Rossi

A DIVISION OF

MOOVIMENTA

# ENVIRONMENTAL REPORT 2022

# Table of content



# This report

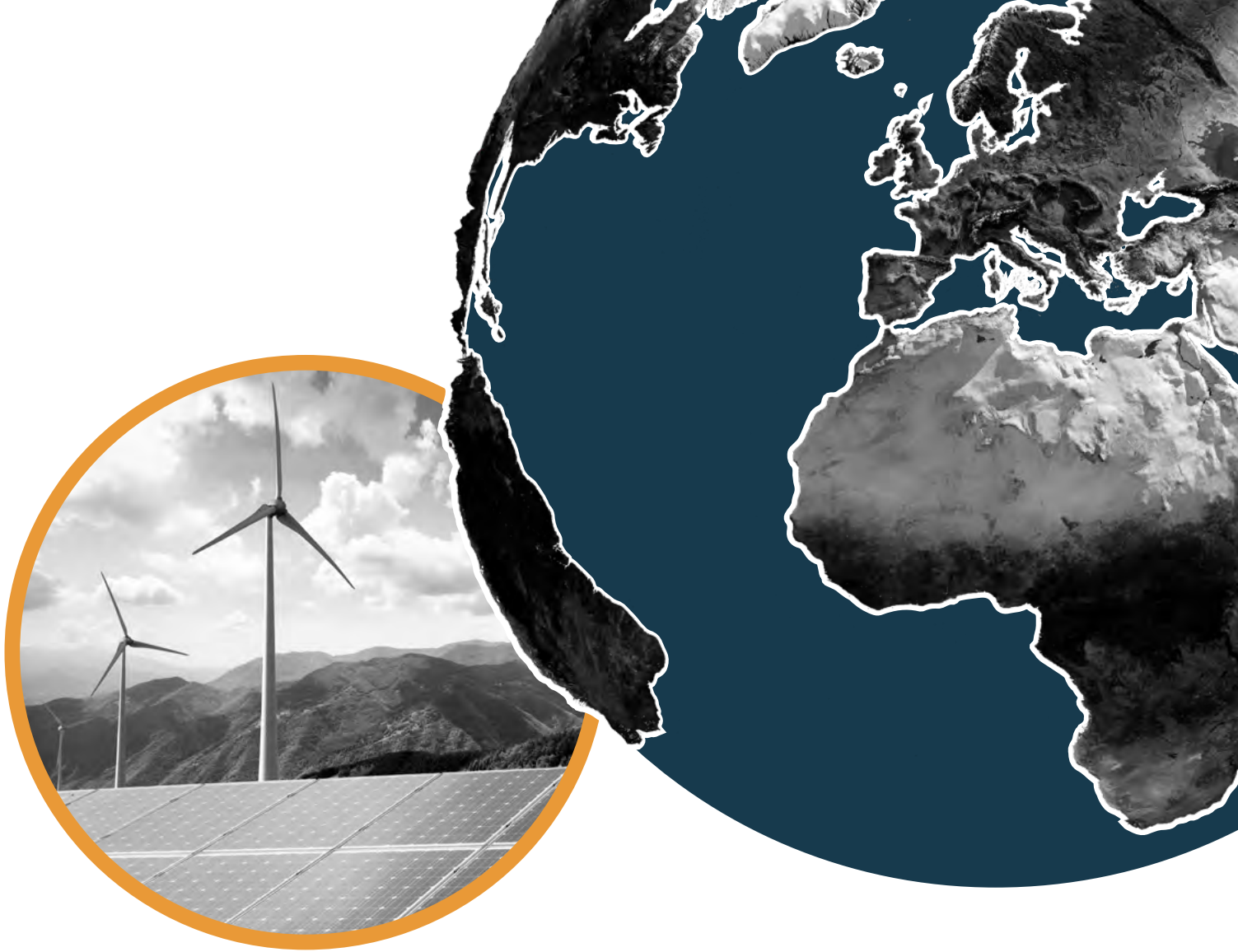
This report highlights our environmental efforts and related impacts in 2020, 2021, and 2022. This is the first environmental report published by the group.

The report includes all Moovimenta Divisions: Habasit, Rossi, NGI, and TRAPO, which all operate under their own brand.

This report addresses relevant and significant environmental aspects that are considered important to our business, such as Greenhouse gas (GHG) emissions (Scope 1 and 2), volatile organic compound (VOC) emissions, energy use, water use, and waste generation.

We pledge to be transparent and open in our communication about our performance, both when it is improving and when it is not.

We strive to make our sustainability report readable and accessible. We are continuously working to improve data accuracy. Feedback and comments are welcomed so we can get better.



# Message from our group CEO

Andrea Volpi

Group CEO

## Welcome

In our environmental report, we have tried to avoid as much as possible the 'like for like' delivery of only internal resource usage. As prescribed by the EU CSRD, we state key metrics that are becoming commonplace within environmental reports, but in addition, we give insight in the background of our commitment and how ESG is deeply rooted in our Legacy, Corporate Culture, and Strategic Direction.

