



Sustainability Report

2024



SUSTAINABILITY REPORT 2024

LETTER TO STAKEHOLDERS

2024 represented a year of consolidation and evolution for SandenVendo Europe in our sustainability strategy, increasingly integrated into our business model. We have continued to combine technological innovation, social responsibility, and environmental protection, strengthening our identity as a solid, transparent, and long-term-oriented company.

This Sustainability Report reflects the value of a shared journey involving people, customers, suppliers, and local communities. Thanks to them, SandenVendo continues to grow, improving its processes and generating a positive impact that goes beyond the boundaries of the plant.

On the industrial front, we invested in low-impact technologies and in the efficiency of our production processes, reducing consumption and emissions and improving the energy performance of our vending machines. Research and development remain the driving force of innovation, guided by a vision that combines competitiveness and environmental responsibility.

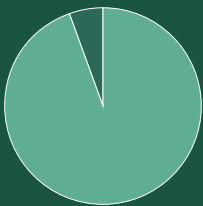
At the same time, we placed our people at the center, promoting training, safety, and well-being in the workplace. The culture of prevention and attention to the balance between private and professional life represent for us essential elements in building a solid, inclusive, and motivating work environment.

On the environmental front, the Carbon Neutral Project continued, combining emissions offsetting, the use of renewable energy, and biodiversity protection. Responsible resource management and waste recovery follow the principles of the circular economy, confirming our commitment to an increasingly sustainable production model.

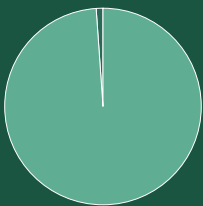
Lastly, our bond with the local area translated into social initiatives, collaborations with schools and associations, and environmental redevelopment projects, concrete expressions of our desire to give value back to the communities that host us.

With the strength of the results achieved and the awareness of future challenges, SandenVendo looks to the future with confidence, continuing to innovate to create lasting value for people, the environment, and the territory.

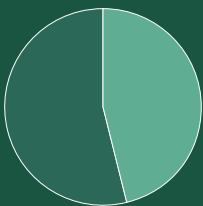
Signed
Legal Representative
Valter Degiovanni



94.65%
of the waste produced is
sent for recycling



99%
full-time employees



-46.36%
accident frequency index



100%
electric supply from
renewable sources

01	Company	04	04	Materiality	36
	Mission and Values			Stakeholder Engagement	
	About Us			Impact Materiality and Identification of Material Topics	
	Our History in Milestones			Financial Materiality	
	The Group			Objectives and Improvement Plan	
02	Governance	12	05	Social Responsibility	44
	Governance Model and Governing Bodies			Human Capital	
	Organizational Model 231			Occupational Health and Safety	
	ESG Team			Collective Bargaining and Remuneration	
	Policies			Training	
	Whistleblowing				
	Anti-corruption				
03	Business Model	24	06	Environmental Responsibility	64
	Markets and Sectors			Incoming Materials and Suppliers	
	Products and Services			Energy Consumption and GHG Emissions	
	System Certifications (ISO)			Air, Water, and Soil Pollution	
	Ecodesign			Water Resource Protection	
	Research and Development			Biodiversity	
	Membership in Industry Associations			Waste Management and Circular Economy	
				Circular Economy	
				Methodological Note	84
				VSME Content Index	85





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- A faint, stylized world map is visible in the background of the page, rendered in a light green color that matches the overall theme.
- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**



MISSION AND VALUES

SandenVendo Europe S.p.A. (hereinafter also referred to as “SVE”) looks to the future with a clear vision: to become a global benchmark in vending and refrigeration solutions, combining technological innovation, environmental sustainability, and a focus on people. Our daily commitment translates into the design and production of efficient, intelligent, and responsible vending machines that not only meet market needs but also make a concrete contribution to protecting the environment.

Our mission is to create lasting value for our customers, employees, and communities through reliable, energy-efficient products manufactured to the highest quality and environmental standards. We operate with a view to continuous improvement, guided by the ambition to offer solutions that reduce environmental impact throughout the product life cycle. That is why we invest in clean technologies, such as natural refrigerants (R290), and use energy from renewable sources to power our production facilities.

The values that inspire our daily work are rooted in a culture of responsibility: conscious innovation, quality, respect for the environment, and a focus on people. Every business decision is geared towards building a sustainable future, in line with our “Carbon Neutral” ecological transition project, launched in 2020, which includes concrete actions such as reforestation, biodiversity protection, and employee involvement in social-impact initiatives.

Through transparent governance and an inclusive corporate culture, SandenVendo Europe sets itself apart as a model of a modern company, capable of generating shared value and contributing to the environmental and social goals of its ecosystem.

ABOUT US

SandenVendo Europe S.p.A. is the SandenVendo Group company responsible for the design and manufacture of vending machines primarily for the European market. Its headquarters are located in Coniolo (AL), a town in northern Italy that combines a long industrial tradition with a highly strategic geographical position at the crossroads of major European trade routes.

With around 60 years of history in the heart of Italian manufacturing, SVE combines local industrial tradition with the international innovation of the SandenVendo Group. The Italian subsidiary plays a strategic role in the testing and production of low environmental impact technologies, representing a centre of excellence for the entire European network.

The production complex extends over an area of more than 80,000 m² in Coniolo (AL), of which 40,307 m² are dedicated to green areas and maneuvering space, reflecting the company's commitment to responsible use of space and sustainable coexistence with the local area. The plant is divided into two main areas: Cavallino Region 8 and Cavallino Region 2, which house warehouses, industrial buildings, storage facilities, and technical areas.

The main structures include the south warehouse (4,797 m²), the barrel-shaped warehouse^[1] (7,866 m²) and the modern production plant (13,616 m²), which also houses 1,009 m² of offices. In addition, there are concrete and metal roofs, technical rooms, and spaces for environmental treatment, such as the purification room.

The integration of production facilities and technical services, combined with high infrastructure standards, allows SVE to maintain high levels of efficiency, quality, and sustainability, supporting industrial activity focused on innovation and respect for the environment.

^[1] It should be noted that this warehouse will undergo major demolition and reconstruction work in FY 2025, as part of the company's expansion plan launched in 2024.





OUR HISTORY THROUGH MILESTONES

The history of the SandenVendo Group has its roots in the 1930s, at a time when vending distribution of beverages and food was still in its infancy. In 1937, brothers Elmer F. and John T. Pierson, with an initial capital of three thousand dollars, founded the Vendo Company in Kansas City, revolutionizing the market with the invention of the first automatic system called “Red Top.” This simple and reliable device, an automatic lid, could be placed on top of refrigerators of the time, turning them into vending machines and thus paving the way for a new way of selling beverages, which would become a global standard.



During World War II, despite the production difficulties caused by the conflict, Vendo managed to supply 5,000 units of the “Red Top” to U.S. military training camps, as non-alcoholic beverages were considered essential for troop morale. Moreover, the company contributed to the war effort by producing radar and electronic equipment, earning seven Army-Navy “E” Awards for the quality of its work.

The postwar period brought significant geographical and commercial expansion. In the 1950s, with the American economic boom, the vending sector quickly grew internationally: as early as 1956, Vendo products were distributed in twenty different countries. During those years, vending machines were improved in both design and functionality, introducing vertical models with adjustable compartments and the ability to dispense not only beverages but also snacks, fresh foods, coffee, milk, and ice cream. Vendo grew until it merged, in 1956, with Vendorlator Manufacturing Company, further strengthening its market position and later being listed on the New York Stock Exchange.



In the 1960s, expansion became truly global, with the creation of international branches in countries such as the UK, Belgium, Italy, Germany, France, and Spain. During this decade, Vendo was also among the first companies to introduce vending machines for canned drinks, an innovation that allowed bottlers to double product capacity in vending machines.

The energy crisis of the 1970s, however, severely affected the vending sector, and Vendo was forced to downsize certain operations, selling the snack division and focusing solely on cold beverages, moving production to Fresno and Corinth.

A significant turning point came in 1988, when Vendo was acquired by the Japanese Sanden Corporation, a global leader in compressors and cooling systems, with over 50 years of experience in the automotive and refrigeration equipment sectors. This acquisition brought new technologies and capabilities to the company, strengthening Vendo's position in the global market.





In the early 1990s, the company continued to innovate, introducing programmable electronic vending machines with enhanced capabilities and the ability to accept card payments. In 2005, Vendo transferred its headquarters to Dallas, Texas, and changed its name to SandenVendo America Inc., to emphasize the strategic synergy with the Sanden Group at a global level.

In the following decade, from 2013 to 2019, the Group's vending division underwent a major reorganization at the European level. In those years, the coffee segment was also integrated. Sales and distribution were centralized at Sanden International Europe Ltd. with the creation of local branches in various countries, including Italy.

In 2019, the vending division was definitively transferred to SandenVendo GmbH, based in Germany, which became the nerve centre of European production and distribution.

Finally, between 2019 and 2020, the group underwent a corporate reorganization in Japan, with the entry of a Japanese private equity fund as the new majority shareholder and the transformation of the former main shareholder into a minority stakeholder.

Today, the SandenVendo Group confirms its position as a global leader in heating and cooling technologies, not only in the automotive sector but also in vending and mobile food refrigeration. It is one of the world's largest manufacturer and distributor of refrigerated beverage vending machines, with a history of continuous innovation and adaptability that started with the simple "Red Top" of the 1930s and has evolved into today's modern, high-tech, multi-product machines.



The company's roots go back to 1965, when Mr. Lennan Hart, on behalf of VENDO Co., decided to invest in Italy. Despite the area being considered in industrial decline at the time, its strategic geographic location prompted the American company to acquire the former IGEA facility, thus launching the industrial history of what is now one of the most solid and innovative production sites in the European vending sector.

Foundation of the Coniolo plant

SVE's history began with the founding of Vendo Italy, driven by the desire of the American parent company, Vendo Co., to establish a production base in Europe. Coniolo was chosen for its favourable logistics. The company launched with a production line and an annual output of approximately 1,000 vending machines for cold drinks, with an initial staff of 32 employees.

1966

Innovation and industrial relaunch

Following a period of crisis due to macroeconomic factors and technical obsolescence, the company embarked on a relaunch path under the guidance of American technician Joe Ray Town. The first vending machine with variable columns was introduced to the market, an innovation marking the start of a new phase of growth and modernization.

1975

Entry into the Sanden Group

The parent company, Vendo Co., was acquired by the Japanese group Sanden Corporation, a global leader in thermodynamics and vending systems. This transition allowed the Italian branch to access new technologies, expertise, and resources, strengthening its competitive position.

1988

Completion of the plant restructuring

A major modernization and restructuring project was completed at the Coniolo plant. The milestone marked the beginning of a "new era" for the Italian entity, combining local manufacturing tradition with Japanese industrial vision.

1997



Renamed SandenVendo Europe S.p.A.

In line with the group's integration strategy, the company adopted its current name, SandenVendo Europe S.p.A., reinforcing its role as the European production hub for the SandenVendo Group's vending machines.

2005

Transfer of the commercial branch to Sanden International Europe Ltd.

As part of a reorganization of the Group's European vending business, SVE transferred its commercial branch to Sanden International Europe Ltd. (SIE), responsible for sales and distribution in Italy and Austria, while production remained in Italy. The branch operations were carried out by the Italian branches of SIE.

2014

Transfer of the entire vending business to SandenVendo GmbH

The organizational streamlining continued: on March 27, 2019, SIE transferred the ownership of SVE to the new German parent company SandenVendo GmbH (SVG). From this point on, the entire vending business, including production and sales, became the responsibility of SVG.

2019

Management and coordination by SVG

Starting March 1, 2023, SVE was officially subject to the management and coordination of SandenVendo GmbH, in accordance with Article 2497 of the Italian Civil Code, solidifying the organizational and managerial link with the new German parent company.

2023



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- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**

GOVERNANCE MODEL AND GOVERNING BODIES

SVE's governance model is structured to ensure efficient, transparent, and responsible management of the company, in line with the principles of good administration. This model defines how strategic and operational decisions are made, ensuring the proper functioning of the governing bodies and the protection of stakeholder interests.

SVE is a joint-stock company with a **sole shareholder**, SandenVendo GmbH.

The **Board of Directors** of SVE is composed of two members: Valter Degiovanni, Chairman of the Board, CEO, and Director; and Yasushi Yoshida, Director. The Board of Directors, the company's governing body, operates mainly through the role of the CEO, whose main objective is to define the company's strategy and goals, taking into account the macroeconomic context, local operational environment, available resources, and the directives from the Group. The CEO is also responsible for ensuring that the various company functions operate to implement the strategy and achieve the defined objectives.

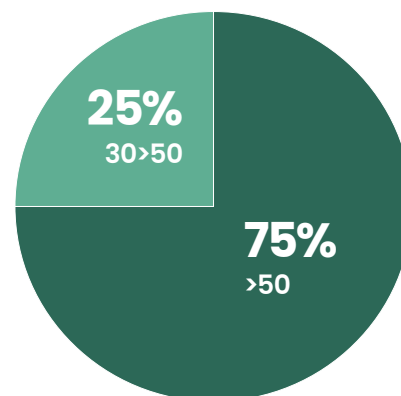
In accordance with legal obligations and considering the company's size and structure, SVE includes a statutory supervisory body, the **Board of Statutory Auditors**, composed of three standing members (all men), and two alternate members, including one woman, along with an **external auditor** responsible for financial oversight.

Although still limited, the presence of a woman on the Board of Statutory Auditors is a positive sign, particularly in a manufacturing sector where gender parity in leadership roles is still rare. This element can be considered a first step toward greater inclusion and diversification in supervisory and governance roles.

Board of Directors (CDA)				
<i>Name</i>	<i>Role</i>	<i>Gender</i>	<i>Age</i>	<i>Term of Office</i>
Degiovanni Valter	Chairman of the Board, Director, CEO	Male	53	31/07/2023 - 31/03/2026
Yoshida Yasushi	Director	Male	50	31/07/2023 - 31/03/2026
Board of Statutory Auditors				
<i>Name</i>	<i>Role</i>	<i>Gender</i>	<i>Age</i>	<i>Term of Office</i>
Basso Stefano	Chairman of the Board of Statutory Auditors	Male	46	31/07/2023 - 31/03/2026
Villa Ranieri	Statutory Auditor	Male	53	31/07/2023 - 31/03/2026
Garbarini Paolo	Statutory Auditor	Male	53	31/07/2023 - 31/03/2026
Bonilauri Adriana	Alternate Auditor	Female	51	31/07/2023 - 31/03/2026
Famà Roberto	Alternate Auditor	Male	47	31/07/2023 - 31/03/2026
Independent Auditor				
<i>Name</i>	<i>Role</i>	<i>Gender</i>	<i>Age</i>	<i>Term of Office</i>
Armano Alessandro	Independent Auditor	Male	51	31/07/2023 - 31/03/2026

In addition, the current composition of the company's governing bodies, mostly made up of members over the age of 50, reflects a solid foundation of established experience and long-term managerial vision.

These are key elements for effectively integrating environmental, social, and compliance objectives into business strategies.



Age diversity in governance bodies

231 Organization Model

Aware of the importance of operating in compliance with the law and ensuring transparency, fairness, and integrity in its activities, SVE has adopted an Organization, Management, and Control Model pursuant to Legislative Decree 231/2001. Initially approved in 2013 and updated in subsequent years, this Model is a fundamental tool for the Company to prevent unlawful behavior by directors, employees, and collaborators. The main goal of the Model is to prevent the occurrence of offenses covered by the Decree through the adoption of specific protocols and procedures and through constant monitoring and control activities. SVE believes that the prevention of such risks is not only a legal obligation but also an ethical commitment to protect the company's image, its employees, and the value of the work carried out.

The Model is integrated with other corporate tools, such as the Code of Ethics and the Sanden Handbook Company Principles, which promote values and principles of conduct based on integrity and legal compliance. This overall system helps raise awareness among all stakeholders, from directors to suppliers, so that they act with fairness and transparency. To ensure the effectiveness of the Model, SVE carried out a thorough analysis of its organizational context, mapping the "sensitive activities" at risk of criminal offenses and defining for each one the processes and functions involved, as well as the prevention protocols to be implemented.

Furthermore, a Supervisory Body was established to monitor the implementation of the Model and ensure compliance through a dedicated disciplinary system.

In this way, SVE aims to strengthen its corporate culture based on ethics and legality, preventing any unlawful conduct that could compromise the company from a legal, economic, or reputational standpoint.

Based on its activities and organizational structure, SVE has identified a series of offenses relevant under Legislative Decree 231/2001 that could theoretically occur within the company context.

These primarily include:

- Offenses against Public Administration
- IT crimes and unlawful data processing
- Organized crime offenses, including transnational crimes
- Offenses against industry and commerce
- Corporate crimes
- Crimes against individuals, including specific ones such as the exploitation of prostitution

- Negligent crimes related to workplace safety
- Receiving and laundering of stolen goods
- Inducement to make false statements to judicial authorities
- Environmental crimes
- Tax crimes



For each category of crime, specific activity areas have been identified in which these offenses could potentially occur. The main areas are:

1. Institutional relations with Public Administration entities
2. Management of relations with public bodies during compliance with production and site obligations, including inspections
3. Processes for designing, producing, and marketing products
4. Management of relationships with customers and suppliers, with attention to risks of private corruption, unlawful intermediation, or labor exploitation
5. Management of occupational health and safety in compliance with Legislative Decree 81/08
6. Environmental compliance
7. Management of other regulatory obligations not strictly related to the core business, including audits by authorities
8. Management of funding and incentive applications, with related documentation
9. Human resource management, from hiring to termination, including salaries and contributions
10. Management of legal and out-of-court disputes, with the appointment and coordination of external professionals
11. Management and maintenance of the company's information system
12. Accounting management, financial statements, and tax returns
13. Corporate compliance

To demonstrate how the Company uses this Model as a concrete tool, a specific risk matrix has been prepared. For each potential risk activity, the matrix identifies examples of exposed activities, the departments involved, the potentially applicable offense, the possible purpose of the offense, the instrumental and/or functional processes for committing the offense, and finally, the related prevention protocols adopted by the Company.

Although the risk of crimes being committed in the areas listed above cannot be completely excluded, SVE considers such risk to be extremely remote. This is due both to the nature of the Company's activities and to the effective system of ethical principles and behavioral rules set out in the Sanden Handbook Company Principles and the Code of Ethics, which require all recipients to strictly comply with laws and legal obligations.

In line with Legislative Decree 231/2001, SVE has defined a communication and training program to ensure proper awareness of the Model and its conduct rules, targeting both current staff and new hires, with different levels of detail based on their involvement in risk activities. The Supervisory Body oversees the training system, collaborates with the relevant company managers, and documents all communication and training activities. At the same time, SVE is committed to spreading the Model through its website, newsletters, and dedicated training meetings for top management, adapting content according to roles and risk exposure.

Supervisory Body

SVE has established a Supervisory Body (hereinafter also referred to as "SB") pursuant to Legislative Decree 231/2001, responsible for monitoring the application and effectiveness of the Organization, Management, and Control Model adopted by the company. The SB carries out control and supervisory activities aimed at preventing the risk of criminal offenses being committed by the company and ensuring compliance with current regulations, maintaining an independent and autonomous role with respect to the management bodies.

During 2024, the SB met three times and verified the following aspects: the suitability of risk management procedures in relation to the Public Administration about the prevention of crimes; the adequacy of the procedures in place to combat crimes relating to relations with customers or suppliers with reference to possible corrupt conduct; verification of the correct management of the security system risk pursuant to Article 81/08 of the Consolidated Law on Security and the correct functioning of the whistleblowing platform. Substantial compliance with the protocols set out in the Company's Organizational Model and Code of Ethics was therefore found.

Code of Ethics

SVE believes that ethics in business is essential for success and for protecting its corporate reputation, a primary and strategic value. The Code guides the adoption of the Organizational Model required by the Decree and applies to all corporate governance systems, including those related to quality, environment, and safety. All SVE Representatives, managers, employees, collaborators, suppliers, and clients, must respect the Code, acting with impartiality, fairness, and transparency, in compliance with the law.

