



Passion for belting

EXECUTIVE SUMMARY SUSTAINABILITY REPORT

CHIORINO GROUP

2023



Letter to the Stakeholders

In continuity with the history and commitment that has always characterised the Chiorino Group, following a vision of continuous growth that generates value for all stakeholders and that is guided by the principles of social and environmental sustainability, it is with pride and satisfaction that I present the Chiorino Group's 2023 Sustainability Report.

In 2023, we continued along the path traced in past years, strengthening our position on the markets despite the difficulties arising from an unstable economic and financial environment and the emergence of unforeseeable global events.

Recent years, in particular, have been a turning point. First the health crisis, followed by the economic and geopolitical crisis, with the dramatic events currently affecting Ukraine and more recently the Middle East with the Israeli-Palestinian conflict, both too close not to feel involved, force us to rethink our paradigms of values, in which the concepts of sustainability (at an environmental, social and economic level) become an indispensable condition for remaining responsible economic leaders in increasingly challenging contexts.

Hence the decision to report annually, on a voluntary basis, on our environmental, social and economic performance and to inform our stakeholders on Chiorino's progress in relation to the ESG sphere (Environmental, Social and Governance).

The vision that guides our Group's development strategy assumes a solid growth in terms of productivity and profitability, without ever losing sight of three fundamental requirements:

- Respect for the **person** and **society**;
- Respect for the **environment**;
- Respect for **customer** expectations.

For decades we have been pursuing this commitment by responding to stringent international standards that promote the improvement of performance in these fundamental areas. Since 2005 we have been an EMAS-certified company and at the same time we have developed management models for quality, environment and occupational health and safety in line with UNI EN ISO 9001, UNI EN ISO 14001 and UNI EN ISO 45001 standards. In 2020, despite the critical issues mentioned above, we implemented and certified an Energy Management System that complies with the UNI CEI EN ISO 50001 standards. In addition, at the end of 2022 we obtained the GHG Protocol (GreenHouse Gases Protocol) certification to identify our "Carbon Foot Print". An Integrated Management System was thus created to support us in the continuous improvement of the quality provided to the customer, our environmental impact, energy performance and the ability to preserve the health and well-being of people.



During 2023, we continued to invest in the culture of sustainability and in the training of our people.

In November 2023, the annual Corporate Convention was dedicated entirely to sustainability themes: we "engaged" our group companies' directors to spread the principles of sustainability to our organisations around the world. We are aware that the transition to a more sustainable society involves the development of a shared corporate culture, supported by adequate training.

This is the main objective for 2024: to have a corporate governance that, through shared policies and with the fundamental support of widespread training among all employees, allows us to always translate our vision of a Group that promotes an increasingly sustainable future into concrete actions.

To achieve these results, the necessary resources will be guaranteed and the key to the success of these initiatives lies first and foremost in the ability of the people who work in Chiorino to put their professional and human skills at the service of the Group. I would like to thank all those who are making this important journey possible.

Together with them, I intend to continue and guide the Chiorino Group along a path already mapped out, which aims at an increasingly sustainable economic growth that generates value for all components of the Chiorino "Value Chain", so that sustainability is an increasingly essential part of our business strategy and corporate activities.



GREGORIO CHIORINO

Executive Chair

Chiorino Group

Chiorino started as a tannery in Biella in 1906, producing technical articles and transmission belts for the textile and textile machinery industry. After 1945, with the gradual replacement of leather with petroleum derivatives, the company began to produce a range of products that became fundamental components in many industrial sectors.

Since the Nineties, the Chiorino Group has definitely become a multinational Group that today operates with 23 companies and over 40 fabrication plants, over 100 distributors and more than 1,000 employees worldwide.



BOARD OF DIRECTORS

Gregorio Chiorino	EXECUTIVE CHAIRMAN
Matteo Chiorino	CEO
Elisa Chiorino	DIRECTOR
Alessandra Gritti	DIRECTOR
Claudio Berretti	DIRECTOR
Giorgina Gallo	DIRECTOR ⁽¹⁾
Severino Salvemini	DIRECTOR ⁽¹⁾

⁽¹⁾ Independent Director



YEAR OF FOUNDATION

1906



OWNERSHIP STRUCTURE

80% 20%

Chiorino Family

T.I.P. Tamburi Investment Partners S.p.A.