Our Companies have always given priority to ESG principles and best practices, always matching, and often exceeding regulatory prescriptions. In our earliest years, the focus was upon the Health and Safety of factory workers. As our product range developed, we expanded our focus to include the energy efficiency of our customers processes. We still retained a focus upon Health and Safety, adding hygienic solutions and consideration, particularly for customers in food industry segments. For many years we have promoted our high-quality products to reduce energy usage in customer plants, to reduce water used in cleaning operations, and to promote hygienic transportation of manufactured products. In the last decade is when we have turned more and more attention to other aspects of environmental sustainability.

We are convinced that the journey to a higher sustainability will be a long one and will require broad consensus, collaboration, focus, and most of all, persistence. Moovimenta AG is the strongest evidence of our commitment to ESG, by putting it at the core of our strategic framework:

"Many see industrial growth as inherently at odds with a healthy planet and people. We see a new industrial reality where these exist in harmony, empowering future generations rather than limiting them. A reality in which smart components and sub-systems enable us to manufacture more goods using less resources".

At Moovimenta we focus on innovation to improve the sustainability of our customers' processes and end products as well as the materials, energy, and resources used in our internal production facilities.

Our goal is to find a balance between the natural resources we consume, and the natural resources our customers then consume whilst using our components. Our aim is to minimize the overall environmental impact throughout the whole extended supply chain. For example: we might use more energy internally to produce a product if we can then be confident that it reduces energy consumption over its lifetime when installed at the customers' premises.

We also believe that high-quality components are inherently more environmentally sustainable because they have a longer lifespan. The reliability of our products in customers' processes helps to prevent waste in their processes, such as downtime and raw materials. We give a handful of case studies where our organization has improved the environmental sustainability of its customers' processes, and so the broader supply chain.

We give a handful of case studies where our organization has improved the environmental sustainability of its customers' processes, and so the broader supply chain.

## There are challenges.

Within the industries where we compete, all players are using plastic and metal materials in highly energy-intensive processes. Our competitors and ourselves are consumers of the world's scarce resources and have grown over decades without adequate regard for recycling or re-use. Measuring the environmental impact of our activity is complex because – depending on the application – one of the greatest impacts may come from the use phase of our products: in other words, what happens to the products after they leave our factory gates. This makes for a complex picture requiring deep intelligence and not surface-level statistics. It is why we have a policy of measuring the environmental footprint of our products through all the phases of their lifetime: (a) Sourcing (b) Manufacturing (c) Transportation, (d) Use Phase, and (e) End-of-Life.

## We are responding to these challenges.

Several years ago, we recognized that Sustainability, and especially Environmental Sustainability, was the defining issue of our times. Therefore, we re-drew our entire suite of strategic documents to make this issue central to all we do. Sustainability is at the heart of our corporate strategies. Our Mission became to help make our customers' processes more sustainable, smarter, and safer.

Solar plant in Brislach (Switzerland)

# One group, four divisions




# We are Moovimenta

4,900+
employees

36,000+
active clients

4
divisions

Direct presence
in 90+
locations

# Our vision

We see a new industrial reality in harmony with people and our planet, empowering future generations. A reality in which smart components and sub-systems enable us to manufacture more goods using less resources.

# Our mission

Accelerate the transition to a more sustainable, smarter and safer industrial reality.


# values

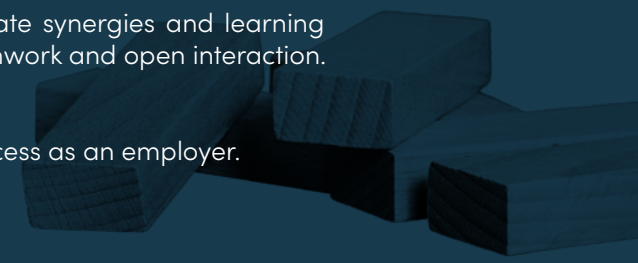
**Entrepreneurship**
is our passion – we foster a spirit of initiative, ownership, and commitment at all levels.

**Quality you can trust**
is our mindset – we are committed to providing outstanding customer experiences with best-in-class products and services.

**Continuous improvement**
is our energy – we are continuously moving to the next level of performance.

**Collaboration**
is our leverage – we create synergies and learning experiences through teamwork and open interaction.

**Organizational pride**
is the evidence of our success as an employer.

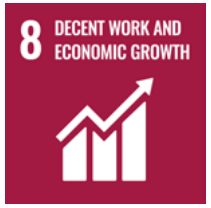


# Our commitments to the UN SDGs & UNGC

At Moovimenta, we recognize the urgent need to address the environmental, social, and economic challenges facing our world today, and we believe that businesses have an important role to play in driving positive change.

Our sustainability strategy is guided by our commitment to the United Nations Sustainable Development Goals (SDGs) and the United Nations Global Compact (UNGC) principles on human rights, labor, environment, and anti-corruption.

We believe in economic growth that is sustainable, inclusive, and provides decent work opportunities for all without harming people or draining the planet.