The Group is founded on firm principles shared and upheld since 2004 in its own Handbook of Company Principles, which guides the behavior of all employees. Among its core values are respect for human rights, environmental protection, corporate ethics, health and safety at work, a commitment to offering high-quality products for maximum customer satisfaction. SVE promotes a culture of open communication based on respect for employees, transparency toward shareholders and investors, and trust with the community and local relations. These principles represent the foundation of the Code of Ethics and the corporate culture of the Group.

The principles inspired by the Code and upheld by the Company align with the development of individual career paths and professional activities, and are as follows:

1. Compliance with laws

Activities are conducted in full compliance with national, EU, and international laws.

2. Equality and impartiality

Decisions are made objectively, impartially, and in the best interests of the Company, according to neutral professional criteria.

3. Professionalism and reliability

Representatives must perform their duties with diligence, responsibility, and commitment, protecting the Company's reputation and image.

4. Loyalty and good faith

Correct, respectful behavior is required, based on good faith, compliance with contractual obligations, and respect for company guidelines.

5. Value of people and human resources

The Company recognizes people as a fundamental resource, protecting their physical and moral integrity, ensuring an inclusive and respectful work environment, and preventing all forms of discrimination, harassment, or abuse. SVE promotes continuous training and ensures that hiring and career decisions are based on merit and competence, fair wages, and respect for the right to union membership.

6. Transparency and fairness

Every action or operation must be clear, properly documented and recorded, ensuring traceability and accuracy of accounting data.

7. Confidentiality

Corporate and personal information is handled confidentially and in compliance with privacy regulations, and shared only when strictly necessary or authorized.

8. Prevention of conflicts of interest

Representatives must avoid situations that could negatively influence decisions or generate advantages for themselves, promptly reporting any potential conflicts.

9. Health and safety at work

SVE guarantees safe and healthy working environments, promoting training and awareness on risks and responsible behavior for everyone's protection.

10. Environmental protection

The Company is committed to protecting the environment, reducing the environmental impact of corporate activities, and promoting sustainable development in line with stakeholder expectations.

11. Money laundering prevention

SVE complies with anti-money laundering laws, avoiding suspicious operations and verifying the reliability of business partners.

12. Fair competition

The Company supports fair competition, refraining from unlawful or anti-competitive practices and complying with applicable regulations.

13. Product quality and safety

SVE commits to delivering quality, safe, and reliable products that meet the highest standards and internal procedures.

14. Protection of intellectual property

The Company protects its intellectual property rights, avoiding the reproduction or use of unauthorized software, devices, or data.

The Code also regulates relations with third parties, stating that the Company maintains relations with customers based on transparency, public administration, honesty, and respect for the law, avoiding any form of favors or false information. With customers, suppliers, and partners, we always act fairly and professionally, without resorting to gifts or benefits that could influence decisions, except for small gestures of courtesy that are authorized. The Company does not support or finance political parties or trade unions and condemns any illegal activity. Finally, any situation of possible conflict of interest must be avoided or immediately reported to ensure the transparency of corporate decisions.

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ESG TEAM

The management of ESG topics within the organization is primarily entrusted to the Sustainability Manager and the Management Systems Officer, who ensure constant and qualified oversight of sustainability and integrated management. Monthly meetings are organized between the Sustainability Manager, the CEO, and the Managing Director of SandenVendo GmbH, during which goals and current performance are monitored, ensuring that environmental, social, and governance issues are an integral part of strategic evaluations. ESG issues are also regularly addressed in meetings between the CEO and department heads, with the direct involvement of the Sustainability Manager. Supporting the sustainability team are the Administrative Manager, whose contribution is essential for assessing the connection between sustainability topics and financial aspects; the HR Manager and the Safety & Maintenance Manager, who support the integration of ESG principles into social and safety matters.

POLICY

SandenVendo's corporate management system is based on a structured set of policies that define the organization's commitment in key areas such as quality, environment, occupational health and safety, energy efficiency, and business ethics. These documents are not merely regulatory requirements; they reflect the company's intent to operate transparently, responsibly, and consistently with the principles of sustainable development.

All policies adopted by SVE are publicly accessible through the Group's website⁽²⁾ and are reviewed annually by the Sustainability Manager to ensure alignment with regulatory changes, corporate goals, and the relevant context.

⁽²⁾ All SVE policies, information, and certifications are grouped into the following categories: Sustainability – Privacy – Certifications – Policy – Ethics and can be viewed at the following link: <https://www.sandenvendo.it/en/group-policy/>

QESE INTEGRATED POLICY: Quality, Environment, Safety, Energy

SVE adopts an integrated approach to managing quality, environment, health and safety at work, and energy, to deliver high-quality products and services that respect people, resources, and the operational context.

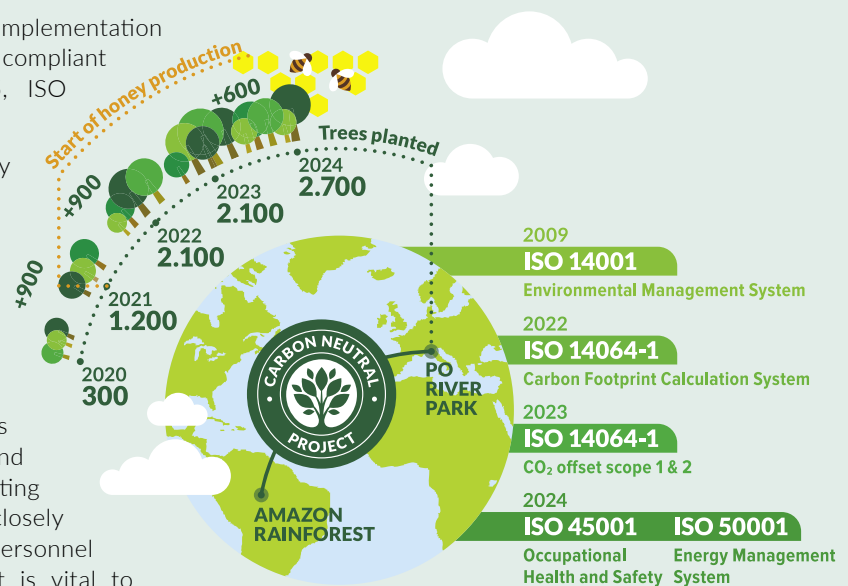
This commitment is realized through the implementation of an Integrated Management System compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2023, and ISO 50001:2018.

Integrating these areas enables the company to continuously improve process efficiency, optimize resource use, and protect its tangible and intangible assets, while also addressing ethical and social dimensions in a structured way, documented through an annual Sustainability Report.

Management actively ensures compliance with applicable regulations, promotes transparency with stakeholders, and leads ongoing improvement by adopting technologies, innovative solutions, and closely tracking contextual developments. Personnel involvement is central: their engagement is vital to achieving common goals. For this reason, SVE invests in training and internal awareness.

The management system is based on a Risk-Based Thinking approach, where risk assessment is closely linked to opportunity identification. Special attention is paid to health and safety, reducing environmental impact, and promoting social and ethical values in the local area. Customer satisfaction remains a core focus, continuously monitored across the supply chain.

The policy framework is completed by the Organizational, Management and Control Model pursuant to Legislative Decree 231/01 and by a system of indicators that allow the company to regularly evaluate business performance and take corrective or preventive action. The integrated policy is communicated at all levels, is accessible to all interested parties, and is reviewed periodically to ensure alignment with operational and strategic needs.



Environmental Policy

SandenVendo Europe has implemented an environmental management system aimed at improving and monitoring its performance, adopting a structured and continuously improving approach. This system is integrated with the ones already in place for quality, safety and energy, with a focus on jointly optimizing resources and processes. Integration allows the company to leverage synergies within the control, correction, verification and review mechanisms.

The improvement cycle is based on the PDCA principle (Plan-Do-Check-Act), starting from the definition of environmental policy and developing through analysis of environmental aspects, setting of targeted goals and monitoring of achieved results. The General Management plays an active role in ensuring that business activities are under control regarding environmental impacts, energy consumption is reduced, and any form of pollution is prevented.

Moreover, it is the responsibility of Management to ensure full compliance with applicable regulations and to establish clear, measurable environmental objectives aligned with sustainable development. Internal communication plays a key role: environmental policy and objectives are regularly shared with all staff through various tools such as company bulletin boards, to foster a shared culture of environmental responsibility.

Within the environmental dimension, SVE has developed specific policies concerning:

- **Energy efficiency:** incentives and rational use of energy and promotion of initiatives for energy savings, particularly those contributing to the achievement of specific goals of the 2030 Agenda, by tracking natural gas and electricity consumption trends. Related KPIs include annual trends in natural gas use and electricity consumption.
- **Water Policy:** The company has set specific improvement targets for the 2024–2025 period, implementing a new automatic recall system for treated and recycled water in the painting department. A policy was developed to promote water reuse where possible, a rainwater collection system was created and connected to a treatment plant for wastewater, constantly analyzed. KPIs for water resource management include cubic meters of water consumed per year per machine produced, cubic meters of water withdrawn from wells per year per machine produced, and the percentage of recycled water over withdrawn water. These specific indicators allow SandenVendo to monitor in detail the efficiency of water use, with metrics that relate volumes consumed and withdrawn to the actual production. Monitoring the percentage of recycled water, in particular, helps the company identify improvement opportunities and define waste reduction targets, reinforcing a responsible and improvement-oriented approach.
- **Waste Policy:** Aware of the impact of waste on sustainable behavior, the company constantly monitors its waste, classifying it by disposal type – recycling, landfill, incineration, and recovery. It promotes proper disposal. In fact, the company has set the goal of analyzing in detail the “iron and steel” waste category, breaking it down into scraps, production waste and other types. The main monitored KPIs are kilograms of total waste produced, hazardous waste, and iron and steel scrap each year, as well as the number of vending machines produced.
- **Emission Policy:** SandenVendo Europe has integrated the fight against climate change and decarbonization at the core of its strategy and investment choices. To reduce greenhouse gas emissions, the company invests in clean, safe technologies, promotes environmental and social sustainability projects, and actively involves suppliers and customers to identify potential improvements. Thanks to these efforts, since 2022, Scope 2 emissions have been net zero under the market-based method through the purchase of 100% renewable energy (see Energy Consumption section for more details at page 68), while in 2023, all Scope 1 emissions were compensated through a neutralization project involving forestation and natural gas offsetting. Since FY2022, SVE has been recognized for “CO₂ compensation” through reforestation and carbon credit acquisition. Furthermore, in 2021, SVE joined a Scope 3 emissions inventory certified by FY2021, allowing for regular monitoring and identifying areas for improvement. The reference KPI is the calculation of CO₂ equivalent emissions in tons for Scope 1 and Scope 2.



Social Policies – Labor & Human Rights

Respect for human rights is a fundamental value for SandenVendo: it guides all its activities, relationships with stakeholders, and commitment to the communities in which it operates. The company promotes diversity and ensures equal opportunity, protecting the rights of employees, customers, and future generations. This policy reflects the behavioral expectations that the company requires from all staff.

The main objectives include the continuous improvement of health and safety at work. In fact, in 2024 the company obtained ISO 45001:2023 Certification; the promotion of decent working conditions and the active involvement of workers through ongoing training. SandenVendo is committed to fully respecting human rights, opposing all forms of forced and child labor.

- **Working Conditions Policy:** SandenVendo is committed to strictly complying with all national and union regulations on remuneration, applying the national collective labor agreement. This guarantees not only salary payments, but also updated leave offerings according to current laws, management of pay changes through collective bargaining, and the provision of supplementary health insurance. The company fully supports freedom of association, encouraging dialogue with employees through union assemblies and employee groups. To continuously improve employee well-being and personnel management, KPIs are assessed, such as the percentage of part-time workers, turnover, absenteeism rate, and the total number of hours of training provided.
- **Health and Safety Policy:** SandenVendo places great importance on the health and safety of its employees. For this reason, it actively evaluates and manages workplace risks through a continuous improvement perspective and values employee training, promoting a safety culture based on awareness, provision of protective equipment, and compliance with current regulations. In particular, thanks to the Plan developed within this policy, the objectives set for FY 2024 in the areas of ADR risk assessment (environmental monitoring, load handling and repetitive movements, ATEX update and chemical risks) have been achieved. The main KPIs analyzed are the severity and frequency of injuries, while those set for FY 2025 include the renewal of the evaluation of grounding systems and atmospheric discharges and the update of the risk analysis from electromagnetic fields (EMC), optical radiation (ROA), and laser sources.

The company also commits to continuing the renewal of its privacy management system in accordance with the GDPR, which has been implemented since 2018.

- **Policy on Forced and Child Labor:** SandenVendo is firmly committed to preventing child labor, following international ILO standards and the UN Convention on the Rights of the Child. Child labor is defined as any activity that undermines children's development, education, and well-being. The company promotes this policy internally and with collaborators, protecting minors through collective labor agreements. At the same time, SandenVendo strictly prohibits all forms of forced labor, including any limitation of workers' freedom, extending this commitment to its commercial partners as well. This policy complies with Italian laws and corporate responsibility standards.
- **Anti-Discrimination and Equal Opportunities Policy:** The anti-discrimination policy of SandenVendo protects employees, clients, and stakeholders by promoting a safe, inclusive work environment that complies with legal requirements. Discrimination, meaning any negative behavior based on protected characteristics (age, ethnicity, religion, gender, etc.), is countered through targeted training aimed at overcoming unconscious biases and implementing severe measures in cases of serious misconduct such as assault or harassment. Reports are handled confidentially, and the company encourages proposals to continuously improve inclusivity. The equal opportunity policy ensures fairness and values diversity, with particular attention to traditionally disadvantaged groups, promoting gender balance in the workforce and leadership. SandenVendo also works to combat violence against women through specific social projects. Among the monitored KPIs are the incidence of women and minorities in the total workforce, including blue-collar, white-collar, and managerial staff, and the generational balance expressed as a percentage of staff under 30 or over 50.



Procurement Policy

- Sustainable Procurement:** SandenVendo considers its suppliers as key partners in achieving sustainability goals, integrating environmental and social values throughout the entire supply chain. The sustainable procurement policy aims to address market challenges, manage resource scarcity, and reduce energy consumption and waste, turning sustainability into an opportunity to protect corporate reputation and minimize reputational risks. The company is committed to continuously improving sustainable purchasing processes by actively collaborating with suppliers to ensure environmental and social criteria are respected at every stage. To support this improvement process, the company has developed a voluntary questionnaire that allows it to track the Responsibility actions taken within its supply chain. The monitored KPIs include the percentage of suppliers implementing CSR actions such as publishing a Social Responsibility report, training their employees, obtaining international certifications, and adopting HR and sustainable procurement policies.
- Conflict Minerals Policy:** SandenVendo fully complies with international and European regulations regarding 3TG minerals (tin, tantalum, tungsten, and gold), committing to responsible sourcing. The company follows industry due diligence and reporting processes to ensure supply chain transparency, requiring suppliers to declare the presence of 3TG and provide information on the origin of materials. SandenVendo does not source directly from mines, smelters, or refineries. Suppliers must implement controls consistent with the company's commitment to responsible sourcing, ensuring that 3TG minerals are "conflict-free," coming from ethical and socially responsible sources that do not directly or indirectly contribute to conflict. Non-compliance with these policies may result in a review and possible exclusion from future procurement decisions. Every three years, the company collects and monitors KPIs from its suppliers regarding how they approach these raw materials, tracking the percentage of responses received from sent questionnaires, the percentage of suppliers that come into contact with 3TG, and the percentage of suppliers that responded without specifying the origin of raw materials. Since regulations on the origin of minerals are now public and widely disseminated across the supply chain, monitoring is simplified; however, the goal remains to progressively increase the response rate and, through a process of awareness, reduce the number of suppliers who do not disclose their sourcing.



Whistleblowing

The whistleblowing system in SandenVendo represents a fundamental tool to ensure transparency, integrity, and accountability within the company. Through this secure and confidential channel, employees, collaborators, and stakeholders can report non-compliant, irregular, or unethical behaviors without fear of retaliation. The system is essential for promptly identifying critical issues, preventing fraud or misconduct, and promoting a corporate culture based on legality and fairness. Thanks to this mechanism, SandenVendo reinforces its commitment to maintaining high ethical standards and protecting the interests of all involved parties. The company is committed to raising awareness among its employees about the existence of this important tool, presenting its features and usage methods on various occasions: in addition to a specific course, the platform was presented during union meetings and safety training sessions, with a dedicated section on the website. The Supervisory Board confirmed the update of the whistleblowing regulation within the update of Model 231, strengthening the principles of transparency in reporting by expanding the scope and reporting methods. The effectiveness of the platform and the internal communication about its use have been confirmed: to educate staff, related information was posted on bulletin boards visible to everyone.

Fight Against Corruption

SandenVendo is firmly committed to fighting corruption, aligning its operational practices with the principles of the Code of Ethics and the provisions of Legislative Decree 231/2001 on the administrative liability of companies. The company views ethics in business as a fundamental value for success and reputation, promoting transparency, honesty, and impartiality among employees and partners. To ensure compliance with these rules, SandenVendo conducts annual internal audits and controls by the Supervisory Board (OdV), ensuring the full compliance of the organization, management, and control model. The company also applies national and international anti-corruption laws, prohibiting employees from offering or accepting bribes and promoting the protection of free competition and integrity in dealings with public officials. Currently, there are no open investigations related to this area, confirming the effectiveness of Model 231 and the internal controls.

Anti-Corruption and Ethical Compliance Policy

SandenVendo bases its corporate conduct on the principles of legality, transparency, and integrity, in line with its Code of Ethics and the organizational, management, and control model adopted under Legislative Decree 231/2001. Compliance with national and international anti-corruption regulations (such as Legislative Decree 3/2019, the UK Bribery Act, and the US FCPA) is an integral part of the company's compliance strategy.

Every year, the company conducts internal audits and controls through the Supervisory Board to ensure full compliance with its ethical standards and to monitor the effectiveness of implemented measures. The main KPIs include:

- Number of behavioral audits conducted during the year: the company's goal is to conduct at least one per year, and this KPI is always met;
- Reports or non-conformities detected by the Supervisory Board or external parties: in the annual reports released by the Board, the number of reports received is always specified. This figure has always been zero, and the company's goal is to maintain this result in future years;
- Number of sanctions per year;
- Monitoring of gifts and representation expenses: the company has set up a dedicated register for tracking donations, gifts to employees for holidays, and representation expenses;
- Number of hours of training in HSE and ethics: In addition to reporting the number of training hours delivered, the company aims to ensure that at least 20% of employees participate each year.

Special attention is given to preventing conflicts of interest, ensuring fair competition, and managing relationships with third parties, particularly public officials. Employees and collaborators are strictly prohibited from offering or accepting improper advantages for business purposes.

The anti-corruption policy is an integral part of the company's management system and represents a cornerstone of SandenVendo's social responsibility and reputation.



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- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**

MARKETS AND SECTORS

SVE operates in the field of manufacturing vending machines, developing technologically advanced solutions for the automatic sale of beverages, snacks, and other consumer goods, alongside the Office Coffee Service (OCS) segment. This is a dynamic and constantly evolving market, where automatic distribution increasingly positions itself as a strategic channel in response to the new needs of a “mobile” society. Vending, in fact, allows for the provision of food and beverages in a flexible, fast, and widespread manner, perfectly aligning with contemporary consumption habits.

The strategic location of the production site is aligned with the business model: in fact, it is situated in a central area relative to key logistical hubs in Northern Italy and is conveniently connected to major European commercial corridors. This location allows SandenVendo Europe to ensure timely supplies, transport efficiency, and proximity to reference markets, particularly in Western and Central Europe. The settlement in this area represents a strategic logistical and industrial choice that has contributed to the development and solidity of the company since its foundation.

The main activity is focused on the European market, where the company plays a central role in the value chain of the SandenVendo Group, acting as an industrial hub for the design and production of machines destined for various continental markets. The business model is based on strong integration with the group's commercial and distribution network: SVE primarily supplies its products to SandenVendo GmbH, the German company that handles the commercialization of vending machines in the main European countries through its strategically located branches in Germany, France, Spain, Belgium, and Italy. This business model allows for the coverage of key market areas and efficient customer management, combining centralized production and widespread distribution through local branches (Germany, France, Spain, Belgium, and Italy).

The main geographical reference market is Europe, the target areas are Italy, France, Germany, Spain, Belgium, Austria, Netherlands, United Kingdom, Ireland, and Eastern Europe.