TURNOVER

176+mln €



HEADQUARTERS

Biella, Italy



PRODUCTION PLANTS

Biella, Italy
Olathe, KS, USA



CORE BUSINESS

Conveyor belts
Transmission belts



INTERNATIONAL PRESENCE

23 40+ 100+ 1,039

Companies

Fabrication plants

Distributors

Employees

International Presence

23 Chiorino companies with 40+ fabrication plants and 100+ distributors worldwide



Customer
proximity



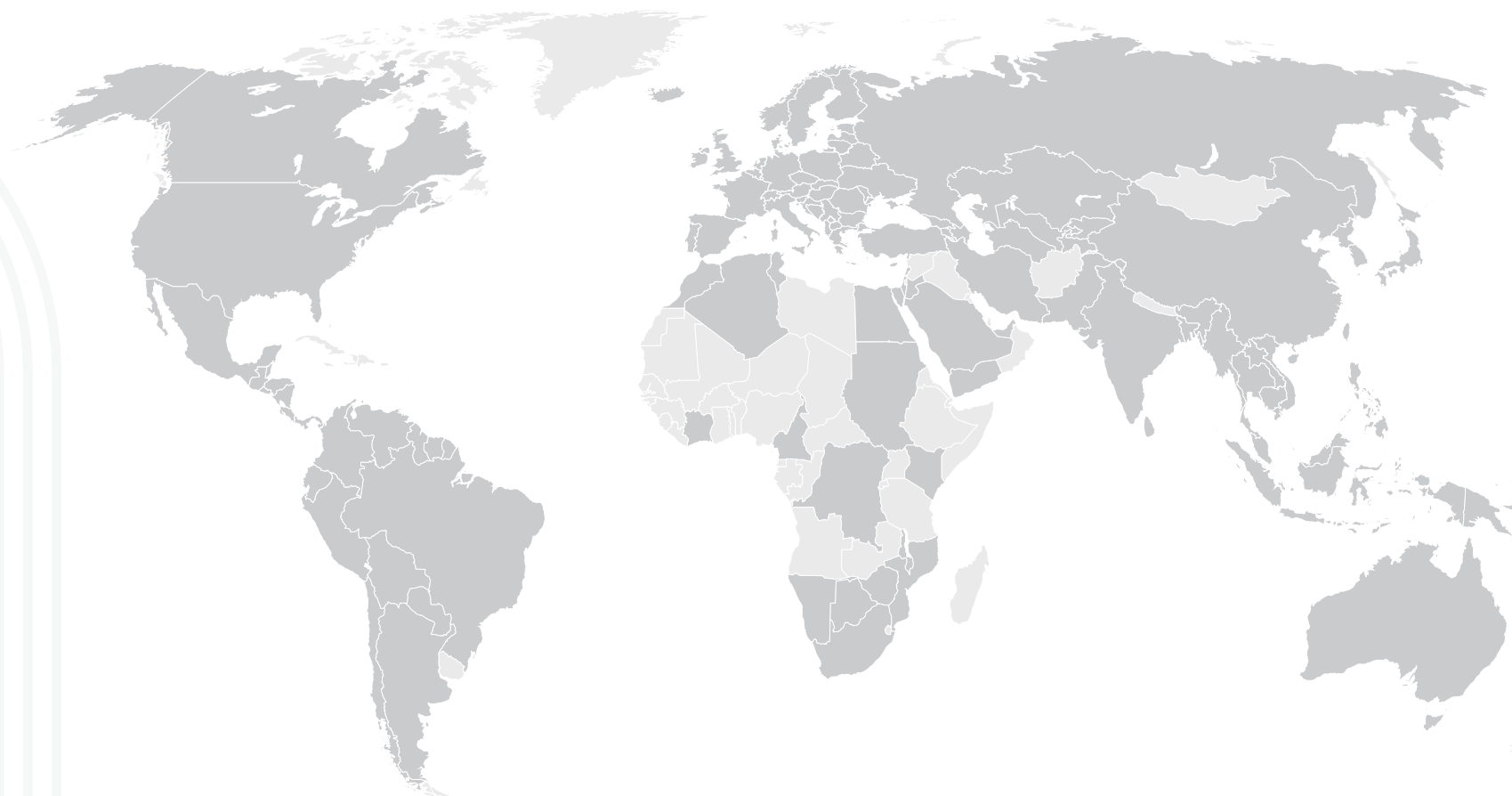
Engineering
consultancy



Speed of
delivery



Services &
installation



HEADQUARTERS CHIORINO SpA ITALY

Chiorino America - Chiorino Australia - Chiorino Benelux - Chiorino Deutschland - Chiorino France - Chiorino Hungary - Chiorino Ibérica - Chiorino India - Chiorino Parma - Chiorino Poland - Chiorino Portugal - Chiorino Romania - Chiorino Slovakia - Chiorino South Africa - Chiorino Switzerland - Chiorino UK - Chiorino Ukraine - Chiorino Veneto - Kruse - Reko - Safari Belting

Environment



ENERGY FROM
RENEWABLE SOURCES

>85%

Guarantee by GO certificates

ENERGY
INTENSITY

42.23GJ/tonne

-9.4% vs 2022



DIRECT AND INDIRECT
CO₂ EMISSIONS

-5%

Compared to 2022

Guarantee by GO certificates

INTENSITY OF
RESIDUAL EMISSIONS

0.55tonnes / tonCO₂

-6.8% vs 2022



WASTE PRODUCED
FOR RECYCLING

>81%

of which

10%

of recycled plastic waste
to cover 5 synthetic grass
football fields

5%

recycled paper and cardboard

8%

100% recyclable plastic

People



AVERAGE HEAD-COUNT

1,039

Employees

CHIORINO WELFARE

>15

OPEN-ENDED CONTRACT

>97%

TRAINING HOURS

>15,000



A scenic photograph of a river flowing through a lush green forest. The river has white rapids and is surrounded by tall evergreen trees. In the background, there are rolling hills under a blue sky with some clouds.

CORPORATE GOVERNANCE

ADVANCED TECHNOLOGY

RESPONSIBILITY

ENVIRONMENT

CORPORATE GOVERNANCE



Ethics, together with solidarity and sustainability, guide us on a daily basis in the performance of business activities