We believe in economic growth that is sustainable, inclusive, and provides decent work opportunities for all without harming people or draining the planet


We commit to challenging our operations and supply chain to focus our innovation activities in the field of sustainable solutions


We recognize the importance of responsible consumption and production in reducing our environmental footprint, and we are committed to promoting sustainable practices in our operations and supply chain.


We are committed to achieving Carbon Net Zero by 2030 and promoting climate-resilient practices in our operations and supply chain.

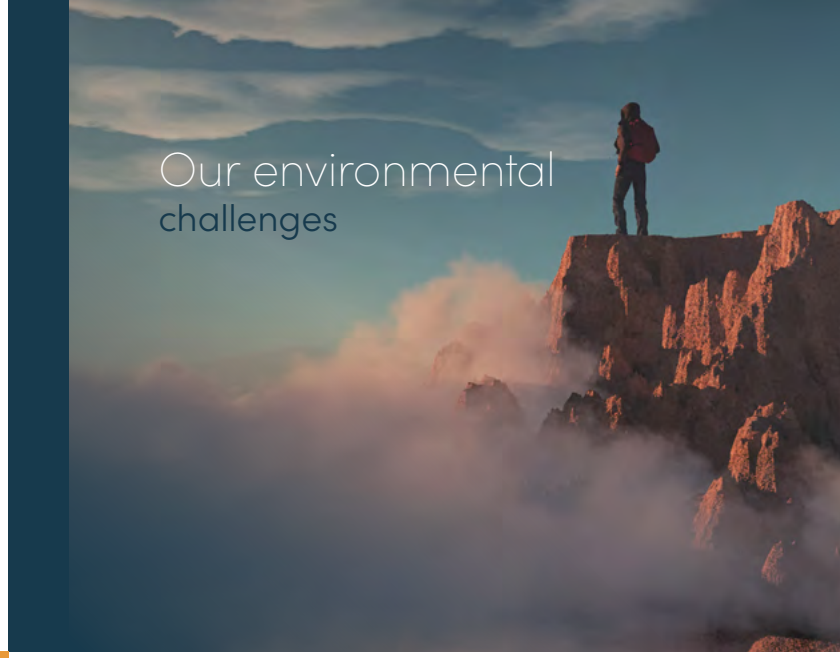

We are committed to working with our customers, suppliers, and other stakeholders to promote sustainable development.

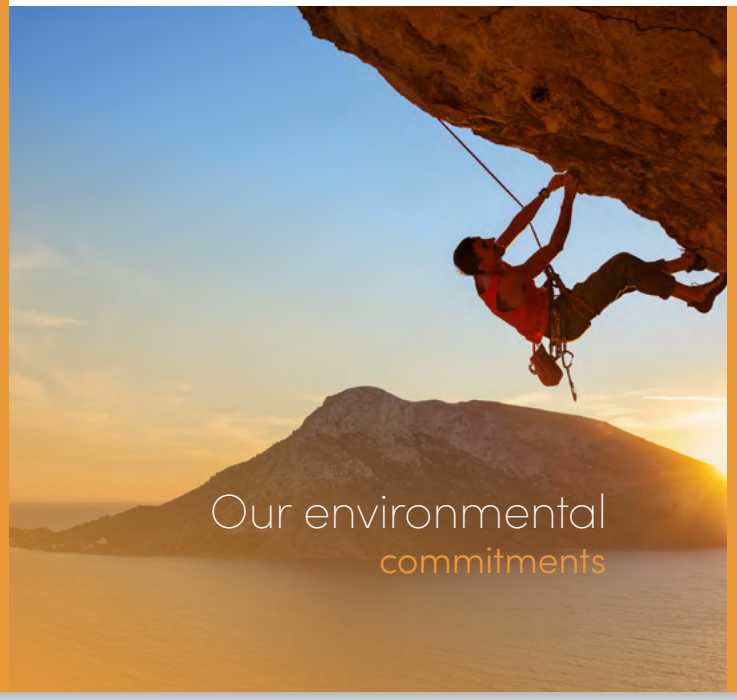
# Our path to becoming an environmentally friendly business

Reduce our carbon footprint and greenhouse gas emissions to achieve **net-zero emissions by 2030**.

Minimize the environmental impact of our **operations**, and **products**.

Promote **sustainable practices** throughout our value chain.




Focus on **energy-saving measures** and progressively switch to **renewable energy sources**.

**Reduce our resource consumption** and **reduce waste to landfill**.

Adopt a life cycle assessment approach to evaluate our **products' carbon footprint**.

Adopt **responsible sourcing** policies and assess supplier sustainability standards.

Publish an **annual Environmental Sustainability Report** with defined metrics.

# Moovimenta enviromental impact assessment

Five categories of impact are monitored across all four divisions: Energy consumption, greenhouse gas (GHG) emissions, volatile organic compounds (VOC) emissions, water use, and waste generation. Monitoring these data is crucial for understanding and assessing our current position and taking adequate actions to achieve our environmental targets. As the four divisions consist of different businesses and have distinct operations, we will comment on the general trends. Detailed explanations are provided in each division section.