SVE's presence then extends residually even to other continents. The services range from large food & beverage operators, to service companies, retail, and the Ho.Re.Ca. world, with increasing attention to new sectors linked to sustainable mobility, the delivery of fresh and healthy products, and the digitization of the purchasing experience. The ability to innovate and the strength of the commercial network make SandenVendo Europe a strategic player in a constantly evolving market, with increasingly sustainability- and energy efficiency-oriented trends.

The global context in which SVE operates has been shaped in recent years by three key factors:

- Geopolitical tensions, in particular the Russia-Ukraine conflict and instability in several parts of the world, have impacted the availability and cost of raw materials, affecting the entire value chain.
- The post-pandemic recovery has shown signs of resilience, with moderate but positive global economic growth and a vending sector on the rise, albeit with limited sales volumes.
- The European regulatory framework has continued to push towards a sustainable transition, with frequent updates to environmental standards that require a constant commitment to innovation and adaptation.

In this scenario, SandenVendo Europe has developed a strategy that integrates environmental and social responsibility into its business model: it has strengthened its commitment to sustainability by continuing along the path to Carbon Neutrality through the compensation of Scope 1 and 2 emissions according to the GHG protocol CV1 and with certification according to ISO 14064-1:2018, as well as by promoting initiatives to benefit the local community.

PRODUCTS AND SERVICES

The Production Process

The production facility of SandenVendo Europe, located in Piedmont, represents an example of an integrated, efficient, and sustainability-oriented industrial supply chain. The entire production cycle, from sheet metal processing to the final testing of the finished product, can be carried out in-house, except for some external components such as plastic parts, wiring, compressors, and glass doors.

Production mainly focuses on the cold chain, namely vending machines for snacks and cold beverages, alongside hot beverage solutions, both free-standing machines (floor-standing) and table-top machines (compact countertop units) designed for use in offices, bars, and professional settings. In addition, complementary “extra vending” products are manufactured, such as automated lockers (similar to those used in e-commerce logistics) and CDU units for cooling refrigerated counters in large-scale retail stores.

The production cycle begins with the processing of sheet metal, the main raw material, in three variants: shiny, galvanized, and electro-galvanized. The internal operations use low environmental impact technologies, including laser cutting, bending, welding, and powder coating. This is followed by the foaming (insulation) process using an injected mixture of isocyanate, polyol, and cyclopentane, which acts as both thermal insulation and structural support, avoiding the use of CFCs and reducing greenhouse gas emissions.

The assembly lines are supplied with pre-prepared components (including purchased ones such as glass, plastic, and parts of the refrigeration systems) for final assembly, followed by functional and electrical testing. In particular, in the assembly phase of the refrigeration systems department, a helium recovery and recycling system is used. Helium is circulated through the system to detect possible leaks and, once the testing is complete, it is recovered and reused, preventing waste and dispersion.





For the brazing phase, in 2024, new equipment was introduced using a patented water-generated flame technology, which eliminates the need for gas storage and allows for clean, safe brazing with low environmental and UV emissions.

Finally, once completed, each machine is packaged and transferred to the warehouse, awaiting shipment to the customer.

The production area also includes a department for customizations of small series, a coffee section compliant with food contact regulations (MOCA), a spare parts warehouse, a raw materials warehouse, and a finished products warehouse. Product logistics and distribution are managed by the Group's commercial network.

Sustainable Products

The variety of products offered meets multiple consumption needs and allows customers and operators to serve diverse markets with efficient, reliable, and technologically advanced solutions. All SandenVendo Europe products are developed with a strong focus on sustainability and reducing environmental impact, in line with the company's commitment to the Net Zero target by 2050. All machines are certified by third-party organizations according to the most rigorous European and international standards, ensuring maximum transparency and reliability. Energy performance labeling, which results from an internal self-certification process, is also carried out in accordance with IEC 63252:2020 regulations.

The products offered can be grouped into the following categories:

Refrigerated vending machines

G-Snack: Modular and customizable range with illuminated display window, dispenses sweet and savory snacks, beverages, fresh food, and non-food products. Ideal for schools, hospitals, offices, and high-traffic locations.

G-Drink: Cold drink vending machines with a robotic elevator system for smooth and impact-free delivery. Modern design and LED lighting, suitable for airports, universities, and shopping centers.

Bottle&Can (Narrow Stack, Flex Stack): Models with column vendor, robust and low-maintenance, ideal for industrial or semi-public environments where continuous operation is required.



Hot beverage machines

G-Caffè: A line of espresso and hot-beverage machines, available as free-standing or countertop units, with bean-to-cup or instant coffee options. Ideal for offices, break areas, breakfast rooms, and the Ho.Re.Ca. sector.

Digital and modular solutions

Connectables (MMV - Multi Module Vendor):

Integrated platform for centralized control of multiple vending modules via an 18.5" touchscreen, managing different machines with an intuitive interface.





Other activities:

CDU (Condensing Units): Production of refrigeration units using R744 or CO₂ gas for refrigerated cabinets in large-scale retail, being phased out by 2026 in line with streamlining and sustainability strategies.

Automated lockers: Non-refrigerated vending units that can be connected to various main machines, allowing for the dispensing of bulky or non-standard extra vending products, thereby expanding usage and market opportunities.

From an environmental perspective, one of the most significant innovations is the adoption of natural refrigerant gas R290 (propane), which has a low global warming potential (GWP) and allows for efficient cooling system operation while reducing greenhouse effects. Furthermore, in March 2024, the company achieved an average annual 40% reduction in energy consumption per machine compared to previous years, thanks to improvements in electronic components and the introduction of energy-saving mode that reduces power consumption when the machine is not in use.

Even in the coffee segment, although not the company's core business, innovative environmental solutions have been introduced: for example, the vending machines do not dispense a stirrer if the user selects a coffee without sugar, avoiding unnecessary plastic waste. All products are also equipped with features for users with disabilities, demonstrating SandenVendo Europe's commitment to inclusive and responsible innovation.

SYSTEM CERTIFICATIONS (ISO)

SandenVendo Europe confirms its commitment to sustainability and responsible management through the maintenance and renewal of important internationally recognized certifications.

In September 2024, the company obtained the renewal of **ISO 9001:2015** (Quality) and **ISO 14001:2015** (Environment) certifications, which are essential for ensuring an efficient and environmentally respectful management system. At the same time, new certifications were achieved: **ISO 45001:2023** (Occupational Health and Safety) and **ISO 50001:2018** (Energy Management). These were strategic objectives set in 2023 and successfully achieved in 2024, demonstrating the company's focus on employee well-being and energy efficiency.

In the climate field, SandenVendo Europe maintained in 2024 the **ISO 14064-1:2018** certification for Greenhouse Gas Emission Reporting. Thanks to the effective decarbonization path undertaken, the company obtained the **CO₂ compensated label**, reaching the goal of zero Scope 1 and Scope 2 emissions through offsetting mechanisms. This achievement, maintained in 2023 and 2024, is also planned for 2025.

Lastly, SandenVendo Europe has been certified by **EcoVadis since 2013**, a globally recognized assessment that confirms the company's social and environmental responsibility.



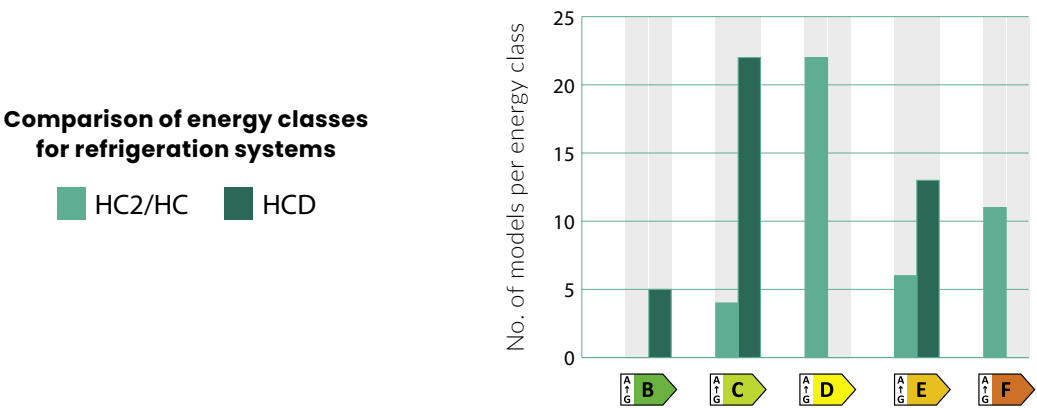
ECODESIGN

With a view to ecodesign and continuous improvement of environmental performance, all machines produced by SandenVendo Europe are equipped with an energy label that certifies product efficiency according to criteria established by European regulations. The energy classification allows clear evaluation of machine consumption and environmental performance, encouraging more conscious and sustainable choices by customers. In recent years, the company has invested in the development of technological solutions aimed at progressively improving the energy class of its products, to reduce their consumption and environmental impact.

Thanks to the adoption of natural refrigerants and innovative technological solutions, **SandenVendo machines achieve an excellent energy class, with average consumption 40% lower than traditional models.** This result not only significantly reduces environmental impact during use but also contributes to tangible energy savings for users, reinforcing the company’s commitment to sustainable and high-performance products.

Thanks to an innovative direct expansion refrigeration system using natural refrigerant gas R290 (HCD - Direct Expansion System), which no longer uses glycol in the refrigerant gas pathway (former HC and HC2 systems), a significant improvement has been recorded in the energy performance of SandenVendo machines, confirming the effectiveness of the efforts made by the R&D department.

By comparing the energy classification data between the two system types, the results demonstrate the following trend.



This shift toward more energy-efficient classes, achieved through the introduction of the new refrigeration system compared to the previous one, with an increase in machine models falling within higher efficiency classes (B and C) and a decrease in those in lower-performing classes (D, E, F), has led to an average 40% reduction in overall electricity consumption. This refrigeration system was introduced at the end of FY2023; therefore, all machines produced during FY2024 fall into the more energy-efficient classes.

In contrast, models manufactured before the introduction of the new direct-expansion used a dual circuit system and therefore fall into a lower energy-efficiency class.

These results confirm the effectiveness of SandenVendo Europe’s technological choice in improving the sustainability of its products, reducing environmental impact, and optimizing energy efficiency during the life cycle of the machines, in line with the principles of product Ecodesign, which aims to reduce environmental impact throughout the entire product life cycle by prioritizing energy efficiency, the use of low-impact materials, and innovative technological solutions.

RESEARCH AND DEVELOPMENT

At SandenVendo Europe, Research and Development (R&D) is a strategic pillar that drives technological innovation with a growing focus on sustainability. The objective is twofold: to respond competitively to new consumption trends and, at the same time, to reduce the environmental impact of the proposed solutions through increased energy efficiency and the adoption of low-impact technologies.

The R&D department is a highly specialized structure composed of professionals with complementary skills covering the entire product design cycle:

- **Thermodynamics:** 2 in-house technicians and 1 external consultant work on developing innovative and efficient refrigeration systems.
- **Hardware and software:** 3 people internally design electronic systems, particularly software, while boards are produced by qualified suppliers.
- **Laboratory:** 1 technician performs tests and validations of new solutions.
- **Mechanical design:** 3 engineers design structures and mechanical components.
- **Technical documentation:** 3 resources ensure the traceability and quality of technical information.
- **Electrical engineering:** 1 technician handles wiring and electrical systems.

This structure makes the R&D department complete and autonomous in developing the entire product life cycle, from design to prototyping to industrialization. Nonetheless, the company also uses qualified external laboratories (such as TUV, DEKRA, and UL) to conduct tests according to regulated standards and for the certification of machines in line with relevant European directives or international product standards. Additionally, the R&D division works closely with the production division to ensure maximum efficiency and effectiveness.

SandenVendo Europe's innovative approach is reflected both in the customization of solutions on customer request and in the development of new patented technologies. Some of these patents involve entire machines, not just components, and are already in the implementation phase. Particular attention is paid to reducing energy consumption without compromising performance, transitioning to natural refrigerants, and exploring new technologies, reflecting a strong integration between innovation and sustainability.

SandenVendo's commitment to user well-being was already recognized in 2019, when the company received the Vending Star Innovation award in the Technical Appliances category in Cologne for its G-Snack Evolution vending machine, developed with a primary focus on end-user comfort, allowing users to receive purchased products at a central ergonomic height without bending down.





Development Projects 2023-2024

Among the recent activities of the Research and Development department at SandenVendo Europe, several significant projects stand out that combine technological innovation, attention to user experience, and reduction of environmental impact. These projects fall into two areas: the first, focused on design and aesthetic ideation; the second, on technological innovation, with a total of 10 development projects recognized.

1. Redesign of the Design Line

An important development project involved the complete aesthetic and functional overhaul of the premium “Design Line” range. The project began with a design proposal oriented toward modern integration of the human-machine interface, the introduction of touchscreen displays, and eventually evolved into a structured product development process. The goal was to position the product at a higher level through a distinctive and cutting-edge design and functionality. The project is characterized by systematicity, transferability, and replicability of the adopted solutions and involved: prototype development, ergonomic innovations, improvements in user experience, detailed technical design, production of prototype components, and functional field tests. This intervention highlights the R&D department's ability to integrate aesthetics, technology, and functionality in line with consumption trends and a user-centered approach.

2. Technological Innovation

Among the numerous technological innovation projects, one of the most challenging was the development of a refrigerated vending machine with a top-loading capacity that meets market standards. The development process was distinguished by the adoption of an innovative refrigeration system capable of maintaining temperature stability and uniformity, providing the ability to reverse the electric circuit to switch between refrigeration and heating, making the machine versatile and suitable for storing food products, drinks, and even cosmetics. The process included regulatory analyses, technical feasibility studies, tests using natural gases, climate chamber testing, homologation and certifications, and replacement of technical components. Despite the intrinsic challenges of this technology in terms of energy efficiency, SandenVendo overcame significant obstacles and eventually obtained the patent thanks to the efforts of the research and development team, who created a system that retains the benefits of a thermoelectric device but reduces consumption and minimizes the risk of direct electrical contact, confirming itself as a market leader in innovation and consolidating its position in the vending machine sector with solutions that combine environmental sustainability, energy efficiency, and ease of use.

Other projects included: the development of a climate-controlled cabinet equipped with an innovative control system; the introduction of a hybrid machine with a spiral+column mechanism, significantly increasing product range capacity; optimization of kinematics and Direct Expansion System that improve energy consumption; update of the internal machine storage system, revolutionizing internal space by increasing product capacity; optimization of user experience; enhancement of machine customization by implementing dedicated software to optimize processes and technologies for better performance; development of new machines able to dispense unconventional products in terms of size and weight not manageable by traditional vending machines; development of a coffee vending machine with reduced dimensions; use of recycled materials and modular design to support product life cycle.

Challenges and Outlook

Despite competitive pressure on costs (a central issue in a global market with emerging new competitors), SandenVendo Europe is committed to leveraging technological innovation to stand out also in sustainability. This approach is reinforced by the adoption of ISO 14064-1:2018 standards, which allow the company to highlight environmental choices, for example, in tenders to the Public Administration.

Although material selection and traceability are still under development, the company acknowledges the growing importance of ecodesign and the circular economy, and intends to further strengthen these aspects in future innovation cycles.





MEMBERSHIP IN INDUSTRY ASSOCIATIONS

SandenVendo Europe actively participates in the associative life of its industrial sector by joining key national and European organizations. In particular, the company is a member of two important reference associations:

- It is a member of **Confida ITA (Italian Vending Association)**, which represents vending operators in Italy, promoting innovation, quality, and sustainability in the sector.
- At the European level, SandenVendo is a member of **EVA (European Vending & Coffee Service Association)**, a platform that brings together the main stakeholders in the continental vending industry to foster the sector's harmonious development and represent its interests before the institutions of the European Union.



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- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**



MATERIALITY

The materiality analysis is a fundamental tool to understand and guide a company's sustainability priorities. Through this analysis, it is possible to identify the most relevant issues from a strategic point of view, both for the organization and its stakeholders, thus strengthening the link between corporate objectives and the expectations of the context in which it operates.

SandenVendo has chosen to adopt an approach based on **double materiality**, integrating two complementary perspectives:

- **Impact materiality**, which analyzes how the company's activities affect the environment, people, and society as a whole (according to an inside-out perspective);
- **Financial materiality**, which considers how environmental, social, and governance (ESG) issues may represent risks or opportunities and influence the company's economic performance and its ability to create value over time (according to an outside-in perspective).

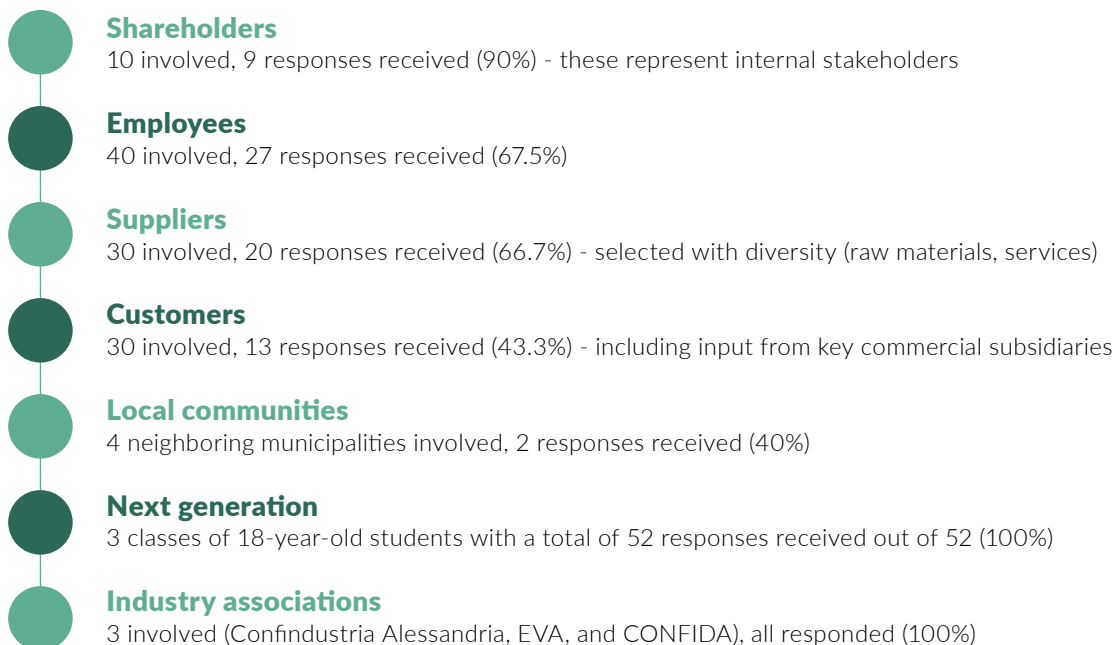
This approach allows SandenVendo to address sustainability not only as a responsibility but also as a driver of continuous improvement, innovation, and risk management. The double materiality analysis also enhances stakeholder dialogue, actively involving them to gather viewpoints and priorities through a structured listening and evaluation process.

The result is a solid and shared vision of the material issues on which to focus future actions and investments, consistent with the company's values and its desire to generate a positive and lasting impact.

STAKEHOLDER ENGAGEMENT

For the materiality analysis of FY2024, SandenVendo Europe launched a broad and structured stakeholder engagement process, selecting representatives from key categories that interact with or are impacted by the company. In particular, for impact materiality, both internal and external stakeholders were involved through the distribution of a questionnaire, aimed at assessing how, in their opinion and perception, the company impacts the external environment and its stakeholders.

The categories involved were:



In total, **126 responses** were collected, with participation rates that varied but were representative across all categories. The aggregated data are presented in the following table.

Stakeholder	Questionnaires Sent	Responses Received	% of Responses Received
Shareholders	10	9	90%
Employees	40	27	68%
Suppliers	30	20	67%
Shareholders	10	9	90%
Clients	30	13	43%
Local Communities	5	2	40%
Next Generation	52	52	100%
Trade Associations	3	3	100%

IMPACT MATERIALITY AND IDENTIFICATION OF MATERIAL TOPICS

The topics proposed in the questionnaire were evaluated with a score from 1 to 5 according to two dimensions: likelihood of occurrence, severity of impact for negative impacts, and perceived importance for positive impacts. For each response, an average value between the two dimensions was calculated in order to obtain an overall assessment of the perceived impact for each topic.