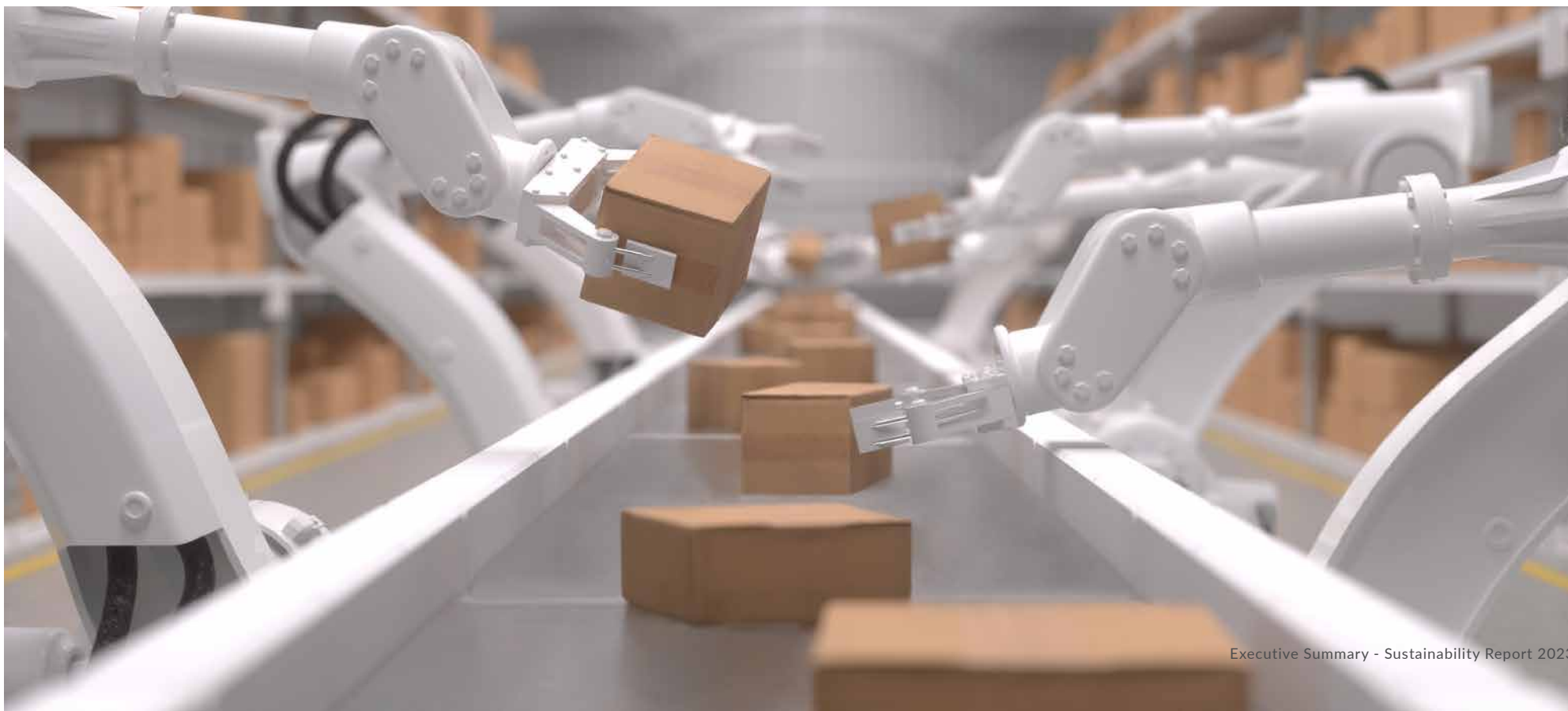
Our **MISSION**

We strive daily to be the company of choice in lightweight belting by providing engineered, customised and high value-added solutions for our customers' diverse industrial processing and handling needs.



Our **VISION**

We believe in an automated, digitised, ethical and sustainable evolution of transformation and handling processes in industry and services.



Our VALUES

INNOVATION

Research and product and process innovation are distinctive factors for the Chiorino Group, which over the years has been able to renew itself to satisfy increasingly demanding targets and effectively and quickly respond to the changes taking place, often anticipating the new demands imposed by technological progress.

QUALITY

The company's choices have always been guided by a commitment to global quality. The Group's success is linked to consolidated know-how and a high level of specialisation that enable the development of solutions meeting high standards of performance, efficiency, safety and sustainability.

TOTAL SAFETY

Chiorino solutions are developed while constantly striving for safety and minimising product and process risks, particularly in the food industry, in accordance with the latest European and international regulations, to the benefit of manufacturers and users and the health of the end consumer.

SUSTAINABILITY

For years, Chiorino has pursued a sustainable development policy aimed at protecting the environment and safeguarding natural resources at every stage of the production chain, in compliance with strict international standards such as UNI EN ISO 14001 and the prestigious EMAS (Eco-Management and Audit Scheme) certification. This attention to the environment is also expressed in the development of solutions that support comprehensive eco-sustainability, enabling customers to reduce waste, safeguard resources and facilitate disposal procedures, thereby also optimising production cost management.

PEOPLE

The Corporate Code of Ethics is inspired by the principles and values of human resources, which are one of the strategic levers on which Chiorino's mission is based. The company is constantly committed to workplace health and safety, to training and cultural development programmes, and to the management of welfare and remuneration plans for employees and collaborators.

EXPERTISE & SERVICE 24/7

Chiorino offers continuous personalised technical and service support worldwide through its strongly customer-oriented international distribution network. This is to quickly and efficiently meet each individual request and add value to the business of manufacturers and users.

INTERNATIONALITY

Chiorino products are present in more than 100 countries across 5 continents, through a network of 23 affiliated companies with 40+ assembly centres and about 100 distributors able to provide excellent application solutions combined with qualified assistance.

Sustainability in Chiorino

Chiorino has launched a process aimed at reducing the impacts deriving from its business on the outside, as well as wanting to contribute efficiently to the fight against climate change.

In 2023, Chiorino launched a project aimed at defining and structuring a sustainability strategy through the creation of a Sustainability Plan.

This Plan identifies specific short and medium-term measures regarding the most important sustainability issues relevant to the Group.

The Plan prepared by Chiorino is based on 3 sustainability pillars, broken down into macro-objectives.