Energy use

GHG Emissions

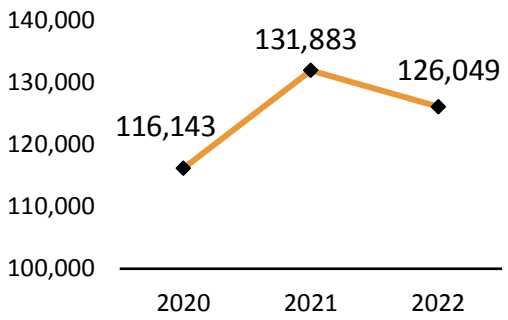
VOC Emissions

Water use

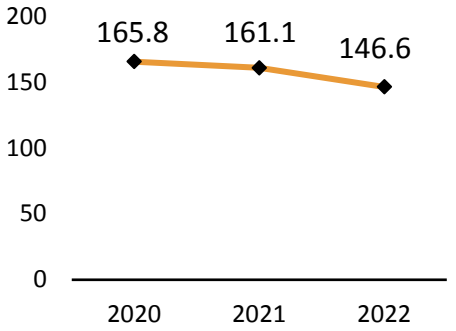
Waste generation & Disposal

# Energy use

**ENERGY USE**
[MWh]




**ENERGY USE INDEXED TO NET REVENUES**
[MWh/MCHF]

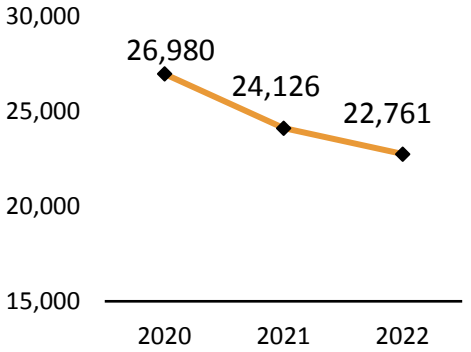



Electricity plays a more significant role in our energy consumption compared to fossil fuels, primarily comprised of Natural Gas. In 2022, there was a decrease in energy use following a peak in 2021. When considering the indexed values, a consistent downward trend in energy consumption can be observed from 2020 to 2022.

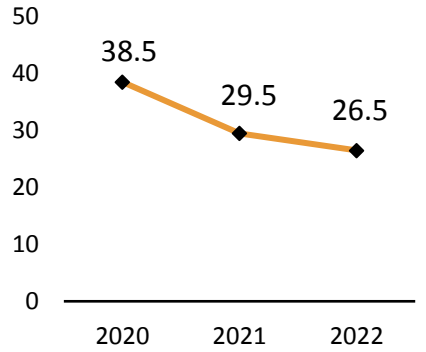
# GHG Emissions

The trajectory of our GHG emissions illustrates a steady decline of 16% between 2020 and 2022. This encouraging trend can be attributed to our transition to renewable electricity sources and the reduction in energy consumption in 2022. Notably, in 2022, 57% of our electricity is sourced from renewable sources, underlining our commitment to carbon net zero by 2030.

**GHG EMISSIONS**
[$tCO_2e$]

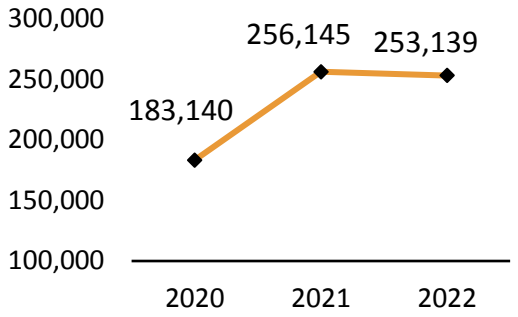



**GHG EMISSIONS INDEXED TO NET REVENUES**
[$tCO_2e$/MCHF]

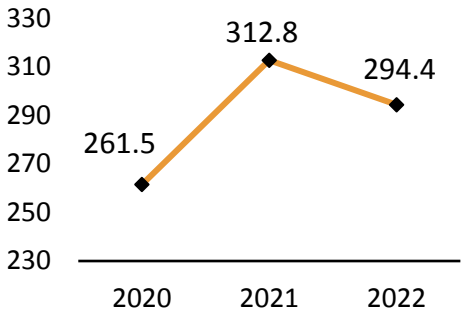


# VOC Emissions

**VOC EMISSIONS**
[kg VOC]




**VOC EMISSIONS INDEXED TO NET REVENUES**
[kg VOC/MCHF]

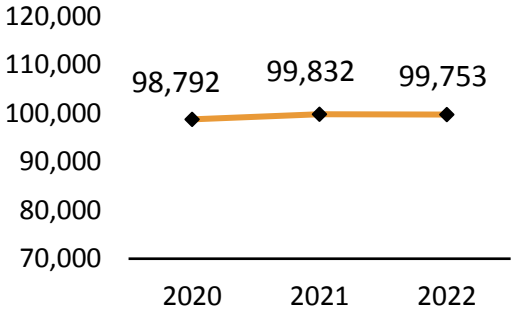



Volatile organic compound (VOC) emissions are systematically tracked, with measurement, or derived according to the VOC content present in solvents. The monitoring and reduction of these emissions is vital, it promotes the safety of our employees and the protection of our environment. In 2021, we witnessed a noticeable increase, followed by a subsequent modest decrease in 2022.