The elaboration of the materiality matrix involved merging and integrating the analysis of data collected from the various stakeholder categories. To ensure a balanced representation not influenced by the number of responses per category, the results were normalized: each group was given the same weight in calculating the average, thus fairly reflecting the perception of each stakeholder and preventing larger groups from dominating the results.

Topics that reached an average score of 3.5 or higher from both internal and external stakeholders were considered material. Based on these criteria, the **10 most relevant topics** were identified. Subsequently, in agreement with the Sustainability Manager, **2 additional topics** were integrated, which, although not exceeding the numerical threshold, are considered highly strategic in terms of investment and company focus. The total number of material topics is therefore 12.

The following table shows the impact topics covered by the questionnaire; the highlighted ones are those found to be material.

Impact	
1. Compliance with laws and regulations	17. Raw materials from conflict zones
2. Incidents of corruption within the company	18. Support for local suppliers
3. Energy consumption	19. Environmental and social assessment of suppliers
4. Greenhouse gas emissions (CO ₂ , methane, N ₂ O, etc.)	20. Supply chain traceability
5. Adaptation to climate change	21. Damage to consumer health
6. Water consumption	22. Labor exploitation in the supply chain
7. Water pollution	23. Employee dissatisfaction
8. Soil pollution	24. Sustainable working hours that consider work-life balance
9. Use of polluting chemicals	25. Attracting new talent
10. Land use	26. Sustainability education
11. Waste and scrap production	27. Accidents at work
12. Circular products	28. Employee benefits
13. Automation and artificial intelligence	29. Employee training and development
14. Use of recycled raw materials	30. Technical education
15. Reuse of by-products	31. Differences in treatment related to diversity issues
16. Concentration of the supply chain	32. Support for the local community (donations, associations, etc.)

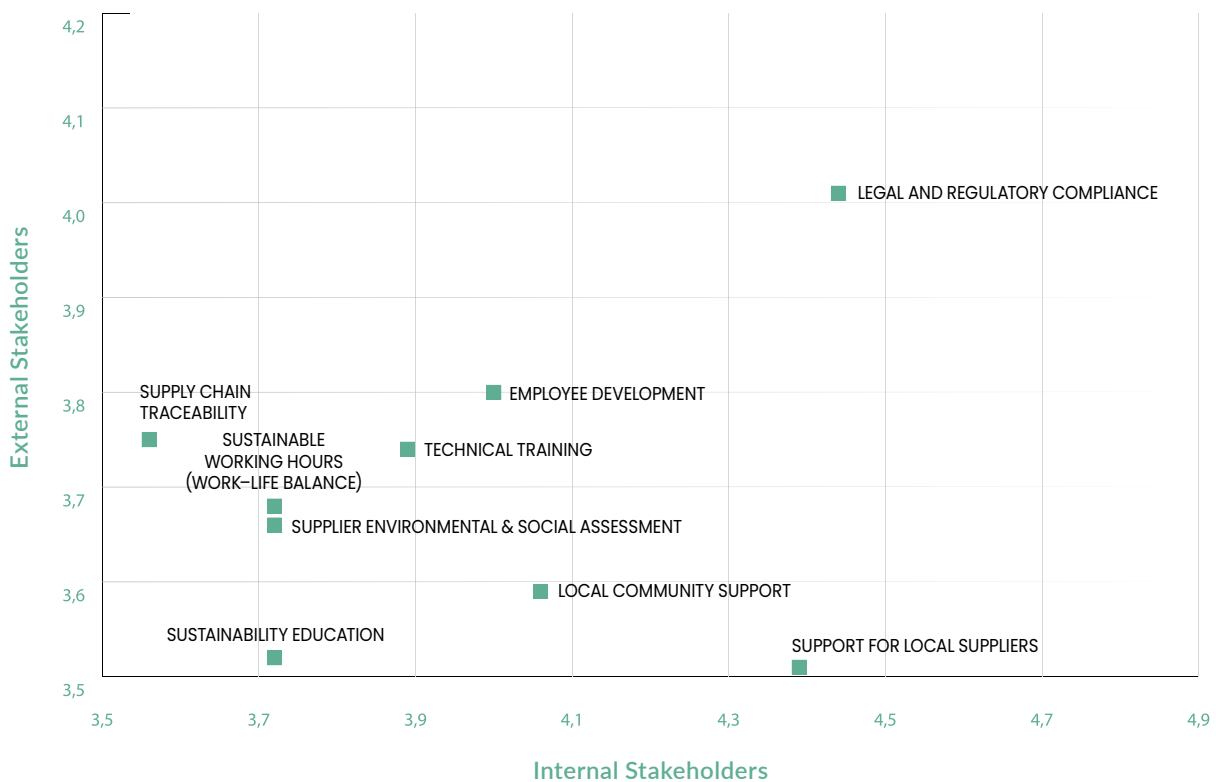
Material topics can be grouped into the following five macro-areas:

- Governance**
Compliance with laws and regulations
- Environment**
Energy consumption; Greenhouse gas emissions (CO₂, methane, N₂O, etc.) (topics included through qualitative adjustment)
- Suppliers**
Support for local suppliers; Environmental and social evaluation of suppliers; Supply chain traceability
- Social**
Sustainable working hours and work-life balance; Workplace accidents; Support for the local community (donations, collaborations with associations, etc.)
- Training**
Sustainability education; Employee training and development; Technical education

This selection will guide the company's strategic priorities in the coming years, in line with the Improvement Plan and the principles of integrated sustainability.

In the impact matrix, the material topics are concentrated in the upper right area, indicating high impact values for both external stakeholders (y-axis) and internal stakeholders (x-axis).

In the following matrix, the axes have been reduced to the minimum interest threshold considered for materiality, corresponding to a score of 3.5.



FINANCIAL MATERIALITY

Subsequently, the financial materiality analysis was initiated, focusing on ESG topics that were found to be material in the impact assessment phase. For each topic, an evaluation was made of the potential economic-financial impact on the company, adopting an outside-in approach, i.e., considering how environmental, social, and governance factors can affect the company's ability to generate long-term value.

In particular, the following were analyzed and subjected to internal voting:

- The risks associated with each topic, assessed both in terms of inherent risk (theoretical risk without control measures) and residual risk (actual risk taking current measures into account). These risks represent the negative component of the analysis, capable of generating direct or indirect economic impacts
- The opportunities, understood as economic-financial benefits potentially resulting from an active, strategic, and proactive management of the topic in question, are consistent with the company's ESG and industrial strategies

The main risks and opportunities associated with the topics are summarized as follows:

1. **Regulatory compliance:** Risks include potential sanctions, loss of certifications, exclusion from regulated markets, or tenders in case of non-compliance with environmental, product, or safety regulations. On the other hand, compliance represents a concrete opportunity to access new markets, strengthen customer trust, and benefit from subsidized financing.
2. **Training, technical, and sustainability education:** Risks include skill obsolescence, ineffective training, resistance to change, and dependence on external know-how, which can lead to errors, waste, or inefficiencies. Opportunities relate to the development of distinctive know-how, support for technological transition, strategic alignment on ESG topics, and improved internal engagement and relations with stakeholders and educational institutions.
3. **People management and work-life balance:** The main risks include absenteeism, stress, high turnover, disputes, and loss of attractiveness to new talent. Opportunities arise from a better organizational climate, increased inclusion, employee retention, and a greater capacity to respond to production peaks, also thanks to operational flexibility.
4. **Workplace safety:** Injuries can generate direct costs (compensation, insurance, production stoppages) and indirect costs (reputational damage, loss of trust). Good safety management helps prevent these risks, improves reputation, allows access to incentives, and strengthens employee motivation and trust.
5. **Suppliers and supply chain:** Topics such as support for local suppliers, traceability, and ESG evaluation of the supply chain pose risks related to delays, operational disruptions, indirect liability, and reputation. However, they also represent opportunities in terms of resilience, reduction of Scope 3 emissions, greater transparency, and competitive positioning in ESG-oriented markets.
6. **Energy and emissions:** Inefficient management of consumption and emissions leads to direct costs, non-compliance risks, higher regulatory burdens, and possible loss of sustainability-conscious customers. Investing in efficiency, renewable energy, and low-emission technologies is an opportunity to reduce costs, access public funding, improve operational resilience, and develop innovative and competitive products.

DOUBLE MATERIALITY

The results of the two analyses (impact and financial) were integrated into a **double materiality matrix**, where the horizontal axis shows scores related to impact materiality and the vertical axis shows scores related to financial materiality. The result is a **solid and shared vision of the material topics** on which to focus future actions and investments, aligned with the company's values and with the intention to generate a positive and lasting impact, guiding the company's strategic priorities in the coming years.

<i>Material Topic</i>	<i>Impact</i>	<i>Risk-Opportunity</i>
Compliance with laws and regulations	4.23	3.75
Employee training and development	3.90	4.25
Technical education	3.81	4.25
Sustainability education	3.62	3.75
Sustainable working hours, that consider work-life balance	3.70	4.00
Workplace injuries	3.53	3.25
Support for the local community (donations, associations, etc.)	3.82	2.75
Support for local suppliers	3.95	4.00
Supply chain traceability	3.65	3.75
Environmental and social assessment	3.69	3.25
Energy consumption	3.85	4.50
Greenhouse gas emissions (CO ₂ , methane, N ₂ O etc.)	3.23	4.25



GOALS AND IMPROVEMENT PLAN

SandenVendo Europe's sustainability goals are part of a strategic framework defined at the Group level, supported by an updated company-wide strategic plan, shared annually with the Board of Directors. This document guides operational priorities and is supported by a Group policy that defines specific commitments in terms of activity expansion, quality improvement, and development of technical functions.

All goals, whether environmental, social, or organizational, are collected and monitored within an improvement plan, which makes it possible to track their progress over time, assess their impact, and plan further actions. Below is a distinction between short-term objectives (by FY2025) and those for the medium-long term (beyond FY2025):

Short-term goals (by FY2025)

Governance

- Drafting of a voluntary sustainability report to align with international ESG criteria
- Company climate survey to gather feedback and improve employee well-being

Environmental

- Replacement of an old electric purifier with a new high-efficiency, low-consumption model eligible for tax credit 5.0
- Replacement of warehouse lighting with LED technology
- Optimization of the paint shop, reducing gas, electricity, and water consumption, and waste
- Continuous improvement of the energy class of refrigerant systems
- Modification and renewal of the fire-fighting system, reducing water consumption
- Compressor reallocation to improve compressed air efficiency
- Completion of asbestos roof removal from plant buildings
- Installation of the first photovoltaic system
- Construction of a rainwater collection pond with a phytodepuration system
- Continuation and strengthening of collaborations with schools and environmental organizations (e.g., "StraVendo")

Social

- Development of territorial and environmental initiatives (Po River park, schools, communities) actively involving employees

Medium-to-long term goals (by FY2025)

Governance

- Improvement of internal communication, including displays and KPI summaries for employees

Environmental

- Connection of the cabin to a photovoltaic-powered paint booth to enhance safety and autonomy
- Evaluation of a geothermal system as part of the development of a new industrial building
- Additional installation of solar panels
- Launch of large-scale energy efficiency projects, depending on available resources
- Implementation of product carbon footprint software to move closer to the Carbon Neutral goal
- Replacement of the tube bending system with a more energy-efficient model

Social

- Strengthening of welfare, training, and career development, including the hiring of new dedicated resources

This structured set of goals, precisely measured and updated within the Improvement Plan, reflects SandenVendo's commitment to promoting integrated and responsible sustainable development, ensuring effectiveness, monitoring, and continuity in investments.

It demonstrates alignment with the issues identified as material for its stakeholders.



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- A faint, stylized world map is visible in the background of the page, rendered in a light green color that matches the overall theme.
- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**



HUMAN CAPITAL

In a rapidly transforming industrial context, where technological innovation increasingly intertwines with environmental and social sustainability, SandenVendo Europe considers human capital not only as a productive resource but as a key factor for resilience, competitiveness, and the company's sustainable transition.

The centrality of people translates into a concrete commitment to promoting a fair, inclusive, and safe work environment, oriented toward skill development, organizational well-being, and the protection of fundamental rights. To this end, the company regularly monitors a set of key indicators related to the workforce, essential for evaluating the social impact of its activities and planning sustainable and responsible human resource management strategies.

The total number of employees was calculated in terms of headcount and refers to the closing date of Fiscal Year 2024. Based on this date, which represents the quantitative basis for analyzing the characteristics of the workforce, specific values were calculated to measure the employment level generated by the company and to evaluate its trend over time, including in relation to sustainable growth policies, work inclusion, and social impact on the territory.

Contract Types

The workforce is classified by contract type for FY^[3] 2023 and 2024, distinguishing between:

- Permanent and fixed-term contracts
- Full-time and part-time contracts

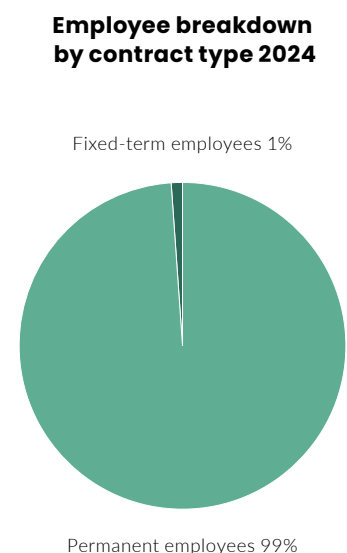
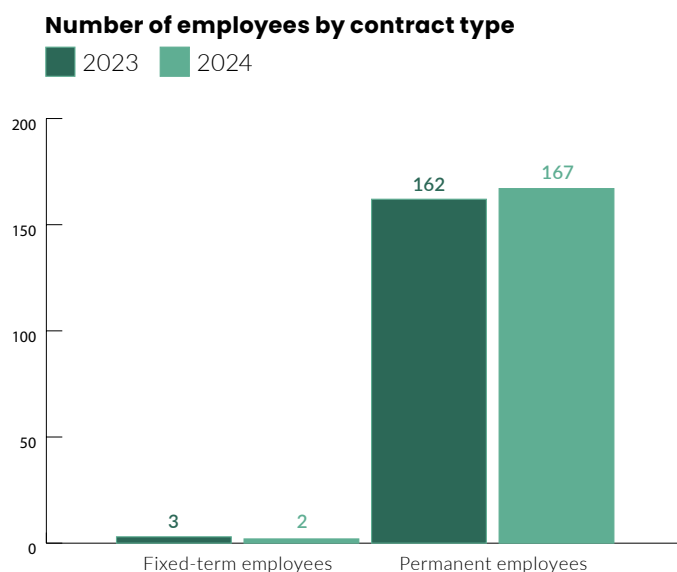
The contractual composition provides a measure of **the level of stability, quality, and occupational dignity offered** by the company. Monitoring this data helps understand the balance between organizational flexibility and social responsibility toward workers.

During 2024, SandenVendo Europe recorded a positive evolution in the contractual composition of its workforce, reflecting a growing commitment to occupational quality and work stability. In particular, there was a **reduction in fixed-term contracts**, which decreased from 2% of total employees in 2023 to 1% in 2024.

This result reflects a policy of progressive internalization and stabilization of employment relationships, aimed at strengthening the sense of belonging, operational continuity, and professional development of employees.

Fixed-Term and Permanent Employees	Men		Women		Total	
	2023	2024	2023	2024	2023	2024
Total Employees	148	153	17	16	165	169
Permanent	146	151	16	16	162	167
Fixed-term	2	2	1	0	3	2

[3] Please note that SandenVendo collects and monitors its data based on the fiscal year, which follows the Japanese calendar and corresponds to the period between April of year X and March of year X+1 in the calendar year.

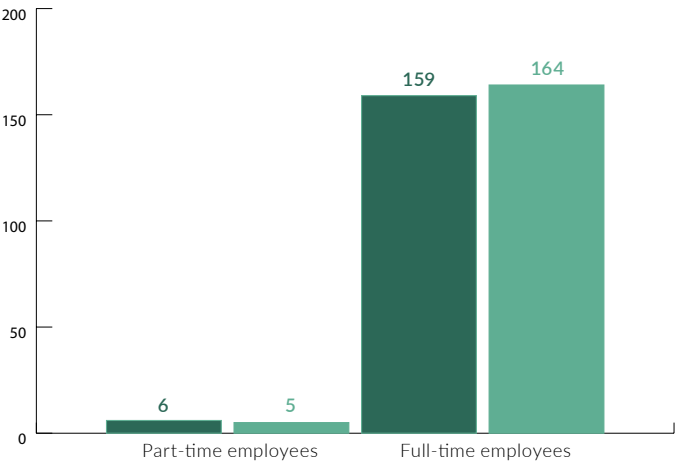


At the same time, the number of part-time contracts also decreased, falling from 4% of the total workforce in 2023 to 3% in 2024.

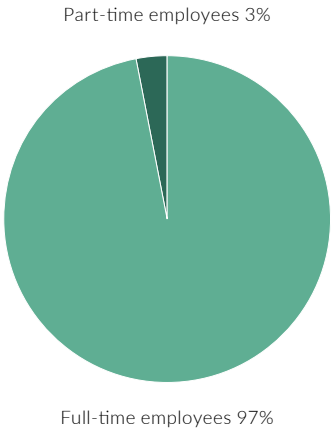
Full-Time and Part-Time Employees	Men		Women		Total	
	2023	2024	2023	2024	2023	2024
Total Employees	148	153	17	16	165	169
Full-time	143	148	16	16	159	164
Part-time	5	5	1	0	6	5

Number of employees by contract type

2023 2024



Employee breakdown by contract type 2024

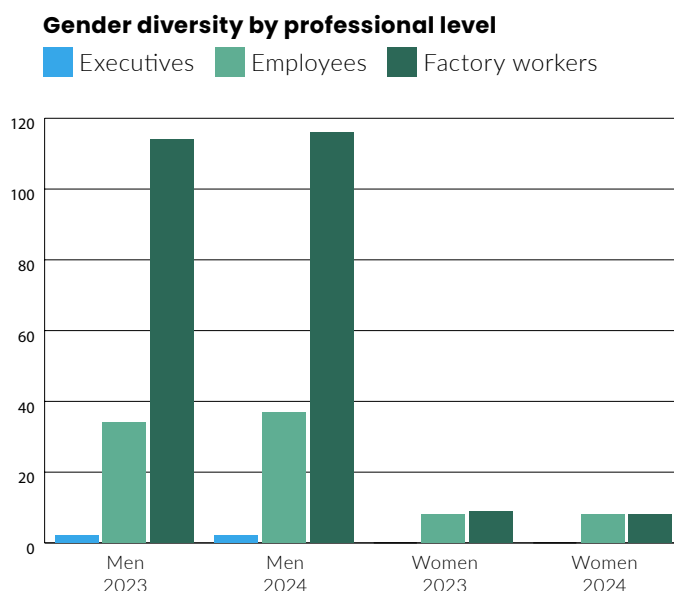


Overall, these figures confirm the company’s commitment to investing in more stable, structured, and inclusive employment, in line with the principles of social responsibility and the United Nations Sustainable Development Goals, in particular SDG 8 – Decent work and economic growth.

GENDER DISTRIBUTION

The gender distribution, expressed in **absolute numbers and percentages of men and women**, highlights the level of equity within the company's workforce. This indicator is crucial for evaluating the company's commitment to **gender equality, inclusion, and non-discrimination**. It also helps identify areas where active policies promoting equity and diversity can be implemented, in line with the SDGs and European regulations.

The gender composition analysis was conducted by distinguishing employees based on their professional classification level (workers, employees, executives - the classification level "middle management" is not present in the company's organizational structure), in order to provide a more detailed and representative picture of the female presence within the organization. The distribution of employees by professional classification level also allows for an analysis of the organizational structure and internal career paths, which is useful for evaluating the level of professional diversification, equity in career development, and the effectiveness of internal training and development policies.



In 2024, the gender composition at SandenVendo Europe recorded a slight change compared to the previous year, with the female presence at 9% of the total workforce, down from 10% in 2023, as the four new hires were all men in administrative roles. Although the workforce remains predominantly male, a concrete sign of progress in overcoming cultural and structural barriers is represented by a **high presence of women in production departments**, despite the fact that the industrial sector is traditionally male-dominated. The transformer department, for example, is entirely staffed by women due to the precision required in those processes, and many women are also employed in assembly and pre-assembly phases.



