- › Implementation of hybrid/electrical vehicles in the company fleet.
- › Management of end-of-life.
- › Use of low impact GHG refrigerants.

Waste as a valuable resource

Since our production cycle generates significant amounts of waste materials, we are committed to **its efficient management**, also through the application of an environmental management system compliant with ISO 14001 international standard.

By hierarchically prioritizing **prevention, reduction, reuse and recycling** in our operations we are able to **recover and convert over 92% of our waste**, thus creating a green circular economy.

We won't stop here

We want to have a **positive effect on the ecosystems** affected by our activities and, more generally, on the wellbeing and prosperity of our Stakeholders.

- › **-55% carbon-footprint** by 2025.
- › Increase supply from **certified renewable sources**.
- › **Increase self-production** from photovoltaics.



“

The integration of competitiveness and sustainability has become not only the right path but also an essential one.

And the one we have decided to pursue with resolution and confidence.

”

Marco Nocivelli

President and CEO of Epta



MORE ON OUR WEBSITE
www.eptarefrigeration.com