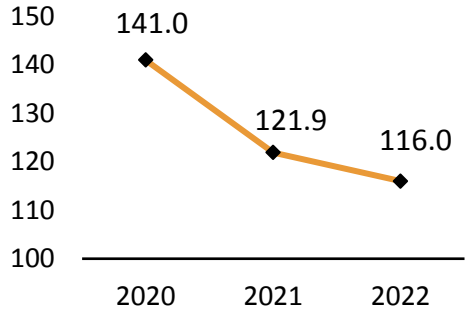
# Water use

Water consumption has shown a relatively stable pattern between 2020 and 2022, while indexed by net sales, we observe a reduction of 18%. The water usage is specific to each division, often proportional to production volume or the employees' attendance. We recognize that water is a finite resource requiring responsible management, and we remain committed to reducing resource usage, including water.

**WATER USE**
[$m^3$]



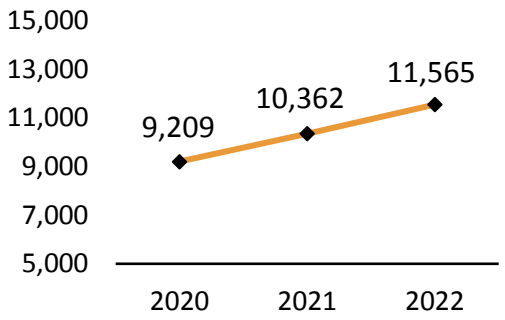

**WATER USE INDEXED TO NET REVENUES**
[$m^3$/MCHF]



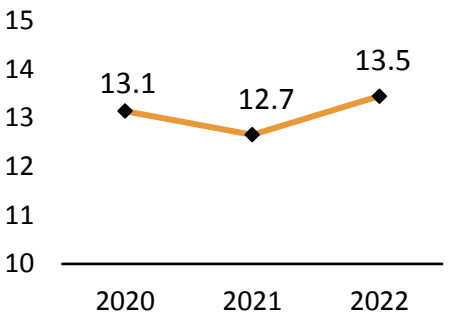
# Waste generation & disposal

We recognize that effective waste management promotes resource efficiency and contributes to the circular economy, helping us to meet our commitment to responsible consumption and production (SDG 12).

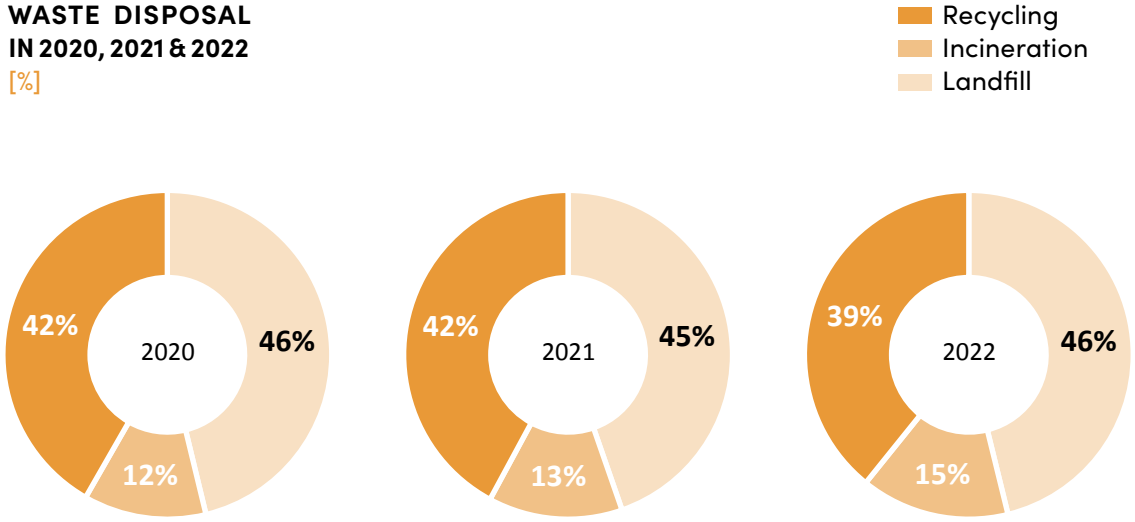
**WASTE GENERATION**
[t]




**WASTE GENERATION INDEXED TO NET REVENUES**
[t/MCHF]




**WASTE DISPOSAL IN 2020, 2021 & 2022**
[%]




Over the period of 2020 to 2022, we observed an upward trajectory in waste generation, primarily attributed to the growth in production volume.

Breaking down the waste according to disposal methods—recycling, incineration, and landfill—we find that a significant portion ends up in landfills (ranging from 45% to 46%), closely followed by recycling (ranging from 42% to 46%), and a smaller percentage in incineration (ranging from 12% to 15%).