The promotion of inclusion and gender equality is reflected both in organizational choices and in career development paths. In addition to the presence of women in various production departments, there is already a female team leader in the Coffee department, and in 2025, the appointment of a woman as head of the raw materials warehouse is planned, replacing the current manager of the finished products warehouse, who is approaching retirement. This distribution represents a good practice of integration and recognition of female skills, contributing to the construction of a modern and equitable industry.

The indicator that represents the male-to-female ratio, expressing the number of male employees per female employee, increased from 8.71 in 2023 to 9.56 in 2024. This change is attributable to the turnover in hiring, which involved mostly male profiles.

MALE / FEMALE RATIO	Men 2023 / Women 2023	Men 2024 / Women 2024
Male/female percentage	8.71	9.56

SandenVendo Europe, aware of the need to improve in this area, has launched concrete actions aimed at promoting greater inclusiveness and equal opportunities in recruitment, onboarding, and professional development processes. Starting from the promotion of an inclusive corporate culture that values diversity through its anti-discrimination and equal opportunities policy (see the Policy chapter), the organization stands out for its openness to gender and cultural diversity, assigning roles and responsibilities based on competence, aptitude, and individual potential.

The commitment to diversity, equity, and inclusion remains central and will be progressively strengthened through concrete and measurable goals over time.

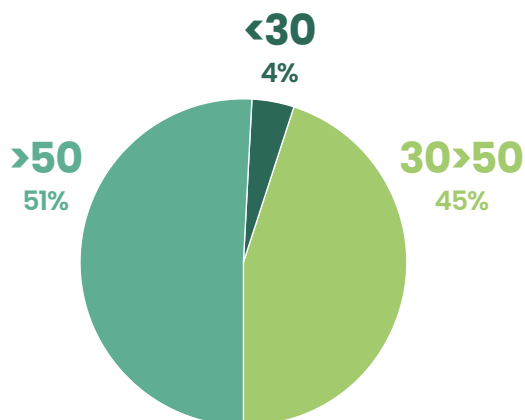
AGE GROUP DISTRIBUTION

The analysis of the age composition of employees, broken down by age group, makes it possible to assess generational diversity and monitor the balance between young, mid-career, and experienced workers. A balanced generational structure promotes continuity of skills, intergenerational dialogue, and the sustainable development of corporate know-how. It also helps guide targeted initiatives in training, health, and well-being.

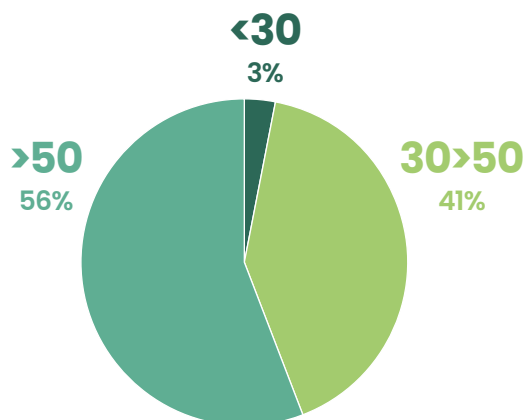
The analysis of age group distribution at SandenVendo Europe shows an increase in the over-50 age group, which reached 56% of the workforce in 2024 compared to 51% in 2023. This figure reflects the strength and continuity of the internal human capital, with a significant presence of experienced and loyal staff who bring well-established skills and highly valuable technical and organizational know-how to the company.

At the same time, there is a decrease in the 30–50 age group and a slight drop in the under-30 group. This trend is partly due to labor market dynamics and the increasing difficulty of attracting young people to technical and manufacturing sectors.

However, SandenVendo recognizes the importance of generational balance and intends to strengthen collaboration with schools and technical institutes to encourage the entry of new skills, ensuring the transfer of knowledge between generations and the continuity of corporate culture. For this purpose, school-to-work transition programs have already been launched.



Age diversity
distribution in the
workforce 2023



Age diversity
distribution in the
workforce 2024



TEMPORARY WORKERS

In recent years, SandenVendo Europe has increased its use of temporary staff to respond flexibly and promptly to growing production demand following the pandemic. This increase was confirmed between 2023 and 2024, rising **from 71 to 104 temporary workers**, representing a personnel management model based on **skills development, production continuity, and organizational inclusion**.

The company closely monitors working conditions, training, and the health and safety of temporary workers on par with permanent employees, **to support paths toward job stabilization and internal growth**. A proximity agreement signed with trade unions allows for temporary contracts, including temporary agency work, to be renewed for up to three years before being converted to permanent employment, thus offering greater opportunities for stable integration. A flexible path is also provided for permanent staff leasing contracts, with potential direct employment depending on the mutual needs of the company and the worker. In this way, SandenVendo reduces knowledge loss, **promotes talent retention in operational roles**, and strengthens organizational integration.

Training for temporary workers is provided from the very beginning of employment through the presence of an internal trainer, who is also responsible for the ISO management system and oversees technical training and the transmission of company values. All temporary workers are also included in occupational health surveillance programs, with 100% coverage, ensuring equal standards of protection comparable to those of direct staff.

PROTECTED CATEGORIES

SandenVendo Europe confirms the **presence of 11 individuals from protected categories** in 2024, maintaining the same figure as the previous year. This result is not merely the fulfillment of a legal requirement but reflects a **deliberate choice of inclusion** and continuity in employment. In several cases, these are people who developed a disability during their employment relationship, for whom the company activated internal relocation paths and job changes, ensuring the continuation of their activity in roles compatible with their condition, with full respect for their professional dignity.

Although the company operates in a structurally constrained environment with some architectural limitations in the production departments, it is committed to welcoming and integrating such individuals, especially in administrative areas, and identifying suitable working solutions for their specific needs. The pursued goal is to combine **social inclusion and actual operational sustainability**, fostering workplaces attentive to diversity and the value of every person.

HEALTH AND SAFETY AT WORK

The protection of workers' health and safety represents an essential pillar of corporate sustainability for SandenVendo and one of the main indicators of its commitment to the well-being and dignity of people. The company adopts a **prevention-oriented approach**, based on **shared responsibility** and **continuous improvement**, supported by a certified management system according to ISO 45001:2023, achieved in September 2024.

In 2024, a total of six workplace injuries were recorded (three involving employees and three involving temporary workers), none of which were serious or with permanent consequences. Only one case resulted in an absence longer than 40 days. This confirms a **trend of continuous improvement** compared to previous years: in fact, from a peak in 2021 and 2022 (10 injuries), the number progressively decreased (8 in 2023 and 6 in 2024). Furthermore, all injuries were resolved by the end of FY2024. The peak in injuries must be understood in the context of the post-pandemic production environment, which was marked by a sharp and sudden increase in market demand. To respond quickly, the company significantly increased the hiring of temporary staff, rapidly expanding the number of workers. This inevitably resulted in an initial phase of greater exposure to injury risks. However, SandenVendo reacted by investing significantly in **training, operational support, and a safety culture**.

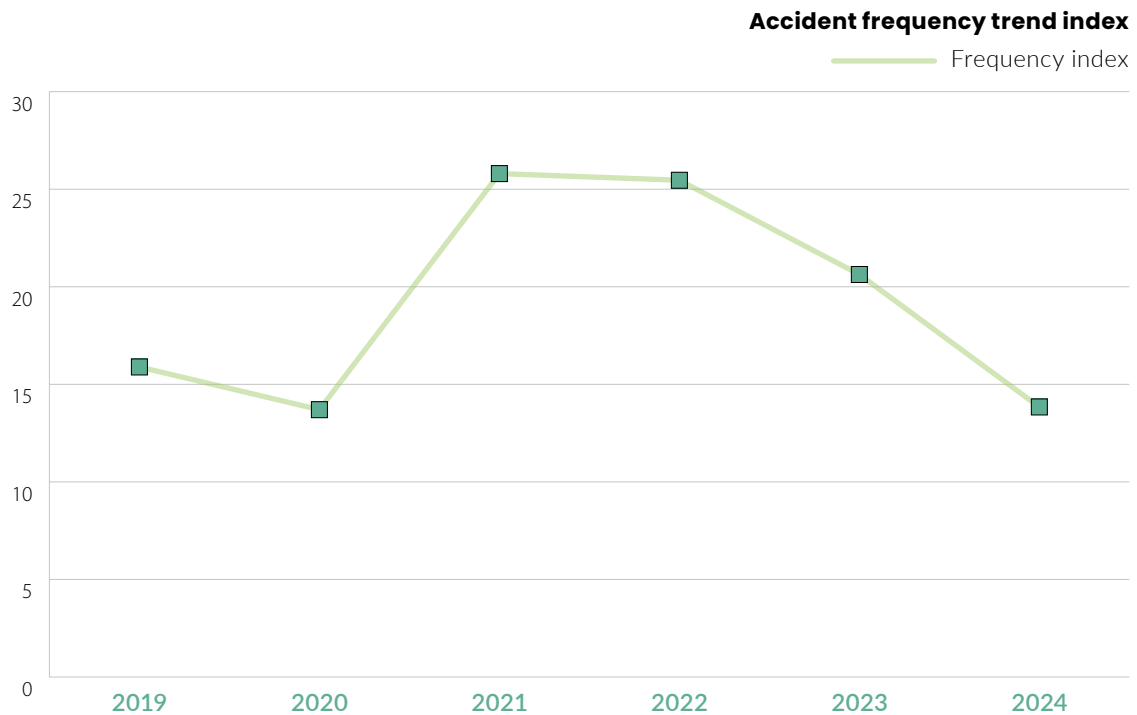
The effects of this approach are clearly reflected in the progressive reduction in injuries, demonstrating the effectiveness of a strategy that places people, their skills, and their safety at the center.

Year	2019	2020	2021	2022	2023	2024
Number of accidents	4	4	10	10	8	6

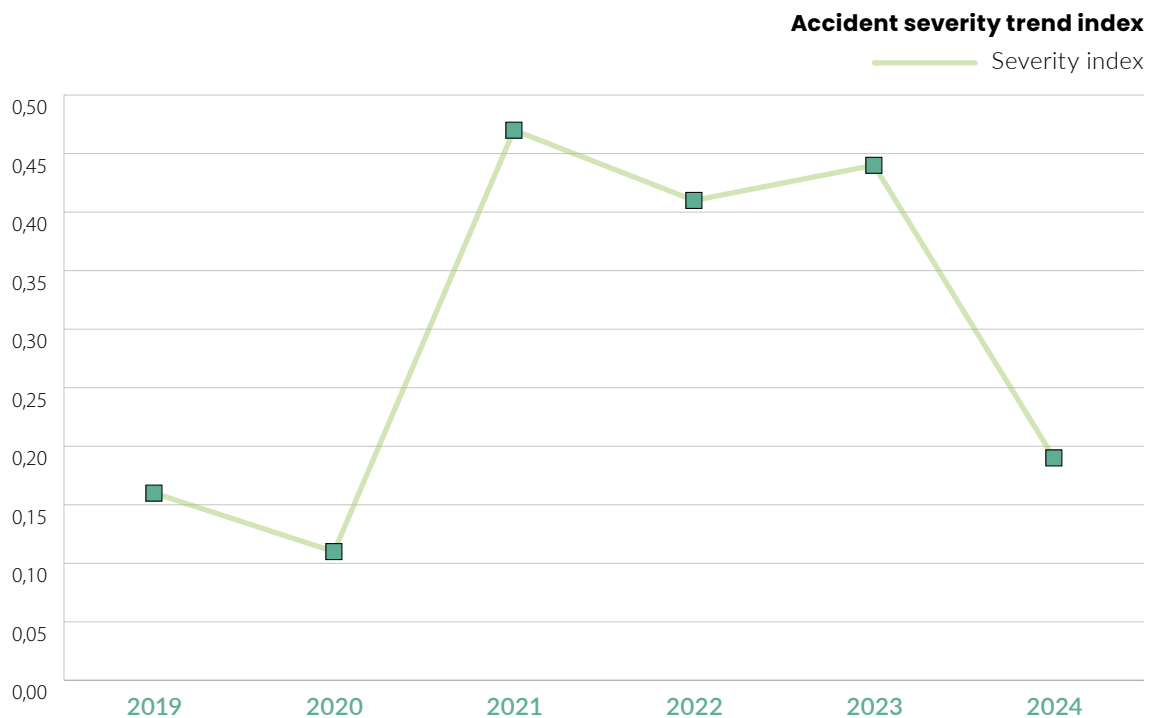
The injury frequency rate, which indicates the number of injuries with at least one day of absence per million hours worked, allows for an objective comparison of trends over time, regardless of workforce size or number of employees. At SandenVendo, this rate shows significant progress, decreasing from **25.8** in 2021 to **13.84** in 2024, **the lowest value in the last six years**. This indicates a lower incidence of injuries relative to hours worked and is a positive sign of the effectiveness of the company's safety prevention and management system.

The most common types of injuries involve cuts and finger crushing, for which the company has already implemented targeted corrective actions.





Another significant indicator is the **severity index of workplace injuries**, which measures the impact of injuries in terms of days lost per thousand hours worked. The improvement recorded by SandenVendo, from 0.47 in 2021 to 0.19 in 2024, reflects the effectiveness of the measures adopted to ensure safer work environments and increasingly controlled and effective processes in reducing the risk of injury.



All accidents, near misses, and reported hazardous conditions (between 80 and 100 reports managed annually) are carefully analyzed, recorded, and evaluated within a computerized system. The database also includes the corrective actions implemented and the verification of their effectiveness, in a structured process involving supervisors, the HSE officer (RSPP), the occupational physician, the union representatives (RSU), and the management systems officer. Two regular meetings are held each year involving key company stakeholders, while the Risk Assessment Document (DVR) is updated at least once a year or as needed.

All personnel, including temporary workers, undergo health surveillance (100%) through periodic, pre-employment, and on-demand medical examinations, based on the risks identified in the DVR and health protocols. The company medical room, which is set to be expanded, supports the work of the occupational physician in full compliance with workers' privacy rights as required by current regulations.

SandenVendo adopts a proactive model of continuous training: 100% of workers are trained according to legal requirements, thanks in part to the presence of an in-house trainer who is also responsible for the integrated management system. Training also includes temporary workers, reflecting a company-wide commitment to the entire workforce.

In 2024, 316 hours of safety training were provided, distributed among employees as follows:

	<i>Executives</i>	<i>Employees</i>	<i>Factory workers</i>	<i>Total hours of safety training</i>
Hours of safety training	12	230	74	316

From an operational standpoint, prevention tools have been strengthened:

- 10 first aid responders are active in the company, along with a defibrillator available since 2024.
- In addition to the HSE officer (RSPP), there are 22 supervisors evenly distributed across departments, and 9 safety managers who, although not formally delegated, assume full managerial responsibility.
- A system of vending machines for PPE (Personal Protective Equipment) is active, allowing workers to independently collect equipment using their ID badge. This system not only enables timely monitoring of usage and replacement of PPE but also psychologically reinforces individual responsibility in wearing them correctly.
- PPE includes certified footwear, differentiated by comfort and orthopedic needs approved by the occupational physician; in some cases, employees can propose an alternative that complies with regulations, with company financial support.
- Special attention is given to environmental and ergonomic improvements: in 2024, mobile coolers, new smoke extractors, and water-based brazing systems were installed, asbestos insulation was permanently removed, and the north warehouse roof was completely renovated. Ergonomically, specific measures were introduced to improve working conditions, especially on production lines: cushioning mats were added to reduce fatigue for standing workers, and lower worktables were introduced, designed to better fit the ergonomic needs of the assembly benches, which are staffed exclusively by female personnel. The assembly line was redesigned specifically to improve well-being and reduce physical stress related to the workstation.



Additional actions are already budgeted for 2025, including:

- Installation of heat extractors in the paint department
- Implementation of manipulators for load handling
- Creation of a new charging area for electric forklifts

Near-miss reporting is also strongly encouraged, with a risk index coded by color (from green to red) that helps prioritize interventions. The company has demonstrated strict enforcement of internal rules: in 2024, 5 non-compliant behaviors were sanctioned among workers, including cases of refusal to use PPE, signaling a company culture based on respect and shared responsibility.

The most frequent issues involve storage problems and risky behaviors in load handling. For this reason, the company introduced targeted corrective measures, such as reducing forklift speed and directly involving suppliers: they were required to adapt packaging to increase safety in warehouses, excluding those who did not comply with company standards.

These actions confirm SandenVendo's commitment to ensuring a safe work environment, also through the empowerment of its supply chain.

COLLECTIVE CONTRACTS AND REMUNERATION

The company applies the **National Collective Labor Agreement (CCNL) for the Metalworkers Industry to its employees**. In accordance with current regulations, the same contract also applies to temporary agency workers, guaranteeing them equal economic and contractual treatment compared to direct employees, for equal duties. In addition, proximity agreements have been signed with trade union representatives, allowing certain exceptions to the national contract in exchange for concrete commitments to employment stabilization. Only executives are not covered by the metalworkers' CCNL but follow a separate contract with dedicated welfare provisions.

Furthermore, it should be noted that during 2024, SandenVendo was awaiting the renewal of the collective agreement, which was delayed due to extended national union negotiations. Pending the new agreement, the company continues to provide remuneration conditions that exceed the minimum set by the reference CCNL for all employees and adopts a shared and formalized system for performance bonuses, granted to all staff, as a sign of the company's commitment to equitable and transparent recognition.

All workers, including agency workers, benefit from a system that allows performance bonuses to be converted into shopping vouchers, a currently structured form of monetary welfare. Additionally, an annual contribution in goods and services is provided via dedicated platforms. The company also covers most of the cost of employee meals at the company canteen. Industrial relations are characterized by constructive dialogue with trade union representatives (**RSU**), as demonstrated by the jointly defined summer working hours for production departments, flexible lunch breaks, and flexible start times for office staff, who are granted one hour of daily flexibility. In general, the company is proactive in addressing the needs of its employees. Several examples confirm this: although there is no structured smart working policy yet, the company allows occasional remote work in specific individual cases (e.g., caring for children or elderly family members).

To reinforce internal equity and pay transparency, SandenVendo Europe monitors two main indicators: the **gender pay gap**, which measures the pay difference between men and women, and **the ratio between the highest salary in the company and the median of all salaries**.

To monitor and report any gender-based pay disparities, the following table shows the ratio between the average base salary of women and that of men for each professional category (office staff and workers) for FY2023 and FY2024. A value of 1.00 indicates full pay equality.

RATIO OF BASE SALARY FOR WOMEN TO MEN	2023	2024
Employees	0.99	0.99
Factory workers	0.92	0.97

The data shown in the table refer only to full-time employees as of 31 December of each year.

In SandenVendo's case, there is substantial equality in the office staff category and a significant improvement among workers, where the indicator increased from 0.92 in 2023 to 0.97 in 2024. This trend highlights the organization's progress in promoting gender pay equity and the effectiveness of actions taken to foster a more inclusive and fair work environment.

The second indicator, the ratio between the highest salary in the company and the median salary, provides insight into the internal wage distribution: in SandenVendo's case, in 2024, this ratio increased from **3.1** to **3.2**. This ratio is influenced by the company's occupational structure, which is predominantly composed of operational roles rather than executive ones, resulting in the median salary aligning with that of the worker category.

At the same time, there was a **6% increase in the median salary**, a particularly significant indicator as it reflects growth distributed across the company workforce. This demonstrates the organization's commitment to improving the economic well-being of its employees, with positive effects on purchasing power and the internal working climate, especially in a challenging economic context marked by inflationary pressures.

The company will continue to monitor internal equity and remuneration indicators to ensure alignment between performance, responsibility, and financial recognition.