SUSTAINABILITY PILLARS	SDGs	SUSTAINABILITY MACRO-OBJECTIVES
Responsible governance		Developing an increasingly sustainable and responsible corporate governance
Attention to people and society	    	<p>Guarantee and promote health and safety in the workplace</p> <p>Support for the territory and local communities</p> <p>Promote an ethical and responsible production chain</p>
Environmental protection	   	Promote the protection of the environment and respect for natural resources

Business Ethics



In order to share with its stakeholders the values and the ethical and behavioural principles that inspire the Group in carrying out its activities, Chiorino has adopted a Code of Ethics.

The purpose of the Code of Ethics is the definition of the legal obligations and moral values that identify the scope of the ethical and social responsibilities of each person who collaborates with the Company; these general principles derive rules and operating methods that must be implemented within the Company by all recipients of the same.

Chiorino's Code of Ethics contains the set of values and the general principles of behaviour and conduct considered relevant for the Group for the purposes of its proper functioning, reliability, compliance with laws and regulations and reputation.

The principles of conduct set out in the Code of Ethics relating to company management cover the following aspects:

- Respect for people;
- Fairness in human relations;
- Respect for human rights;

- Respect for the environment;
- Workplace health and safety;
- Legality;
- Integrity;
- Fair play in business dealings;
- Transparency and traceability of activities;
- Protection of image and reputation;
- Data confidentiality management.

Chiorino Italian companies also have a whistleblowing channel for their employees, aimed at reporting any cases of violations of national or European Union regulatory provisions that harm the public interest or the integrity of the Public Administration or Private Entity, of which they have become aware in the context of their work.

Lastly, Chiorino pays attention to compliance with the regulation on personal data protection. The GDPR has implications both in terms of possible administrative penalties and the leakage of personal data relating to Chiorino's key stakeholders. In fact, the Group has adopted policies containing data protection principles, the Data Processing Register and appointment of an external DPO.



A

ADVANCED TECHNOLOGY



We pursue a sustainable development policy at every stage of the production chain in compliance with rigorous international standards





Research, Development, Innovation

The Chiorino Group manages the complexity that comes from the market and from customers in an effective, efficient and flexible way.

In a constantly evolving world, technological progress increasingly places companies before new challenges in order to meet increasingly demanding targets.

The goal of the Chiorino group is to anticipate the times and respond in the most effective and rapid way to the changes in progress.

For this reason, Chiorino invests great resources in its R&D Laboratories and in high-profile university

collaborations.

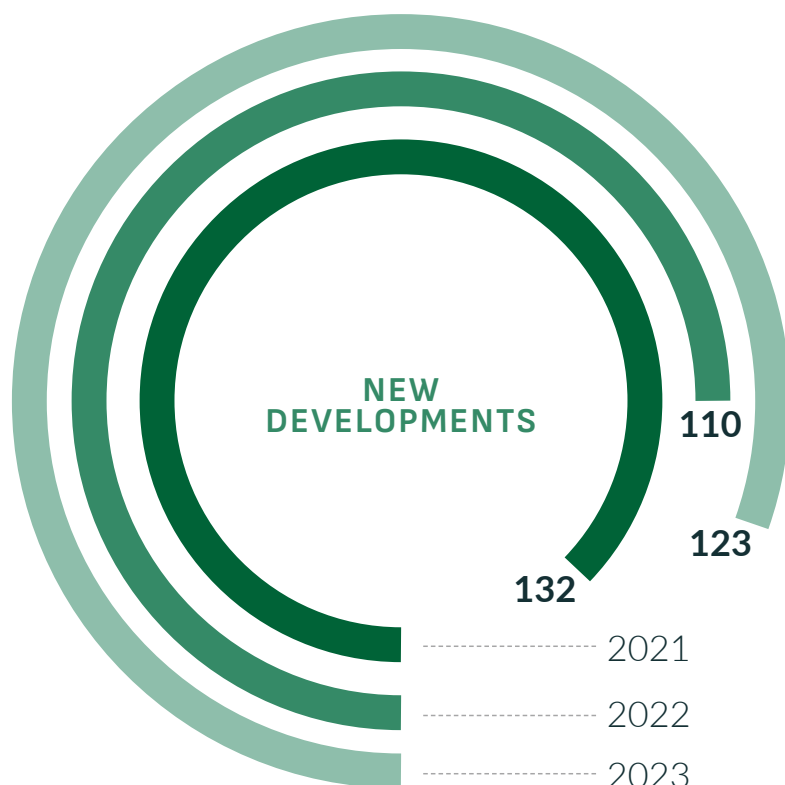
Research areas range from the development of increasingly sustainable and safe products to the study of low-impact internal production processes.

R&D Laboratories have developed ranges of polyurethane belts that have become reference products in the food industry for:

- Consumer safety
- Hygiene
- Energy saving
- Operational safety
- Reduction of waste



~65%
NEW PRODUCTS
SOLD IN THE
SAME YEAR



We manage complexity with "ad hoc" solutions.



ORGANISATION

We cultivate the new generation of leaders

Recruitment of talented young engineers and researchers

Know-how, Development & Upskilling

Lean transformation program



CUTTING-EDGE TECHNOLOGIES

Engineered and customised industrial lines

Industry 4.0

Telemetry and real time performance measurement

Lean-manufacturing & continuous improvement



HYPER-CUSTOMISATION

Solutions for all markets and for all customers

Excellence driven & Best practices

Chiorino Workshop Technology

Chiorino moves the world around us

Every day we are surrounded by all types of consumer goods. From our morning routines to the most specialised applications, Chiorino moves the world around us.