While the observed increase in waste generation is not in line with our desired direction, it acts as a catalyst for intensifying our effort to reduce waste and enhance the share of recycling.

# **ROSSI,** SOLUTIONS FOR AN EVOLVING INDUSTRY

Rossi, since 1953, has offered excellent and reliable gearmotors. We utilize change as a strategic lever for our growth. "Solutions for an evolving industry" fully expresses our corporate philosophy: we are a flexible and dynamic reality, able to satisfy all requirements of a continuously evolving industrial world, thanks to our innovative and sustainable solutions.

**+150,000**
gearmotors produced per year

**+7M**
gearmotors produced since 1953

## Our unique selling proposition:

**Strong reputation for quality and durability** in heavy-duty industries and demanding applications

- **3** years warranty
- **Hundreds of thousands** gearmotors operating worldwide

**High fit for niche applications**
in future-oriented industries through broad product portfolio

- **Thousands of** applications moved by our gearmotors

**Deep and trusted partnership**
with OEMs, with unique value-add through co-engineering capabilities and long experience

- **6,500** worldwide customers
- **16 ACs** we are present where you need us

**High ability for deep customization** to fulfill most complex customer needs

- **100%** of our products are potentially customizable
- **50%** of our products are customized

# MESSAGE FROM ROSSI MANAGEMENT TEAM

Rossi commitment to Environmental, Social, and Governance (ESG)

At Rossi, we trust in conducting our business in a responsible and sustainable manner. We recognize that our products have an impact on the environment and the communities in which Rossi, our customers, and suppliers operate, during the production and the operation of our gearmotors. Therefore, we strive to minimize those impacts through the entire product life cycle, from raw materials to recycling.

Rossi ESG is focusing on making a difference and is embracing the 17 Sustainability Development Goals ('SDGs') of the United Nations as well as the UN Global Compact Ten Principles (the 'UN 10 Principles'), covering 4 areas - Human Rights; Labor; Environment and Anti-Corruption. Rossi is striving to have positive impacts, particularly in the 5 United Nations SDGs listed on page 9, supported by concrete projects.

We believe that our commitment to ESG practices is a critical component of Rossi's stakeholders' long-term success. By minimizing our environmental impact, having positive social outcomes, and maintaining strong governance practices, we aim to create value for our stakeholders and contribute to a more sustainable future.

# OUR MAIN **INDUSTRIES**





# OUR **SUSTAINABLE SOLUTIONS**

## Extending Product Lifespan

By offering high-quality items backed by a 3-year warranty, we are advocating for repair rather than disposal. Durable and long-lasting products result in less waste generation and less resource use, aligning with circular economy principles.

## High product-recyclability

The composition of our products predominantly consists of cast iron, steel, aluminum, bronze, and copper. The design choice aligns with the circular economy concept, offering a high degree of recyclability and effortless disassembly.

## Localized Supply Chains

Being present in 16 countries, allows us to address our client orders effectively and responsibly. Local supply significantly cuts down supply shortages and the carbon footprint associated with transportation and warehousing.

# **ROSSI** ENVIRONMENTAL IMPACT ASSESSMENT

We conducted analyses across 13 locations in 2020 and 2021, followed by the assessment of 15 locations in 2022. We have gathered data on energy consumption, greenhouse gas (GHG) emissions, water use, volatile organic compound (VOC) emissions, and waste generation (by disposal methods), by tracking utility bills and making accurate measurements.
We have prioritized primary data (location-based) whenever accessible; otherwise, we relied on secondary data (market-based or country-based).
Collecting these data will help us understand the impact of our operations and activities on climate change, resource depletion, and pollution. This awareness is essential for questioning the current status quo, pinpointing areas that may be improved, and establishing an environmental action strategy.

ENERGY USE

GHG EMISSIONS

VOC EMISSIONS

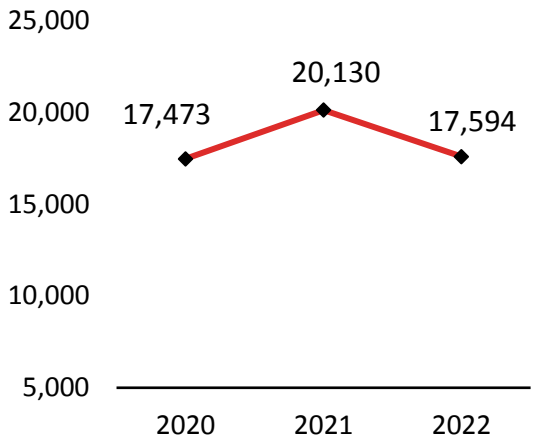
WATER USE

WASTE GENERATION & DISPOSAL

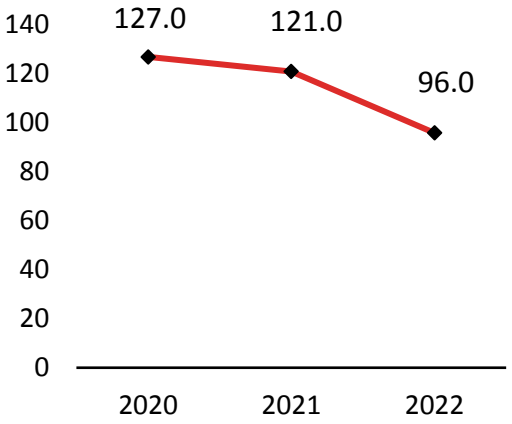
# ENERGY USE & CONSERVATION

Most of our energy is used at our production sites. Our processes and activities, especially machine tools, are powered by electricity. Fossil fuels are mainly used for heating in our offices and production areas.