RATIO BETWEEN MAXIMUM AND MEDIAN REMUNERATION			
Data	2023	2024	Percentage deviation
Ratio	3.1	3.2	1.34
Maximum salary			8%
Median salary			6%

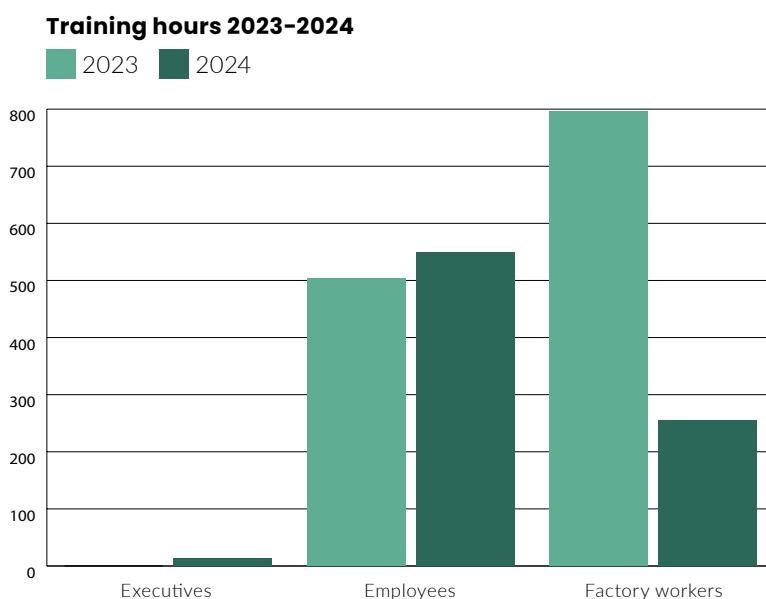


COLLECTIVE CONTRACTS AND REMUNERATION

SandenVendo Europe recognizes continuous training as a strategic element for the professional growth of individuals and the sustainable development of the organization. The company promotes an approach focused on the constant improvement of skills, with particular attention to the specific training needs of different roles and departments.

In 2024, **a total of 817 hours of training** were delivered, compared to 1,275 hours the previous year. This reduction is due to a process of streamlining training interventions, prioritizing greater focus and quality of content as part of a structured path of continuous improvement. In this regard, the company has set a **medium-term objective**: by March 2026, **a structured system for evaluating training** effectiveness will be introduced, in line with the provisions of the State-Regions Agreement, through the verification of acquired competencies.

A particularly significant development is the start of **training for company management**: in 2024, 14 hours of training were delivered to executives, compared to zero hours the previous year. This result signals important attention to leadership and the development of managerial skills, consistent with the company's intention to strengthen a culture of sustainability and responsibility at all levels of the organization.



Mandatory training, particularly in the area of **health and safety**, is regularly delivered and represents a fundamental safeguard for the company. Alongside this, **non-mandatory courses** are also promoted, designed to support professional development in technical and cross-functional areas. These include courses in CAD, English language, Excel, as well as specialized content in electronics and mechanics for technicians, and taxation, GDPR, and IT for office staff.

A **“Safety Day”** is also planned, aimed at strengthening the company's safety culture experientially and engagingly.



Employee well-being initiatives

Employee well-being is considered a strategic lever for organizational sustainability and operational continuity at SandenVendo Europe. The company promotes a work environment that values both professional development and quality of daily life in the workplace.

On the **training and professional development** front, the adopted approach integrates performance management with skill development. Since 2022, SandenVendo has launched a systematic skills mapping in the production area, followed in 2023 by the introduction of individual Key Performance Indicators, in order to make resource evaluation more objective and transparent. The plan includes extending this model to the administrative area starting in 2025, confirming the company's commitment to offering fair and structured development paths to all employees.

In terms of **physical and environmental well-being** in production departments, the company has introduced various improvements in response to emerging needs. These include the installation of hot air extractors and mobile coolers to reduce temperatures during hotter months, as well as the adoption of flexible schedules on days of higher heat stress. At the request of the Company Doctor, in response to specific needs, anti-fatigue mats have been placed in workstations requiring prolonged standing activities, and workbenches in female-dominated production lines have been modified to ensure greater ergonomic support for shorter-stature operators.

To promote a better **work-life balance**, SandenVendo is committed to meeting individual needs and promotes flexible working hours, especially for office staff. This allows employees greater autonomy in managing their time, adapting to personal and family needs.

To confirm its commitment to building a positive and inclusive work environment, SandenVendo Europe has included among its objectives for 2025 the launch of a **structured company climate survey**, aimed at collecting employee perceptions and suggestions, identifying possible areas for improvement, and promoting concrete actions of listening and continuous dialogue. At the same time, the company fosters a participatory culture through the active **involvement of people** even outside the production context, supporting and promoting social and community initiatives that positively impact the local area, such as participation in environmental events and support for local associations and foundations.

TERRITORIAL AND COMMUNITY INITIATIVES

For SandenVendo Europe, sustainability is not just a formal commitment, **but a concrete way of fulfilling its role in the territory**. The company actively participates in community life with environmental, social, and cultural initiatives involving real people, relationships, and values, carrying out simple but tangible actions together with employees and in response to local needs.

All investments and donations made in the social sphere, as well as gifts to employees during the Christmas period and company dinners, are carefully tracked and reported by the company, ensuring maximum transparency and consistency with corporate values. Starting from FY2025, SandenVendo has allocated a dedicated budget for sustainability initiatives, exceeding 10,000 euros per year. Of this, more than 4,000 euros are expected to be allocated exclusively to social projects, in addition to approximately 10,000 euros annually for reforestation activities.

Among the most significant initiatives is the multi-year project for carbon neutrality, launched in FY2020. In collaboration with the Po Park, the company has supported various reforestation and green area redevelopment activities, including the creation of groves, recreational spaces for picnics and walking, and the reallocation of native trees. The agreement with the Park has a duration of twenty years and also includes maintenance of the areas: the trees planted cannot be removed for at least 40 years, ensuring long-term environmental impact.

These areas also host local beekeepers, whose honey is purchased by the company and given to employees as a Christmas present, further strengthening the synergy between environmental protection and the enhancement of local production realities.

Moreover, the Carbon Neutrality project encompasses all the structural improvements, investments, and minor projects carried out by the company to reduce its direct and indirect emissions. These interventions, ranging from energy efficiency to renewable energy systems and production process optimization, not only contribute



Flagship Project: Carbon Neutral, Reforestation, and SandenVendo Custom Honey

to achieving the company's environmental goals but also generate tangible benefits for the surrounding territory and the community. These include improved air quality, reduced environmental impacts from production activities, and healthier and safer working conditions for employees, who are themselves an integral part of the local community and territory in which SandenVendo operates.

Social Day and Solidarity Initiatives

Since FY2012, the company has organized a “Social Day” every year, a day dedicated to solidarity that initially started as a local park cleanup activity and has since evolved into charity events. Recent examples include:

- FY2022: a day at a local swimming pool with children with disabilities. This initiative focused on inclusion and sharing and was born from an idea by a SandenVendo employee.
- FY2023: a charity run called **“StraVendo”** through the fields surrounding the company and separating it from the Po River, with start and finish at the company premises. The charity contributions were donated to the Local Red Cross. This initiative has become a recurring annual event for SandenVendo employees and, due to its success, has been designated as the company’s main Social Day starting from FY2025.
- In FY2024, participation in the **“Galleggia Non Galleggia”** event marked SandenVendo’s official Social Day.

Held each July in Casale Monferrato, this unique event features creative cardboard boats competing for originality. SandenVendo took part with its own boat and contributed both as a participant and a sponsor, supporting the “Amici del Po” association. The registration fees were allocated to the maintenance and enhancement of the Po River’s banks, including the upkeep of small docks for canoes, kayaks, and small boats. For FY2025, the company plans to increase its donation to further support the initiative.

SandenVendo also takes part in other local events such as **StraCasale** and **Casale Comics & Games**. In FY2024, it began sponsoring the region’s historic **Festa del Vino** and has committed to renewing its support in future editions, demonstrating a long-term, concrete bond with the territory.



Partnerships with the Third Sector

SandenVendo collaborates with various non-profit organizations and social initiatives, promoting inclusion and solidarity:

- **Fondazione Uspidalet:** A non-profit organization that raises funds for the pediatric hospital in Alessandria, one of 16 children's hospitals in Italy: the company hosted the non-profit organization's Christmas lottery ticket sale in December 2023, supporting it with the purchase of tickets and Easter eggs.
- **Anffas:** An association that supports people with disabilities: collaboration in the distribution of Easter cakes to employees.
- **Plastic Cap Collection Project:** A grassroots initiative launched by a SandenVendo employee to collect plastic caps. The proceeds, via the Crescentino branch of the Italian Red Cross, were used to purchase medical equipment and fund social inclusion projects. The company welcomed and fully supported the proposal and is open to endorsing similar initiatives in the future.
- **Solidarity Keychains (FY2024):** Made from scrap sheet metal in partnership with a non-profit cooperative, these puzzle-shaped keychains (symbol of autism awareness) were sold at local markets. Proceeds were donated to an autism-focused charity, marking another initiative started by a SandenVendo employee.



Sport, Youth, and Remembrance

- **Spinoglio Memorial Football Tournament:** Since FY2019, this annual spring event has brought together SandenVendo employees, friends, and the family of the late company president in a friendly football tournament held in his memory. Participation is free, with donations collected and donated to “La Misericordia”, a local emergency medical association active in the Monferrato area.
- **Local Sports Sponsorships and Community Engagement**
 1. In FY2024, SandenVendo Europe supported ASD Moranese, a local football team, by contributing to the launch of its new youth sector.
 2. Previously, the company had backed Cilavegna Volley, a women’s volleyball team competing in the Serie D league, until 2023.
- **Looking ahead to FY2025,** the company has already planned to support three new sponsorships, including: The return of support to the Cilavegna amateur volleyball team, a new partnership with Popolo Club, an amateur 11-a-side football team in the local area, sponsorship of Pro Vercelli Scherma, a nationally recognized fencing club.



Educational and Cultural Initiatives

- **“Fabbriche Aperte Piemonte”** (Piedmont’s Open Factories): Since FY2019 (excluding the pandemic years), SandenVendo has participated in this regional initiative by opening its doors to the public for guided factory tours. The program aims to raise awareness of the company’s manufacturing processes and industrial heritage within the local community.
- **“Fai la mossa giusta”** (Make the Right Move): SandenVendo also took part in this career orientation event organized by the Municipality of Casale Monferrato. The initiative allows local companies to present their work environments and job opportunities to middle and high school students, helping them make informed decisions about their educational and professional futures.



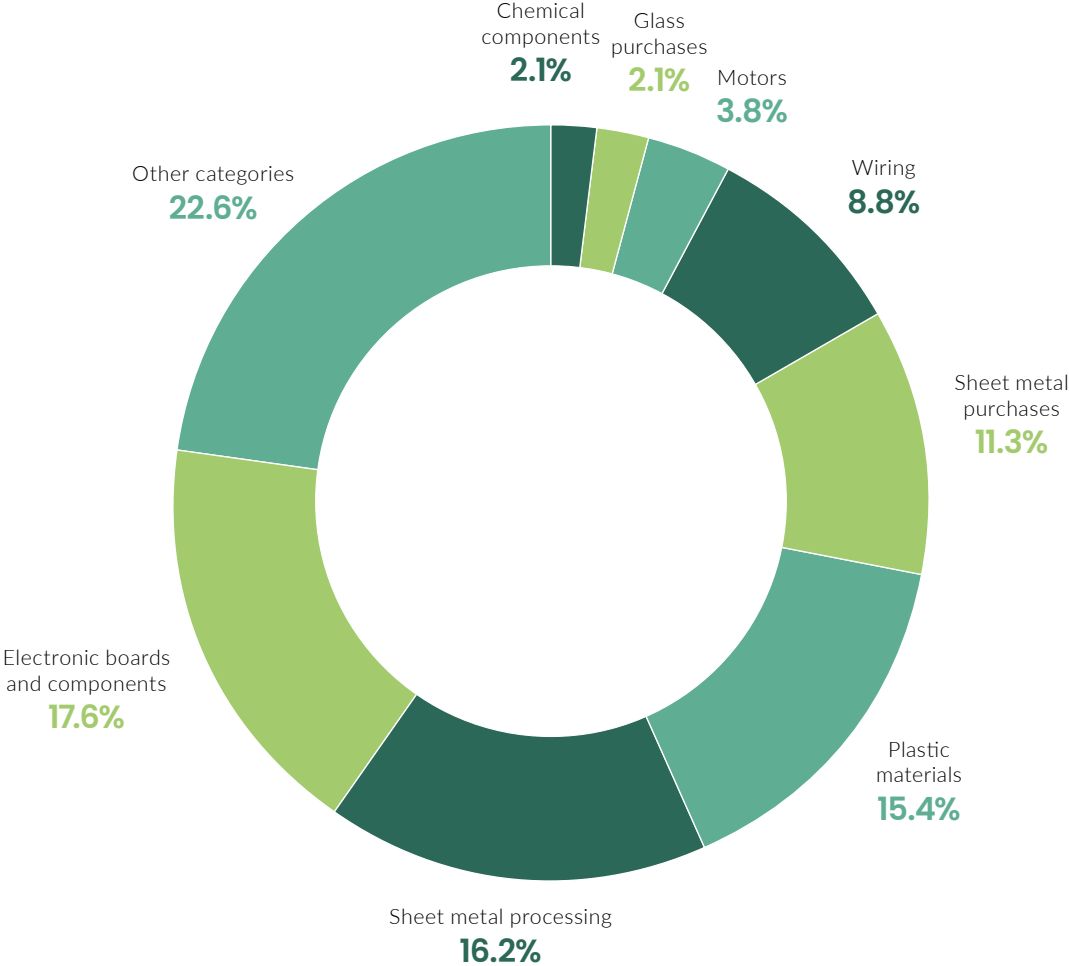


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- A faint, stylized world map is visible in the background of the page, rendered in a light green color that matches the overall theme.
- 01 **Company**
 - 02 **Governance**
 - 03 **Business Model**
 - 04 **Materiality**
 - 05 **Social Responsibility**
 - 06 **Environmental Responsibility**

INBOUND MATERIALS AND SUPPLIERS

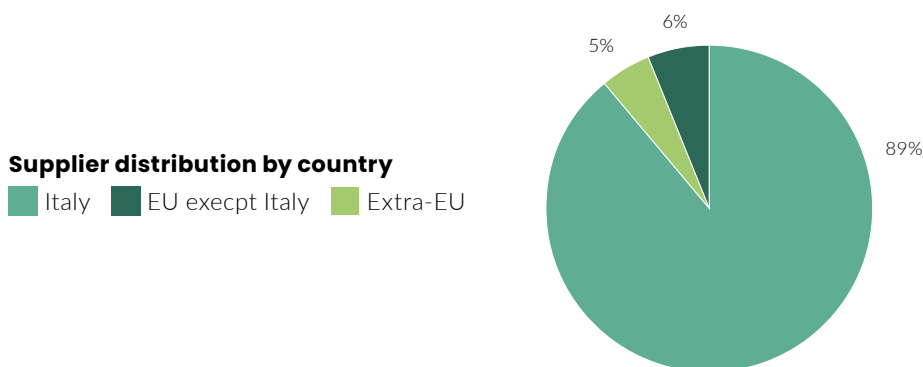
The main resources consumed by SandenVendo Europe in 2024 fall into the following ten product categories: sheet metal purchases, sheet metal processing, glass panel purchases, wiring, plastic materials, electronic/ electrical boards and components, Bitron motors, chemical components, and packaging materials.

The analysis of inbound materials is based on these ten categories, which together account for 73% of the company’s total purchasing turnover. The adjacent chart illustrates the percentage distribution of purchasing value across each category.



SUPPLIERS

In 2024, SandenVendo Europe reaffirmed its commitment to a responsible and resilient supply chain, prioritizing suppliers located within the national and European territory. Specifically, 89% of suppliers are based in Italy, 6% in other EU countries, and only 5% in non-EU countries, including Switzerland, China, Japan, India, Mexico, and the United States. All steel mills supplying the company are located in Italy, further reinforcing the local anchoring of the supply chain.



This strategic choice translates into concrete environmental, social, and economic benefits:

- Reduction of environmental impact related to goods transportation, contributing to the decrease of Scope 3 CO₂ emissions.
- Greater traceability and quality control of purchased materials, thanks to the suppliers' proximity.
- Development and strengthening of the local industrial fabric, supporting the regional economy.
- Improved supply chain resilience, reducing the risk of disruption due to geopolitical or international logistical instability.
- Facilitated dialogue with suppliers on ESG topics, thanks to cultural, regulatory, and linguistic proximity.

The strong presence of Italian and European suppliers aligns with the company's sustainability and operational continuity approach and represents a distinctive factor in SandenVendo Europe's procurement strategy.

In particular, the facilitation of ESG dialogue has proven crucial for initiating a CSR mapping process of the company's supply chain. Through a targeted questionnaire, the company collected statements from suppliers about their sustainability commitments, including the preparation of sustainability reports, the adoption of formal policies on social and environmental topics, the responsible environmental risk and resource management and the possession of ISO certifications.

The outcomes of this first survey, mainly serving an awareness-raising purpose, will form the foundation for further developing the process. The next steps include strengthening the monitoring system, requesting certifications to support suppliers' self-declarations, and introducing a supplier environmental rating system to guide procurement decisions toward partners aligned with the company's climate neutrality goals. This approach will allow the gradual introduction of more selective criteria, while giving suppliers sufficient time to adapt. The current awareness phase thus represents the first step toward a supply chain increasingly aligned with the company's long-term environmental goals.



INBOUND MATERIALS

SandenVendo Europe uses a wide range of materials in its production processes, with a strong predominance of metal materials. Among these, steel is the main material, used in three variants: shiny, galvanized, and electro-galvanized, depending on structural and functional requirements. 25% of the metal material purchased is subsequently disposed of as scrap for recycling, reflecting careful management of residual materials. The supplying steel mills are required to use at least 15% recycled content in iron sheets, and SVE has initiated dialogue with them to explore lower environmental impact solutions.

Alongside metals, the company makes extensive use of plastic components, wiring, compressors, glass, and motors, many of which are sourced from highly selected external suppliers. The plastic materials used in production include various types such as LDPE, HDPE, thermoformed plastic, and specialized materials like technical foams and synthetic rubber, used for specific components. Where technically feasible, SandenVendo favors the use of recycled plastic, especially for components such as trays, divider panels, and internal handling parts: these now reach 100% recycled content. However, internal tests have shown technical limitations in some applications, where non-virgin plastic would compromise product durability. As for recycled glass, it is not readily available in Italy due to challenges in achieving the same level of quality and purity as virgin glass.

Regarding traceability and control of inbound materials, the company conducts monthly monitoring of purchases and inventory values, integrating the data into its quality and environmental management system. A dedicated software also tracks complaints and returns, helping ensure high standards of material quality. SandenVendo Europe is certified ISO 14064-1:2018 and has already launched a process to map and quantify incoming materials, aiming to improve reporting of its environmental footprint. Where direct data is unavailable, estimates are made based on the actual weight of parts and annual volumes handled.

ENERGY CONSUMPTION AND GHG EMISSIONS

Energy Consumption

Efficient energy management and the monitoring of greenhouse gas (GHG) emissions are central pillars of SandenVendo's environmental strategy. The company annually reports its energy consumption and related CO₂ equivalent (tCO₂e) emissions, covering both direct and indirect sources. Data is collected and processed within the framework of an environmental management system certified under ISO 14064-1:2018, ensuring high reliability and methodological consistency in line with the GHG Protocol guidelines adopted for this Sustainability Report.