Chiorino has historically been able to predict and provide cutting-edge solutions to adapt to a constantly evolving world. Chiorino products have set new quality standards in the food sector, actively contributing to increasing awareness for food safety and hygiene, where the requirements are increasingly high.

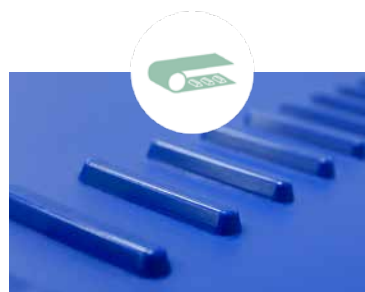
In a globalised world, the e-commerce and automation boom has led to greater attention to the material handling sectors where society has raised standards for speed and energy savings.

Understanding and listening to the needs of customers, Chiorino solutions focus on sustainability and production efficiency.

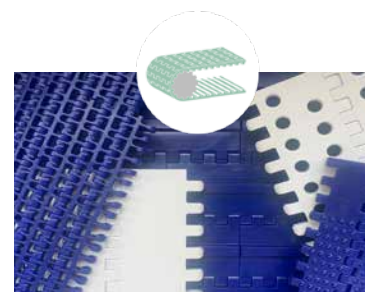
Our PRODUCTS



Conveyor and process belts



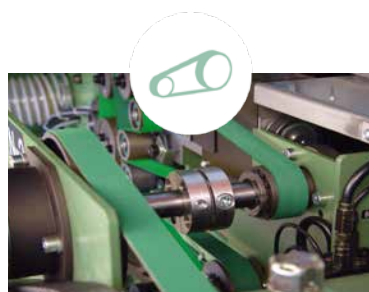
Homogeneous and drive belts



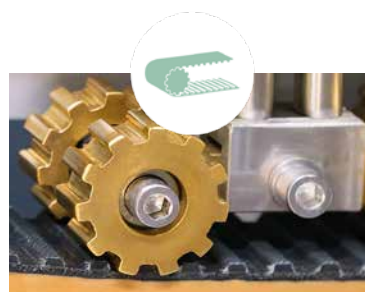
Plastic Modular Belts



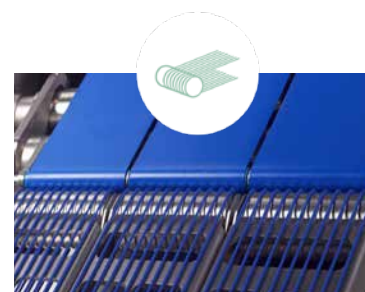
Machine tapes



Power transmission belts



Timing belts



Polyurethane round and V-belts



Profiles, guides



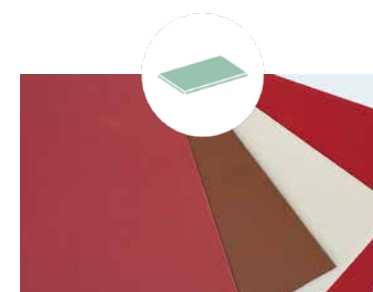
Sidewalls



Seamless belts

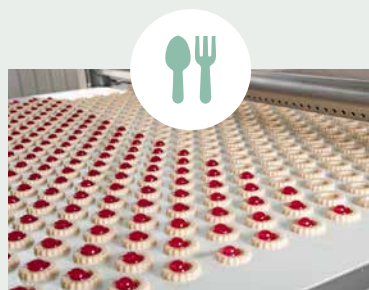


Roller coverings



Elastomer and silicone sheeting

Our APPLICATION fields



Food



Packaging



Paper and Printing



Intralogistics



Airports



Textiles



Raw materials



Cutting and Punching



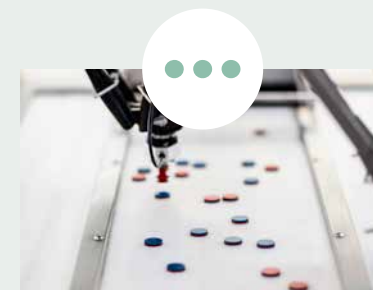
Recycling



Sports



Automotive



More industries

Chemical, pharmaceutical,
mechanical, clean energy, etc.

Certifications



Thanks to its constant attention to environmental issues, in 2020 Chiorino obtained (for its two production sites in Biella) UNI EN ISO 50001:2018 - Energy Management System - certification for the design, development and production of conveyor and process belts, flat transmission belts, aprons and coatings, and coated fabrics and films by means of vulcanisation, spreading and calendering processes. These processes use electricity and natural gas, both with reference to the fabrication of belts and the application of accessories by means of devices that use electricity, and to control through instruments that use electricity and specialised personnel and the shipment of finished and semi-finished products.

In addition to the certification described above, Chiorino has implemented and maintains a management system that complies with the standards set out in the following certifications:

- **UNI EN ISO 9001:2015**
- **UNI EN ISO 14001:2015**
- **UNI ISO 45001:2018**
- **UNI EN ISO 50001:2018**
- **EMAS and GHG Protocol**
- **A & O**

To protect consumer health, Chiorino products comply with the latest European and international food regulations:

- **EC Regulation 1935/2004**
- **EC Regulation 2023/2006**
- **Regulation EC10/2011**
- **FDA (Food and Drug Administration)**
- **HALAL (World Halal Authority)**
- **USDA (United States Department of Agriculture)**
- **NSF Regulation/ANSI/3-A 14159-3-2014**
- **V-LABEL Vegan certification**



R RESPONSIBILITY

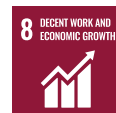


CHIORINO®
1906

We promote respect for workers, inclusion, integration and equal opportunities against all forms of discrimination



Chiorino's human capital



The growth and development of the individual, together with the safeguarding of health and safety at work and respect for human rights, are among Chiorino's fundamental values: they are pillars that translate the mission and vision into the strategic plan adopted by the company and determine the actions of its people.