**ENERGY USE**
[MWh]




**ENERGY USE INDEXED TO NET REVENUES**
[MWh/MCHF]




The year 2020 marked a unique period due to the influence of the COVID-19 pandemic, leading to a reduction in production volume. In 2021, there was a noticeable boost in energy usage as operations rebounded. However, in 2022, we observed a reduction in energy consumption, largely attributed to decreased fossil fuel usage resulting from a milder winter and controlled heating practices across our office and production sites worldwide, reinforced by an awareness campaign among our colleagues.

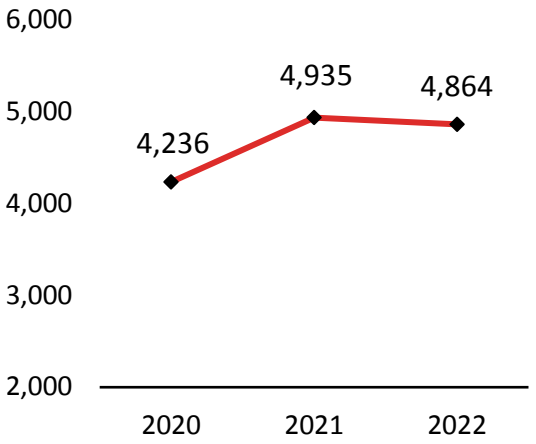
Despite the addition of two new locations (Shanghai (China) and Izmir (Turkey)) in 2022, the trend of energy reduction remains encouraging. While our indexed values demonstrate a decrease, it is important to consider the influence of inflation on net revenues.

In our ongoing commitment to consistently reduce our energy consumption, we have implemented various initiatives.
These include introducing domotics in some facilities. This smart system manages lighting and heating during operations optimizing energy consumption. Every year, we are investing in domotics to optimize and track our consumption. Additionally, we are currently making investments to replace older machine tools with energy and time-efficient alternatives.

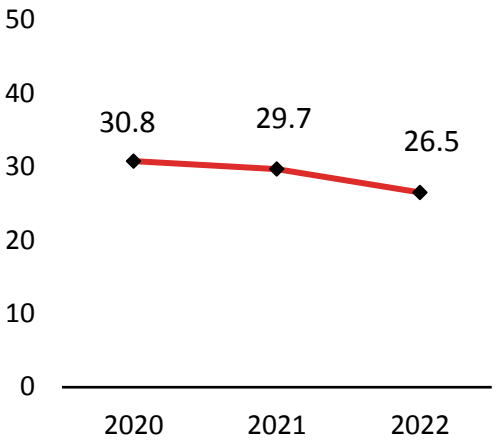
# GHG EMISSIONS

The need to reduce greenhouse gas (GHG) emissions has never been clearer. The Intergovernmental Panel on Climate Change (IPCC) emphasizes that climate change mitigation is a shared responsibility of every corporation and individual that must be tackled seriously and immediately. We have responded to this global call and committed to achieving carbon net-zero by 2030 for Scope 1 and 2, in alignment with SBTi standards. Our commitment begins with mitigating carbon emissions at our operations and extending this effort to both upstream and downstream activities.

**GHG EMISSIONS**
[$tCO_2e$]




**GHG EMISSIONS INDEXED TO NET REVENUES**
[$tCO_2e$/MCHF]




In 2020, due to the global pandemic and several lockdowns, carbon emissions significantly dropped alongside reduced production. With less activity, there was lower resource consumption and fewer people mainly in offices.

However, the change in carbon emissions does not directly mirror the trend in total energy consumption from 2020 to 2022, resulting in a relatively small reduction in GHG emissions.

**Factors include:**
In 2022, natural gas consumption decreased, while electricity consumption rose. The emission factor for electricity in Italy is higher due to its great share of fossil fuels. Thus, the rise in electricity use had a larger impact on carbon emissions than the decline in gas use. Additionally, 2022 data included GHG emissions from vehicles, not considered in 2020 and 2021 data.

While our indexed values show a reduction, it must be considered that inflation has a certain impact on net revenues.

# VOC EMISSIONS

In our operational processes, solvents are mainly used for cleaning the gearboxes and their components, followed by cleaning the paint spray system inside the spray booths.