SandenVendo's energy supply is based on three main sources:

1. Electricity

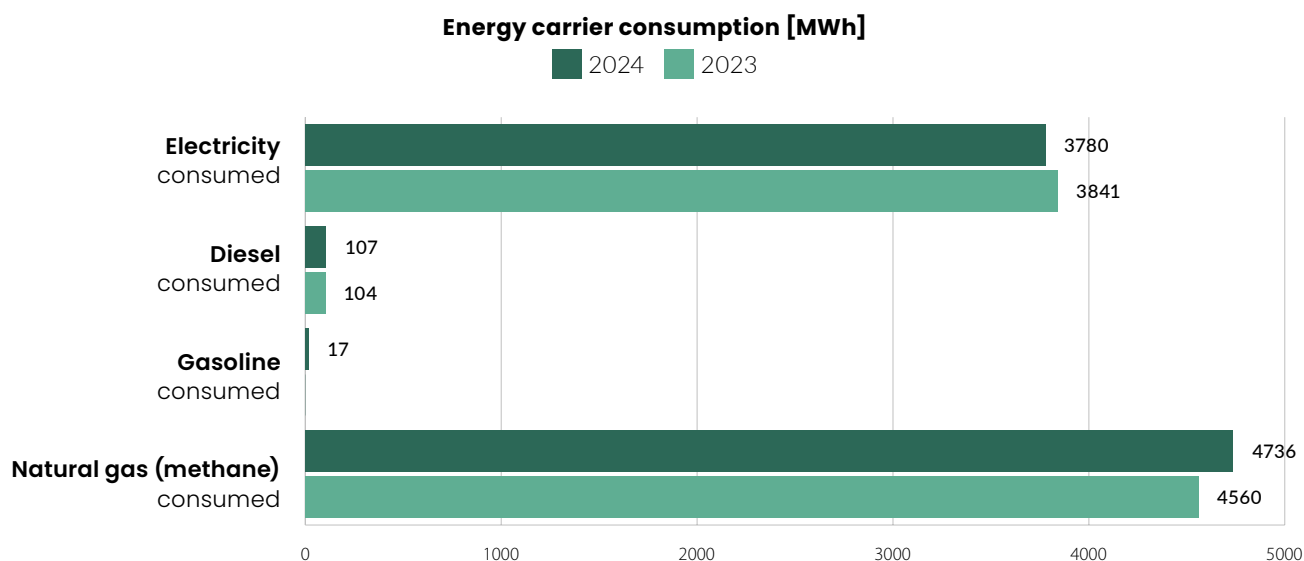
Electricity is used for operating production systems as well as administrative and managerial activities, including lighting and IT equipment. This category also includes electricity consumption from electric forklifts, although disaggregated data for them is not available. In FY2024, based on data from E.ON Energia S.p.A., total electricity consumption reached 3,779,777 kWh, a 1.60% decrease compared to 2023 (3,841,380 kWh). Since January 1, 2022, the company has been sourcing 100% renewable electricity, certified through Guarantees of Origin (GO). This transition has allowed SandenVendo to offset Scope 2 emissions according to the market-based method (as detailed in the Scope 1 and Scope 2 section).

2. Natural Gas

Within the facility, natural gas is used for heating office and production areas, technological use in the painting department. The methane-powered boilers are a direct source of GHG emissions and fall under Scope 1 of emissions reporting. In FY2024, total natural gas consumption was 479,161 cubic meters, representing a +3.5% increase from the 463,014 m³ recorded in 2023. This data is certified through official measurement reports provided by SNAM, Italy's national gas distribution operator. To address the environmental impact of this consumption, the company has activated a carbon offsetting mechanism in collaboration with A2A Energia S.p.A. For 2024 emissions, SandenVendo received Compensation Certificate No. 202275 (issued on April 9, 2025), confirming the cancellation of corresponding carbon credits. Offsetting is also guaranteed for the 2025 calendar year, linked to specific projects to be detailed in future certificates and materials provided by A2A. This approach allows SandenVendo to proactively manage direct emissions from natural gas, supporting its climate impact reduction strategy in line with corporate environmental policies.

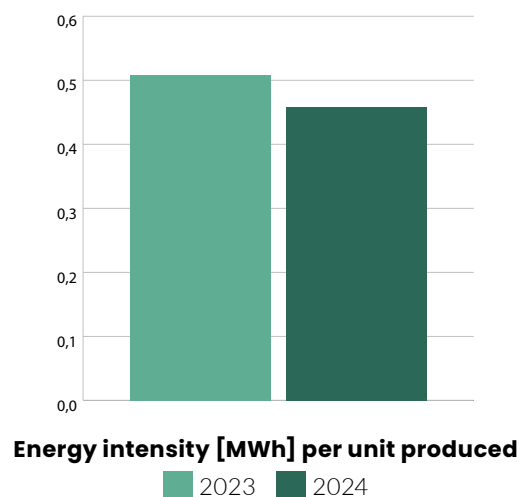
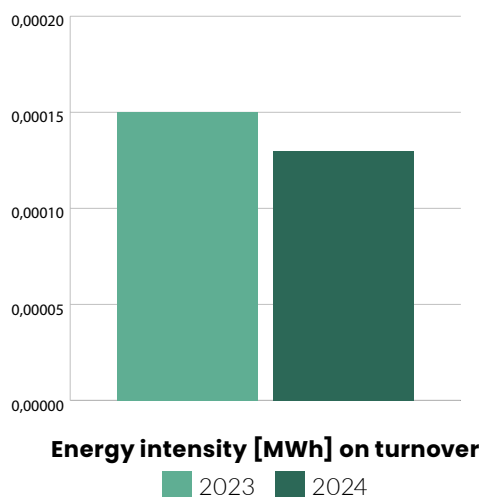
3. Fossil Fuels (Diesel and Gasoline)

SandenVendo operates a leased fleet of company vehicles used by employees and managers for business-related travel. Although leased, the vehicles fall under Scope 1 emissions since the organization retains full operational control over their use. The entire fleet currently uses diesel engines, with fuel purchased at affiliated service stations via electronic fuel cards, which allow for precise monthly reporting of consumption. In FY2024: Diesel consumption totaled 10,545 liters, a +1.88% increase from FY2023 (10,350 liters). An additional 1,895 liters of gasoline were consumed due to the introduction of two new hybrid gasoline vehicles, part of the fleet renewal initiative.



It is noteworthy that in FY2024, **energy intensity decreased** compared to the previous year, both per unit produced and per euro of revenue:

- **Energy intensity per unit produced** dropped from 0.508 MWh/unit in FY2023 to 0.458 MWh/unit in FY2024, representing a 9.84% reduction.
- **Energy intensity per euro of revenue** decreased from 0.00015 MWh/€ to 0.00013 MWh/€, equating to a 13.3% reduction.



These results reflect an overall improvement in the organization's energy efficiency. Process and equipment upgrades, combined with more conscious resource management, enabled the company to keep energy consumption virtually stable despite a significant increase in productivity.

SCOPE 1 AND SCOPE 2 EMISSIONS

SandenVendo Europe calculates its greenhouse gas (GHG) emissions in accordance with the GHG Protocol, including both direct emissions (Scope 1) from natural gas and fossil fuel consumption, and indirect emissions (Scope 2) associated with purchased electricity.

Scope 1

Although emissions from natural gas combustion have been offset by the organization through the cancellation of certified carbon credits, in accordance with the GHG Protocol, they are still reported. In addition, the calculation of Scope 1 emissions includes emissions generated by the company fleet and fugitive emissions related to the loss of R407C refrigerant for the Ecoprima 10000k system during its refilling. The data used and the total calculated in tons of CO₂ equivalent are shown below.

	2024	2023	Unit of Measurement
Total of Scope 1 Emissions	1000	965	tCO ₂

Scope 2

In line with the Greenhouse Gas Protocol, SandenVendo's Scope 2 emissions have been reported using both methods: location-based and market-based. The location-based method attributes emissions based on the average national energy mix. In this case, emissions are calculated using a standard emission factor (ISPRA 2018^[4]) that reflects electricity production from all sources present in the Italian grid, including fossil fuels. Therefore, even if the company uses renewable energy, this approach still estimates CO₂ equivalent emissions.

The market-based method, on the other hand, takes into account the contractual choice of the energy supplier. Since 2022, SandenVendo has been purchasing 100% electricity from renewable sources, certified through Guarantees of Origin (GO). According to this approach, since the energy comes exclusively from renewable sources, the relative emission factor is zero, and consequently Scope 2 emissions are zero.

It is therefore thanks to the voluntary and traceable procurement of renewable energy that, according to the market-based method, **the company can declare zero Scope 2 emissions**. However, for the sake of completeness and transparency, the values calculated using the location-based method are also reported.

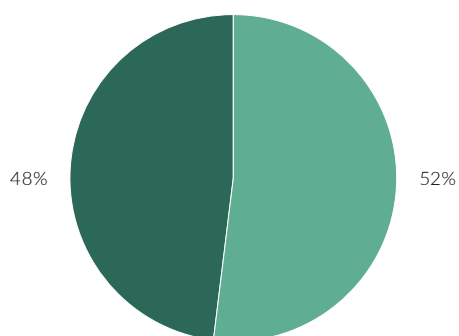
	2024	2023	Unit of Measurement
Total Scope 2 Location-Based Emissions	914	908	tCO ₂
Total Scope 2 Market-Based Emissions	0	0	tCO ₂

^[4] For Scope 2 emissions quantified using a location-based approach, the emission factor for gross national electricity production published by ISPRA in 2020 was used, based on data updated to 2018, the last year for which complete and non-estimated values are available.



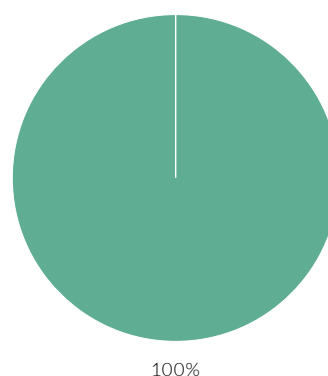
**Scope 1 + Scope 2
Location-Based Emissions 2024**

■ Scope 2 Location-Based Emissions
■ Scope 1 Emissions



**Scope 1 + Scope 2
Market-Based Emissions 2024**

■ Scope 1 Emissions



Although emissions from natural gas combustion have been offset by the company through the cancellation of certified carbon credits, in accordance with the GHG Protocol, they are still reported. In addition, the calculation of Scope 1 emissions includes emissions generated by the company fleet and fugitive emissions related to the loss of R407C refrigerant for the Ecoprima 10000k system during its refilling. The data used and the total calculated in tons of CO₂ equivalent are shown below.

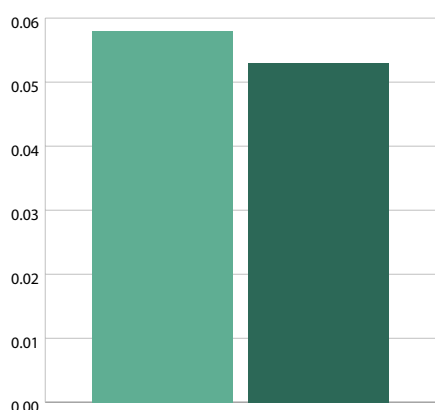
GHG Emission Intensity

This indicator relates total CO₂ equivalent emissions to the volume of company production or turnover, providing a measure of environmental efficiency per unit of output. Monitoring GHG intensity is essential for verifying the company's progress in decarbonization, regardless of absolute production levels.

In FY2024, there was a **reduction in emissions intensity**, both in relation to turnover and production, reflecting an improvement in the organization's environmental efficiency.

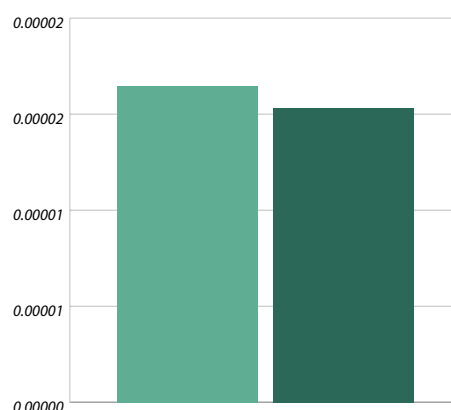
- Per euro of revenue, emissions intensity fell from 1.648×10^{-5} tCO₂ eq/€ in FY2023 to 1.533×10^{-5} tCO₂ eq/€ in FY2024, a reduction of 6.99%
- Per unit produced, it fell from 0.058 tCO₂ eq/unit to 0.053 tCO₂ eq/unit, an 8.62% reduction.

These results reflect the effectiveness of the company's initiatives to reduce both direct and indirect emissions, and a more efficient use of resources relative to operational output.



**Scope 1 + Scope 2
Market-Based Emissions Intensity
(tons of CO₂ per unit produced)**

■ 2023 ■ 2024



**Scope 1 + Scope 2
Market-Based Emissions Intensity
(tons of CO₂ / revenue)**

■ 2023 ■ 2024

Scope 3 – From the GHG Inventory Report

Achieving ISO 14064-1:2018 certification has been a significant added value for SandenVendo Europe, as it has provided a concrete tool for achieving two key objectives that anticipate European emissions directives:

- 1. Offsetting Scope 1&2* by fiscal year 2024 (FY24);
- 2. Offsetting Scope 3* by fiscal year 2030 (FY30).

**Scope 1, 2 and 3 as defined by the GHG Protocol.*

Thanks to the GHG emission mitigation activities undertaken (see the next paragraph for more information), the company has brought forward the achievement of its first target to 2022.

At the same time, in FY2021 SandenVendo Europe began mapping its Scope 3 indirect emissions, which include all indirect emissions generated outside the company’s direct operational boundaries. The categories identified as significant by the inventory process in FY2024 relating to Scope 3 are as follows:

- Indirect emissions from transport operations: Upstream transport and distribution of purchased goods; Downstream transport and distribution of products; Waste transport and disposal; Employee transport and travel.
- Indirect emissions from products or services used: Production and processing of purchased raw materials; Waste disposal.
- Indirect emissions from product use: Use phase of products sold; End-of-life of products sold.

As part of the analysis conducted, Scope 3 emissions in FY2024^[5] from these sources amount to 87,336.07 tCO₂eq, showing an overall reduction of 8% compared to FY2023.

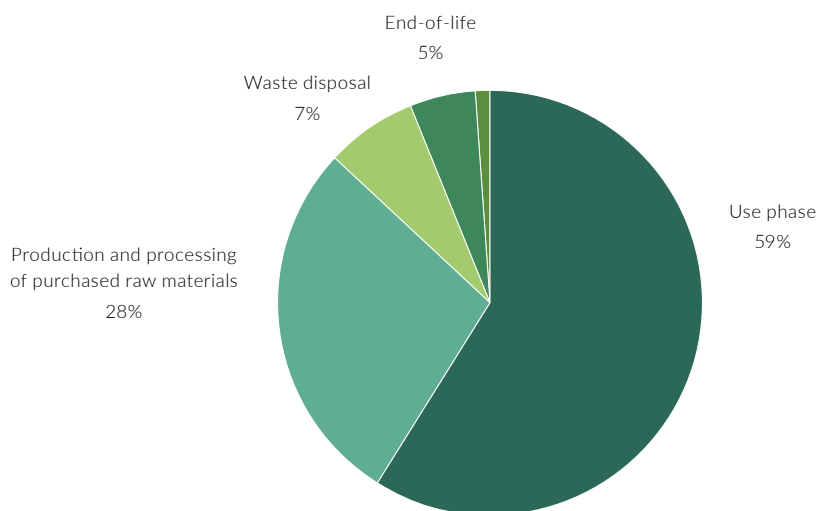
	2024	2023	Unit of Measurement
Total of Scope 3 Emissions	87,336	95,079	tCO ₂

^[5] It should be noted that, at the time of this reporting, the data relating to Scope 3 emissions have not yet been officially certified. Therefore, they may be subject to slight changes during the certification process, which will take place in October 2025.

Thanks also to greater accuracy in data collection, emissions from upstream transport and distribution are down by more than 40%, while downstream emissions are down by almost 60% compared to FY2023. In this regard, to reduce indirect emissions related to the transport and storage of technical gases, the company has installed an internal nitrogen generator to serve the laser systems, climatic chambers, and safety devices in Atex systems (such as the cyclopentane tank). This solution makes it possible to almost completely eliminate external supplies of nitrogen in cylinders, ensuring operational autonomy and continuity thanks to a ready-to-use safety reserve. This is a concrete example of logistical and environmental optimization in industrial operations

In terms of emissions related to the product use phase, on the other hand, we can mention the introduction of HCD cooling system technology, installed in 2024 on vending machines, which has reduced emissions in the use phase by 13%, despite a 12% increase in sales (over 2,000 units).

Finally, the consolidated analysis of total greenhouse gas emissions, conducted in accordance with ISO 14064-1:2018, indicates that the product use phase is the most significant category, accounting for 59% of total emissions. This is followed by the production and processing of purchased raw materials (28%), waste disposal (7%), and the end-of-life of sold products (5%). The remaining categories collectively represent approximately 1%.



In line with the Group's commitment to the **Science Based Targets initiative (SBTi)**, a joint project aimed at defining emission reduction targets consistent with scientific scenarios for climate mitigation, the company will participate in the development of shared targets.

SandenVendo's goal is to continue with comprehensive monitoring of Scope 1, 2, and 3 emissions and, for FY2026, to define a structured plan for reducing emissions across the company.

Emissions compensation mechanisms: GHG removal initiatives towards the Net Zero target

As anticipated, in 2020 SandenVendo launched the Carbon Neutral Project, an integrated program aimed at offsetting CO₂ emissions generated by its Italian production plant, with the goal of achieving climate neutrality (NetZero) by 2050. A dedicated label (**Carbon Neutral Project**) is affixed to the latest vending machines to communicate the environmental value of the purchase choice to the market. This approach has enabled SandenVendo not only to reduce its climate footprint, but also to actively involve customers and stakeholders in a shared path towards sustainability.

The plan involves the progressive reduction of direct (Scope 1) and indirect (Scope 2) emissions, offsetting residual climate-changing emissions through two main mitigation strategies:

- A local **reforestation** initiative launched in collaboration with the Management Body for Protected Areas of the Po River in Piedmont;
- And the purchase of **certified voluntary carbon credits** according to the international Voluntary Carbon Standard (VCS).

Local reforestation project

The Carbon Neutral Project, launched in 2020, involves the planting and permanent management of non-productive wooded land in Piedmont.

The planting and maintenance activities are entirely funded by the organization, while ownership of the land remains with the public body. To date, the project has led to the planting of a total of 2,709 trees, 588 of which were planted in FY2024, covering a total area of approximately 2.44 hectares distributed between the municipalities of Palazzolo Vercellese and Casale Monferrato.

The species used are native, selected to ensure ecological stability and effective carbon absorption in the medium to long term, promoting not only CO₂ sequestration but also the regeneration of the local ecosystem. The strategy also includes the restoration of failures (i.e., unsuccessful rooting), which are monitored annually and compensated for with new plantings.



Quantification of removals

Greenhouse gas removals were estimated using the ex-ante methodology developed as part of the Carbon Footprint Registry project promoted by the Spanish Ministry for Ecological Transition, in accordance with IPCC guidelines and UNFCCC requirements.

The methodology considers:

- Only living biomass (excluding soil and dead matter);
- A time horizon of 40 years;
- And a conservative estimate of absorption equal to 20% of the theoretical total in the first year, in line with best practices for reforestation projects not intended for harvesting.

The estimates were calculated using specific calculation tools, considering the life cycle of each plant and the species to which it belongs. For some species not included in the reference dataset, similar species were used based on the Park Authority's recommendations.

AIR, WATER, AND SOIL POLLUTION

Air pollution: other emissions

In accordance with the guidelines contained in the GHG Protocol and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, emissions of air pollutants other than greenhouse gases regulated by the Kyoto Protocol, for example, NO_x, SO_x, VOCs, PM, but associated with GHGs as possible precursors, must be managed and reported separately from the GHG Inventory.

In the case of SandenVendo Europe, these emissions are derived from the production of refrigerants and the operation of refrigeration equipment. PM, but associated with GHGs as possible precursors, must be managed and reported separately from the GHG Inventory. In the case of SandenVendo Europe, these emissions come from the chimneys in the plant and, although not included in the official GHG emissions count, are regularly monitored and recorded every three years. In 2023, a total of 38.17 tons of other pollutants were detected. Specifically, these are nitrogen oxides (NO_x), carbon monoxide (CO), and total organic carbon (TOC). Detailed data are shown in the table below.

Other pollutants	Ton in 2024
NO _x	32.24
CO	2.81
TOC	3.12
Total other pollutants	38.17

WATER RESOURCE PROTECTION

To assess the water risk in the area where SandenVendo is located, the Aqueduct Water Risk Atlas was used, a tool developed by the World Resources Institute (WRI). This tool allows mapping and quantifying the main water-related risks (such as water stress, resource quality, seasonal scarcity, extreme events, and regulatory risks) on a global scale. The tool combines geospatial data and hydrological models to provide reliable indicators of physical, qualitative, and reputational water risk.