Great value is given to the theme of work continuity, which is reflected in Chiorino's commitment to maintaining long and lasting working relationships. The number of open-ended contracts represents 97.3% of employment contracts.

BREAKDOWN OF EMPLOYEES BY GENDER

In 2023, the percentage of women in the Chiorino Group was 22%. Although the percentage may seem low, the level of employment of women is significant considering the sector to which Chiorino belongs, historically mainly male.

OPEN-ENDED
CONTRACT

97.3%

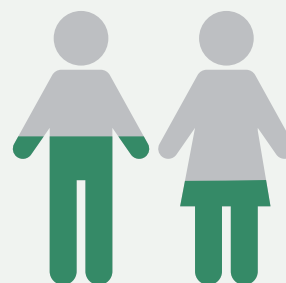
BLUE COLLAR
WORKERS



91%

9%

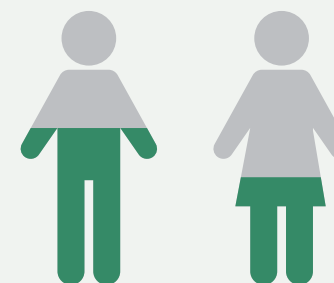
WHITE COLLAR
WORKERS



56%

44%

BoD



57%

43%

Breakdown of employees by category

Breakdown of governing bodies by gender (BoD)



TURNOVER

Chiorino's focus on the individual has tangible evidence in the low turnover rate, which is at a normal level.

7.6 in 2023

TRAINING

During 2023, the Chiorino Group provided more than 15,000 hours of training, an increase of 8% on the previous year.

> 15,000 total hours + 8% vs 2022

15 Training hours per capita

CORPORATE WELFARE

Starting from employees' needs, in order to promote a better work-life balance and with particular attention to health, more than 15 initiatives were developed and undertaken as part of the "Chiorino Welfare Plan".

> 15 Initiatives





Welfare

Main services/initiatives

The main welfare services listed here are activated by Chiorino S.p.A..



Company canteen



Industrial laundry room



Tax and legal assistance



Social Welfare Desk



Internet point and PC donation
for employees' children



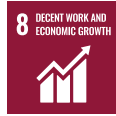
Shopping cart



Health prevention



Solidarity time bank



Workplace health and safety

Chiorino pays particular attention to the issue of health and safety at work.

This is why it has formalised its intentions for growth and continuous improvement in a voluntary company policy that has been and continues to be the driving force behind the company's constant evolution, also with a view to reducing occupational health and safety risks.

To this end, Chiorino is based on technical planning of workplaces, equipment and processes in line with the highest level of compliance with current regulations on safety and hygiene at work present in the various plant operation areas.

Thanks to these intentions and its focus on employee health and safety issues, the company has developed a Health and Safety Management System, applied in both Biella factories and compliant with the regulatory requirements of Italian Legislative Decree 81/2008 and OHSAS 18001:2007 first and UNI ISO 45001:2018 later.

The certified Integrated Management System covers 100% of the workers employed, whether they are employees or external personnel.

The same system is created through the participation and involvement of formally recognised employee representatives.

CERTIFIED SAFETY
MANAGEMENT SYSTEM



UNI EN ISO 45001:2018





Staff management model



RECRUITMENT AND SELECTION

The desire to place the person at the centre of the organisational context is an objective pursued by the company right from recruitment and selection phases and is based on the principles of fairness and transparency declared in the Code of Ethics.



TRAINING

Chiorino considers training a decisive aspect in guaranteeing its employees the most multifunctional and adequate operational capacity possible for the assigned activities. For this reason, training activities are planned and managed on an ongoing basis.



CULTURAL GROWTH

Chiorino pays great attention to the individual cultural growth of its people and offers the company population a series of development opportunities without any burden on the employee.



RESOURCE DEVELOPMENT AND TALENT MANAGEMENT

Chiorino pays, in general, particular attention to attracting and managing young talent for whom it structures and plans dedicated growth and career programmes with the aim of contributing to their growth process as well as promoting their integration.



LOYALTY

A significant influence in loyalty policies is represented by the implementation of the “Suggestions Project”, which has allowed all production employees to propose ideas, solutions, advice or improvements in the field of work quality, organisation, optimisation, safety and environment since 2011.

Community Support

The Chiorino Group has always shown constant interest in initiatives aimed at promoting the social and cultural fabric in which the various Group companies are rooted.

Management is committed to supporting important projects and/or initiatives that aim to support the communities in which it operates and beyond.

Among the many initiatives of 2023, we highlight: a scholarship at the “Lamaro Pozzani” University College to cover the costs of the entire five-year university course of a deserving student guest in the university college and a voluntary collection of “working hours” for a donation to the population of Emilia-Romagna affected by the flood in May 2023.

E NVIRONMENT



We promote scientific and technological development aimed at environmental protection and safeguarding natural resources



Attention to the Environment

In its Code of Ethics, the protection of the environment and natural resources are priority goals for the Chiorino Group.

Everyone in Chiorino acts according to the laws and regulations in order to protect the environment and reduce pollution. The Company contributes, in the appropriate sites and in the performance of its industrial activity, to the promotion of scientific and technological development aimed at environmental protection and the safeguarding of resources.

Chiorino's mission is to develop products and solutions that support 360° eco-sustainability. Each brand, with its "unique selling propositions", responds to precise needs for energy and water resources saving, reduction of waste production and use of environmental-friendly solutions. These benefits also result in optimised cost of ownership.

In 2023, Chiorino designed new solutions that support efficiency and sustainability in the intralogistics and particularly in the food sector, with **the acquisition of the V-Label Vegan certification.**



Sustainable products



WATER SAVING

Chiorino HP® belts are the benchmark in the food industry due to their cleanability that allows a reduction in water (up to 60%) and energy consumption, ensuring excellent sanitisation.



ENERGY SAVING

HS® elastomer transmission belts with CHIO-TPE thermoplastic interply increase the flexibility of the belt and ensure a 4-5% reduction in energy consumption since less power is required to run the belt.



REDUCTION OF WASTE

The DEHESIVE polyolefin and polyurethane belts for the food industry guarantee perfect release, thus reducing waste. In the Paper & Printing sector, PT® belts increase the reliability of the production cycle, limiting paper waste.



EFFICIENCY AND LONG LIFE

The HS® and MF® elastomer products guarantee exceptional resilience, high elasticity and long service life.



COST OF OWNERSHIP OPTIMISATION

The HP® Compact Drive® AM Antimicrobial homogeneous drive belts guarantee high performance in terms of cleanability, self-tracking and risk management. **-60%** water consumption; **-50%** energy consumption; **-60%** maintenance.



ENVIRONMENTAL FRIENDLY

FAST JOINT thermoplastic belts guarantee quick installation, avoiding the use of glues, reducing environmental impact and disposal procedures. CHIOLINK™ is an innovative solution that allows the customer to fit the belt easily and quickly on the machine, without using adhesives and limiting downtime.



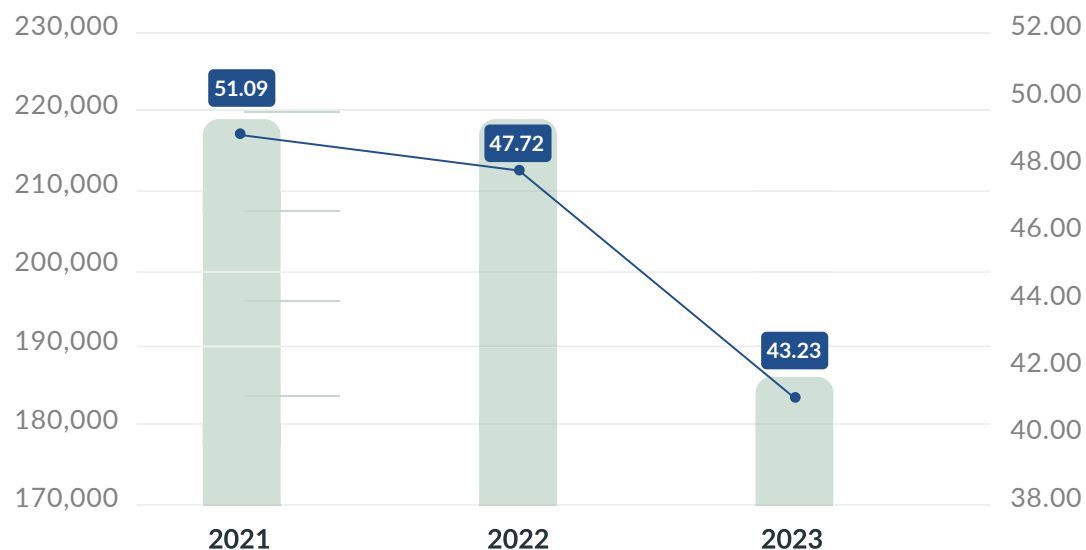
RISK MANAGEMENT

Conveyor belts are critical components of the process and require maximum reliability. The products of the HP AM® line and the FXD™ range help prevent contamination by foreign materials during the food processing and production process. The belts of the ESD range eliminate the risks of electrostatic discharges on operators, machinery and advanced electronics products. Chiorino also offers a series of flame retardant belts used to prevent the risk of fire.



In 2023, the Group consumed energy resources for a total of 186,380 GJ, down by 14.9% compared to 2022. The energy intensity figure also improved by 9.4% on 2022, confirming a positive trend.

In particular, as regards electricity consumption, in 2023 the investments for the expansion of the **photovoltaic park** were completed, passing from 900 KW of face value power to 1.4 MW and covering more than 10% of the needs of electricity for the entire Group.



ENERGY FROM RENEWABLE SOURCES

>85% Guarantee by GO certificates

ENERGY INTENSITY

42.23 GJ/tonne

-9.4% vs 2022

Key:

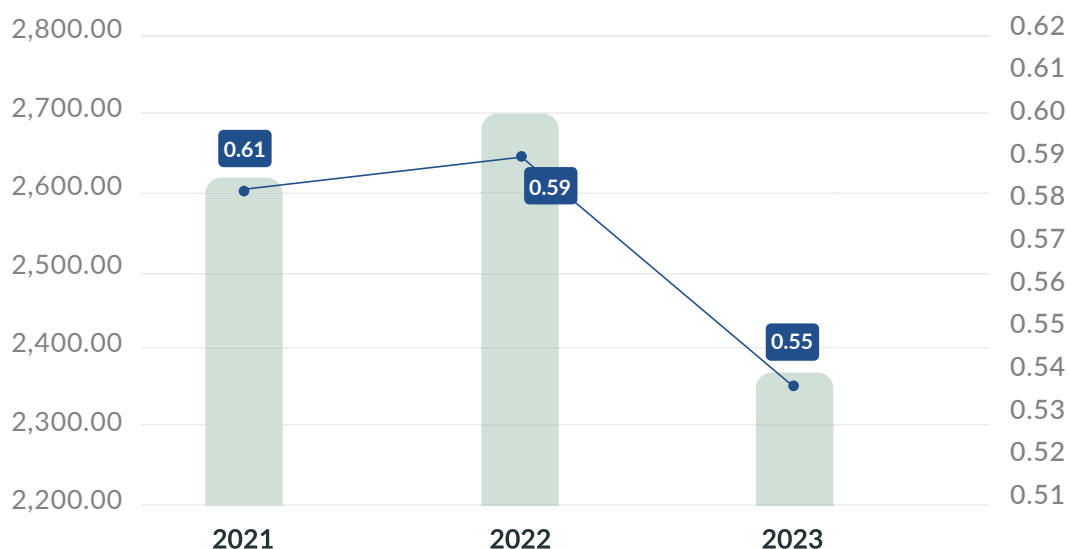
- Total GJ
- Energy intensity GJ/tonne

CO₂ Emissions



In 2023, the share of electricity from renewable and certified sources through Guarantees of Origin is equal to 100% of the electricity consumed for Chiorino S.p.A. and 85% for the Chiorino Group. The issue of atmospheric emissions is closely linked to the energy issue and is divided between direct emissions (Scope 1) and indirect emissions (Scope 2).

Starting from 2021, the Group has bought “**GAS GREEN**” stocks with which it has participated in global “Zero CO₂ Impact” projects promoted by the same methane suppliers, which promote VCS certified projects such as new wind farms (Alaçati Wind Power Project in Turkey) or projects against deforestation in specific geographical areas (e.g. Redd + Cordillera Azul in Peru and Redd + Katingan Mentaya in Indonesia).



CO₂ EMISSIONS DIRECT AND INDIRECT

-5% Compared to 2022
Guarantee by GO certificates

INTENSITY OF RESIDUAL EMISSIONS

0.55 tonnes / tonCO₂

-6.8% vs 2022



Key:

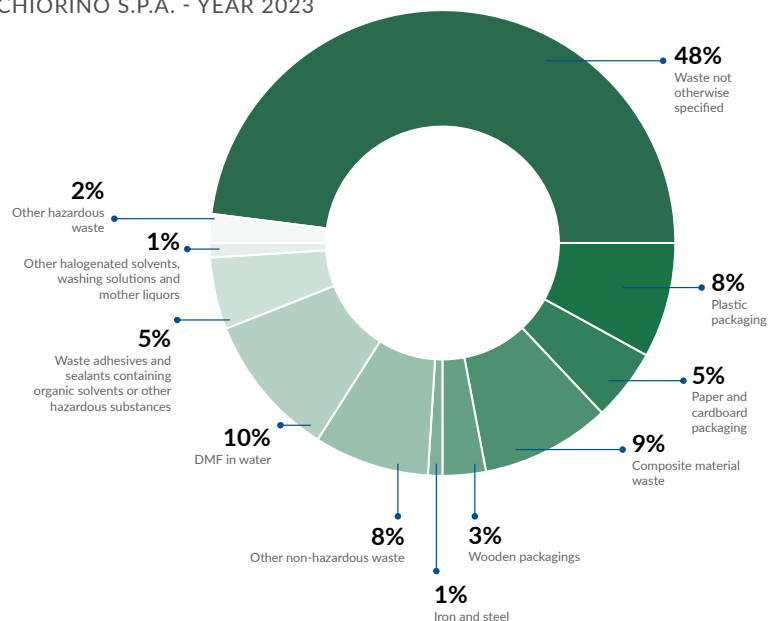
- Total emissions scope 1 + scope 2 residual market based tCO₂
- Intensity of emissions scope 1 + scope 2 market-based residual tCO₂/tonne

Circular economy and waste

Chiorino is committed to achieving circular economy goals and seeks to leverage innovation to generate environmental benefits related not only to the reduction of emissions, but more generally to the reduction of all kinds of impacts, from the consumption of natural resources to the generation of waste.

In 2023, a total of about 2.7 thousand tonnes of waste were generated at Group level, 83% of which were non-hazardous.

WASTE PRODUCED BY
CHIORINO S.P.A. - YEAR 2023



WASTE PRODUCED INTENDED FOR RECYCLING

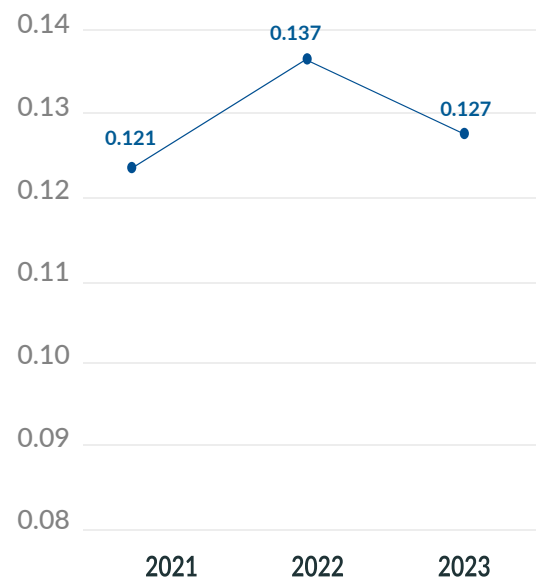
> 81%

10% of recycled plastic waste to cover 5 synthetic grass football fields

5% recycled paper and cardboard

8% 100% recyclable plastic

WASTE FOR DISPOSAL IN TONNES OF
FINISHED PRODUCT, CHIORINO GROUP



RECYCLABLE WASTE OF TOTAL WASTE
CHIORINO GROUP