According to the Aqueduct Water Risk Atlas mapping, the location where SandenVendo operates, Regione Cavallino, 2, Coniolo (AL), is exposed to an Overall Water Risk classified as medium-high, with a level of 2-3 on a scale from 0-1 (low) to 4-5 (extremely high), due to its proximity to the Po River. This implies the possibility of significant pressure on the water resource. In light of this, the Company is committed to managing water use responsibly in its processes, promoting consumption reduction and adopting industrial practices with low water impact. Awareness of the risk also serves as an incentive for the continuous monitoring of needs and the assessment of potential mitigation actions, in line with principles of environmental sustainability and operational resilience.

The company's water supply comes from the public water network and wells. The consumption data show an **overall reduction of 8%** from 2023 to 2024, thanks to the actions taken to reduce water waste.

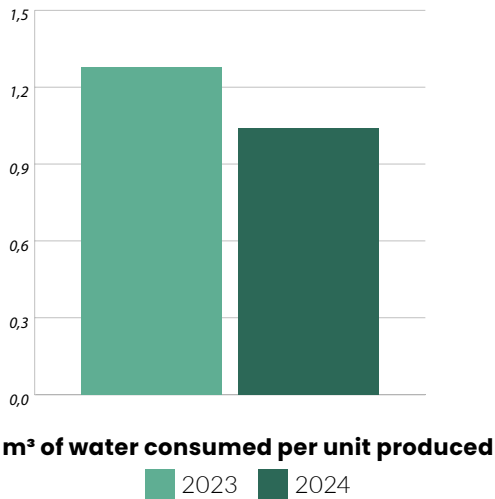
H ₂ O withdrawal	2023	2024	Variation in m ³
From public water supply in m ³	1,046	906	-13.39%
From wells in m ³	20,360	18,788	-7.72%
Total water in m³	21,406	19,694	-8%

SandenVendo Europe recognizes the strategic importance of water resources and actively commits to responsible management, adopting solutions aimed at reducing consumption and minimizing waste. Water use is heavily concentrated in the painting department, where it is mainly employed for the pretreatment of semi-finished products through washing with acid solutions and demineralized water, essential phases to ensure the quality of the final product. The entire volume of water used is collected and directed to an internal purification system, which ensures effective treatment before disposal or reuse.

The company is progressively implementing practices to increase the recycling of process water, with the goal of exceeding 20% reuse, thereby reducing withdrawals from external sources and minimizing waste. In 2024, the company completed the covering of collection tanks used for water from the industrial painting process. Previously, rainwater also flowed into these open tanks, reducing the efficiency of the treatment system. This intervention allows for significant energy and water savings by reducing the volumes requiring purification.

Water discharges are managed in accordance with environmental authorizations (AUA) and under the control of ISO 14001:2015 certification, with the Ovest Sesia public treatment plant treating and purifying wastewater before its release into the Po River. At the same time, SandenVendo uses alternative water sources, such as well water for technological uses, and limits the use of drinking water to sanitary facilities and the canteen, where consumption is monitored by dedicated meters and remains low. These interventions are part of the company's Water Policy (see the Policy chapter), which guides consumption reduction strategies, waste prevention, and water resource protection, reaffirming SandenVendo Europe's commitment to the sustainable and responsible management of water, a valuable and increasingly critical resource. The results of this commitment are confirmed by the 18% reduction in water consumed per unit produced between 2023 and 2024, from 1.28 m³ in 2023 to 1.04 m³ in 2024.

m³ of water consumed per unit produced	2023	2024
m³ of water consumed / unit produced	1.28	1.04



BIODIVERSITY

The SandenVendo plant is located near the Po River Park, a protected natural area of high ecological value. The proximity to sensitive ecosystems makes it essential to prevent potential environmental impacts, especially in the event of hydrogeological events. To this end, the company has carried out significant infrastructure interventions, such as raising embankments and facility banks after the 1994 flood, measures that proved effective during the 2000 flood, when water did not reach the plant.

In addition to risk management, SandenVendo promotes biodiversity conservation initiatives, including reforestation activities and projects supporting pollinating insects. The Carbon Neutral Project, launched in 2020, included the planting of over 2,700 trees along the Po River, contributing to the restoration of natural habitats. Since 2022, the company has also been collaborating with local beekeepers to support sustainable beekeeping and honey production, a symbol of ecosystem health and the natural richness of the region.

WASTE MANAGEMENT AND CIRCULAR ECONOMY

SandenVendo adopts a structured and responsible approach to waste management, in line with ISO 14001:2015 and ISO 14064-1:2018 environmental certifications and in compliance with its Waste Policy. All outgoing flows from the plant are monitored, tracked, and classified according to their final treatment type: recovery, recycling, incineration, or landfill disposal.

The company's goal is to minimize the environmental impact of its activities by reducing waste generation and increasing recovery and valorization rates. In this context, virtuous circular economy practices are also implemented, such as the internal reuse of wood and the adoption of packaging made with recycled materials. Additionally, there is an active collaboration with an external operator for the collection and potential recovery of electrical wiring as by-products.



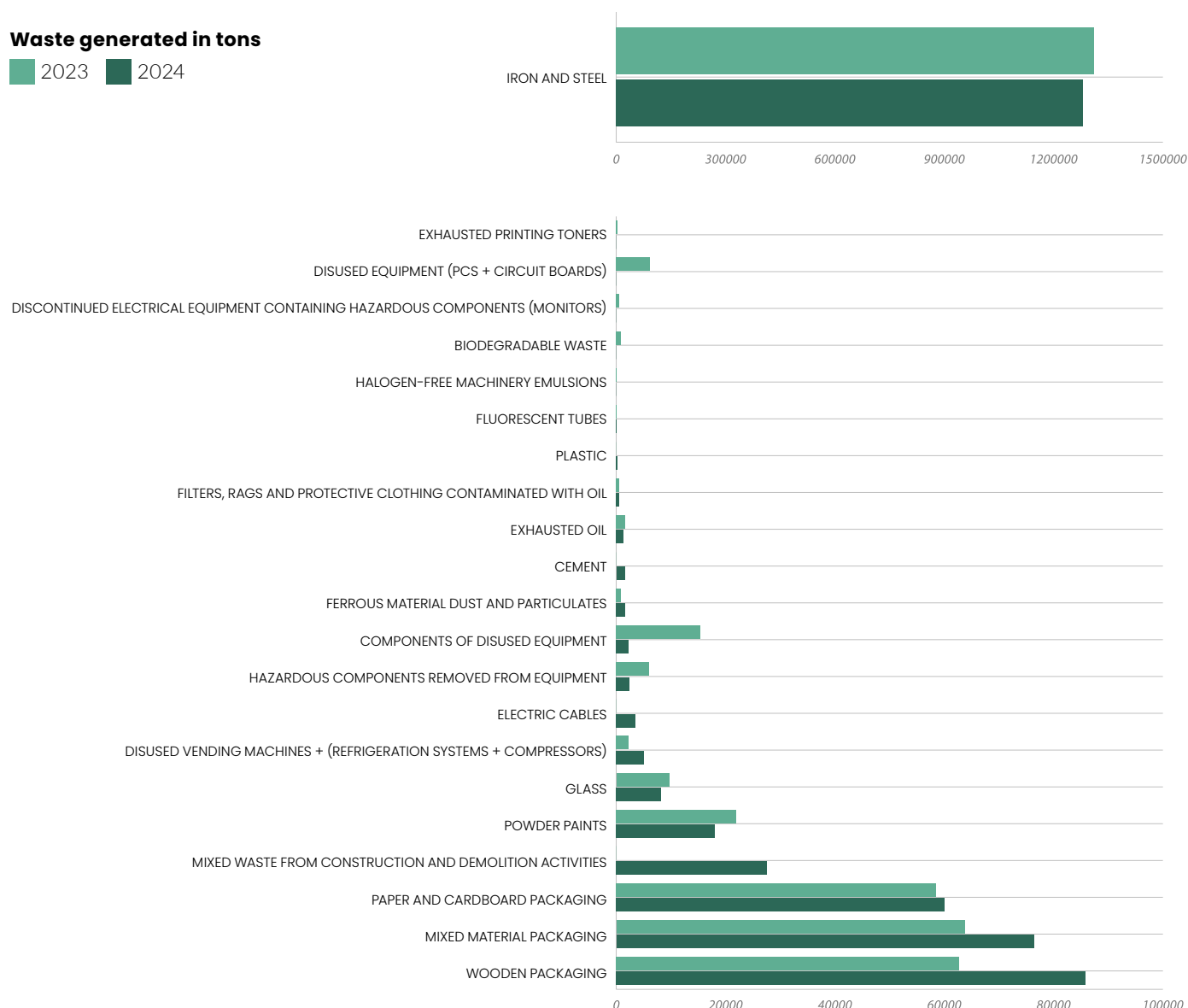
Hazardous waste

During fiscal year 2024, the total waste produced by SandenVendo amounted to 1,575.68 tons, a slight increase of 0.91% compared to the 1,561.44 tons in 2023. The composition of the main categories remained virtually unchanged: the predominant waste remains iron and steel, generated by processing scraps that are sent entirely for recycling, which fell from 1,310.00 tons in 2023 to 1,280.89 tons in 2024, representing 83.92% and 81.29% of the total, respectively. On the other hand, the quantities of the other three main types of waste are increasing: wood packaging increased from 62.66 tons in 2023 to 85.89 tons in 2024 (+37.1%); mixed material packaging went from 63.74 tons in 2023 to 76.39 tons in 2024 (+19.8%); Finally, paper and cardboard packaging grew from 58.54 tons in 2023 to 60.06 tons in 2024 (+2.6%).

<i>EWG Code / By-product</i>	<i>Waste name/By-product</i>	<i>Unit of measure</i>	2023	2024	
80112	Waste Paints and Varnishes, Other Than Those Mentioned in Entry 08 01 11	ton	22.01	18.08	↓
80318	Used Printer Toner Cartridges, Other Than Those Mentioned in Entry 08 03 17	ton	0.17	0	↓
120102	Dust and Particles of Ferrous Metals	ton	0.83	1.66	↑
150101	Paper and Cardboard Packaging	ton	58.54	60.06	↑
150103	Wood Packaging	ton	62.66	85.89	↑
150106	Mixed Material Packaging	ton	63.74	76.39	↑
160214	End-of-Life Equipment, Other Than Those Mentioned in Entries 16 02 09 to 16 02 13	ton	6.21	0	↓
160216	Components Removed From End-of-Life Equipment, Other Than Those Mentioned in Entry 16 02 15	ton	15.33	2.33	↓
170202	Glass	ton	9.68	8.18	↓
170203	Plastic	ton	0	0.20	↑
170405	Iron and Steel	ton	1,310.32	1,280.89	↓
130110*	Mineral-Based Non-Chlorinated Hydraulic Oils	ton	1.70	1.28	↓
150202*	Absorbents, Filter Materials (Including Oil Filters Not Otherwise Specified), Wiping Cloths, and Protective Clothing Contaminated by Hazardous Substances	ton	0.50	0.54	↑
160211*	End-of-Life Equipment Containing Chlorofluorocarbons, HCFCs, HFCs	ton	2.21	5.11	↑
160213*	End-of-Life Equipment Containing Hazardous Components Other Than Those Mentioned in Entries 16 02 09 and 16 02 12	ton	0.55	0	↓
200121*	Fluorescent Tubes and Other Mercury-Containing Waste	ton	0.11	0.02	↓
160215*	Hazardous Components Removed From End-of-Life Equipment	ton	5.99	2.49	↓
200201	Biodegradable Waste	ton	0.84	0	↓
120109*	Emulsions and Solutions for Machinery, Not Containing Halogens	ton	0.06	0	↓
170101	Cement	ton	0	1.56	↑
170411	Cables, Other Than Those Mentioned in Entry 17 04 10	ton	0	3.48	↑
170904	Mixed Waste From Construction and Demolition Activities, Other Than Those Mentioned in Entries 17 09 01, 17 09 02, and 17 09 03	ton	0	27.54	↑
	Total Non-Hazardous Waste	ton	1,550.32	1,566.26	↑
	Total Hazardous Waste	ton	11.12	9.43	↓
	Total Waste	ton	1,561.44	1,575.68	↑

Waste generated in tons

2023 2024



HAZARDOUS WASTE

The hazardous waste generated by SandenVendo in 2024 amounts to 9.42 tons, down from 11.12 tons in 2023, with a relative reduction of 15.3%, which means it now accounts for only 0.60% of the total (compared to 0.71% the previous year).

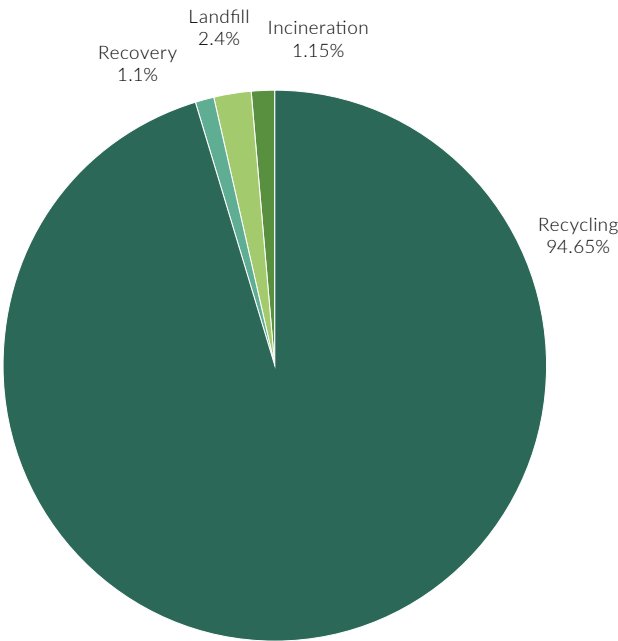
This includes discarded compressors, oil-contaminated clothing, waste from foaming, and, every ten years, sludge from the purifier. This steady decrease reflects the company's commitment to preventing the hazardousness of the materials used and to the correct separation of waste streams from the earliest stages of internal management.

	2023	2024
Hazardous waste in tons	11.12	9.43
Non-hazardous waste in tons	1,550.32	1,556.26
Percentage of hazardous waste out of total waste	0.71%	0.60%

Waste Destination

Due to the intermediary role of the waste disposal contractor responsible for waste management, the mapping of the final destination was conducted as part of the GHG inventory for the main categories.

- Sent for **recovery**: oil-contaminated material (category “Other”), used toner cartridges (classified as “Other for disposal”), 50% of end-of-life equipment and components with hazardous parts removed, and biodegradable waste (1.1% of total waste in 2024).
- Sent for **recycling**: iron and steel scraps, the remaining 50% of electronic equipment, ferrous dust and particulates, paper, wood, and 50% of mixed packaging (unsorted packaging is compacted on-site and sent to facilities where at least 50% is recovered), and glass. In total, 94.65% of waste produced in 2024 was sent for recycling.
- Sent to **landfill**: fluorescent tubes (classified as generic waste) and the remaining 50% of mixed packaging (2.4% of total waste in 2024).
- Sent to **incineration** with energy recovery: powder coating paint (1.15% of total waste in 2024).



Waste destination 2024

CIRCULAR ECONOMY

SandenVendo promotes an integrated approach to the circular economy through various initiatives aimed at reducing waste generation, extending product lifespan, and maximizing resource recovery.

Sustainable design is the first step in this process: products are designed to be modular, durable, easy to repair and disassemble, facilitating maintenance, reducing replacement frequency, and simplifying end-of-life recycling. Low-impact materials are used, favoring recycled and recyclable components: for example, plastic caps are made of 100% recycled material, cardboard corner protectors contain 85% recycled material, and bubble wrap packaging includes a minimum of 30% recycled plastic.

In production, waste management efforts result in concrete outcomes. Nearly **95% of company waste** is fully recovered. Paper, cardboard, glass, and wood follow virtuous recycling routes: all reusable pallets are internally transported to an adjacent factory for reuse at no additional cost. **Cable reuse** is another best practice: decommissioned systems are collected by qualified operators for recovery and resale, reducing raw material waste. Unsorted packaging is compacted on-site and sent to plants where at least 50% is recovered.

End-of-life management is a strategic phase in the lifecycle of SandenVendo products, aiming to minimize environmental impact and promote efficient resource recovery. The company ensures that its vending machines, once decommissioned, are sent for **disposal, recovery, or recycling**, depending on the type and condition of the materials. Customers receive detailed user manuals with instructions for correct disassembly and disposal of individual components, distinguishing between recyclable, reusable, and non-recoverable materials. Manuals also include contacts for qualified waste handlers, and end-of-life waste management methods are tracked for ecological footprint calculations. SandenVendo collaborates with specialized operators to ensure regulatory compliance and safety during recovery operations and invests in research and development to identify innovative solutions that enhance the environmental sustainability of materials and processes, including at the end-of-life stage. Educating customers and stakeholders on sustainable disposal practices is an integral part of the company's circular economy strategy.

Lastly, through its **after-sales service**, SandenVendo provides technical support for maintenance, repairs, and replacements, helping to extend product lifecycles and reduce long-term waste generation.





Methodological Note

This Sustainability Report is drafted voluntarily, in accordance with the VSME (Voluntary Sustainability Management and Evaluation) standard, as there are no reporting obligations under the CSRD regulation. The company has adopted the Basic Module, suitable for providing a structured, transparent, and coherent overview in line with the expectations of key stakeholders.

The reporting is individual in nature and refers exclusively to the company SandenVendo Europe S.p.A., with its registered office in Coniolo (AL), Regione Cavallino 2, postal code 15030.

The company operates worldwide. The operational headquarters of SandenVendo Europe S.p.A. is located in Coniolo, Regione Cavallino 2, in the province of Alessandria. This report pertains to this facility. The secondary site of SVE, used as a warehouse, is located in Coniolo, Regione Cavallino 8, also in the province of Alessandria, Italy.

The company profile as of December 31, 2024, shows the following configuration: it is a joint-stock company; its NACE 2.1 code is 28.29, which refers to the manufacture and wholesale trade of automatic vending machines for food and beverages and any product of the electromechanical industry. The company had 165 employees as of December 31, 2024 (169 as of March 31, 2025). The data on revenue and the balance sheet value are consistent and fully reconcilable with those reported in the statutory financial statements for the 2024 fiscal year.

All indicators have been calculated according to the methodologies suggested by the VSME standard. Where estimates, approximations, or specific methodological choices were made, these are explicitly noted in the relevant thematic sections. Quantitative data are expressed using the recommended units of measurement (e.g., MWh, tCO₂eq, m³, kg), referring to international standards where applicable (GHG Protocol, IPCC, etc.).

All data refer to Fiscal Year 2024, which covers the period from April 1, 2024, to March 31, 2025, with a comparison to Fiscal Year 2023, covering the period from April 1, 2023, to March 31, 2024, to ensure temporal continuity and comparability.

Information regarding environmental, product, and system certifications is described in Chapter 3, Business Model. Where content is already included in other official documents (e.g., financial statements, audits, certifications), explicit reference has been made to ensure consistency across documentation.

No relevant information has been omitted; should any confidentiality issues or difficulties in obtaining data arise, they would be clearly indicated. This document represents the first edition of the company's Sustainability Report.

VSME INDEX

	<i>Privacy Policy</i>	<i>Found in</i>	<i>Omissions</i>
Basic Module General information	B1- Basis for preparation	6. Methodological Note	N/A
	B2- Practices, policies and future initiatives for transitioning towards a more sustainable economy	2.3 Team ESG 2.4 Policy	N/A
Basic Module Environment metrics	B3- Energy and greenhouse gas emissions	6.2. Energy consumption and GHG emissions	N/A
	B4- Pollution of air, water and soil	6.3. Air, water, and soil pollution	N/A
	B5- Biodiversity	6.5. Biodiversity	N/A
	B6- Water	6.4. Protection of water resources	N/A
	B7- Resource use, circular economy and waste management	6.1. Input materials and suppliers 6.6. Waste management 6.7. Circular economy	The percentage of recycled materials in the input is currently unavailable and has therefore not been included in this report.
Basic Module Social metric	B8- Workforce – General characteristics	5.1 Human capital	N/A
	B9- Workforce – Health and safety	5.2. Health and safety at work	N/A
	B10 - Workforce – Remuneration, collective bargaining and training	5.3. Collective agreement and remuneration 5.4. Training	N/A
Basic Module Governance metrics	B11- Convictions and fines for corruption and bribery	2.2 Organizational model 231 2.6 Countering corruption	N/A