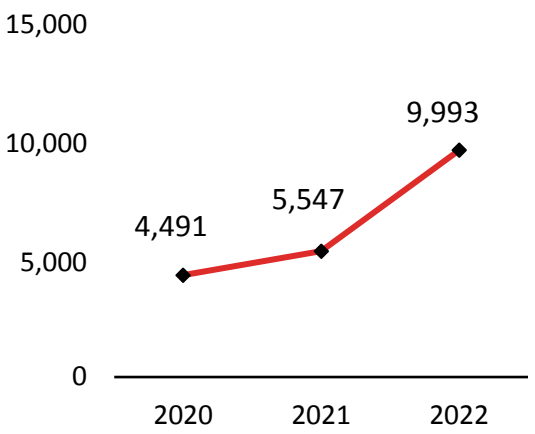
These activities are conducted primarily in fume hoods or under paint mist extraction systems to ensure minimal impact on employee health and the environment (if necessary appropriate PPE is provided as an alternative).

The mixture of solvent, paint, and water resulting from the cleaning process of the paint spray system is collected in special barrels and disposed of as waste.

The derivation of Volatile Organic Compounds (VOCs) comes mainly from solvent emissions released through chimneys. VOC emissions are sampled and analyzed annually in accordance with current regulations. Additionally, diffuse emissions are periodically monitored to assess worker exposure to inhalation of chemical agents.

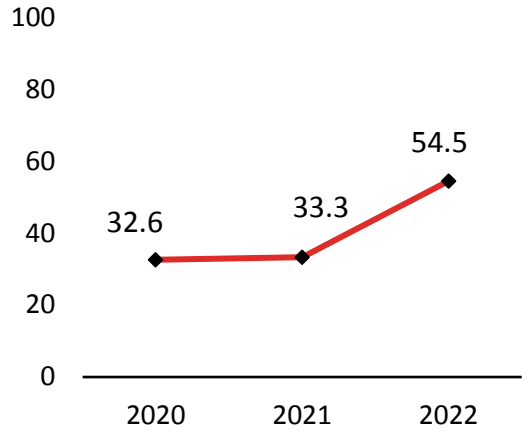
From 2020 to 2022, VOC emissions increased proportionally to solvent use and production growth. This increase is mainly due to the increase in the production of medium-large and large gearmotors: a greater surface area requires greater use of solvent for cleaning compared to smaller-size gearmotors.

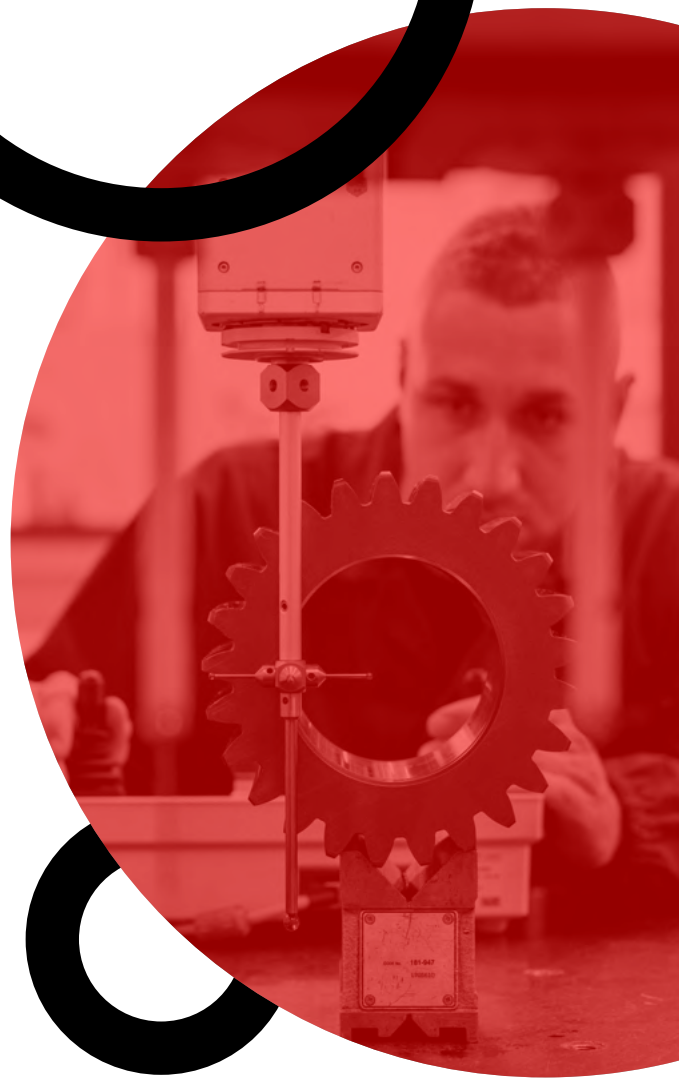
**VOC EMISSIONS**
[kg VOC]




Our technical divisions are actively exploring solutions to reduce VOC emissions and identify chemical alternatives that pose less risk to human health and the environment.
It is important to note that our VOC emissions are well below legal limits.

**VOC EMISSIONS INDEXED TO NET REVENUES**
[kg VOC/MCHF]



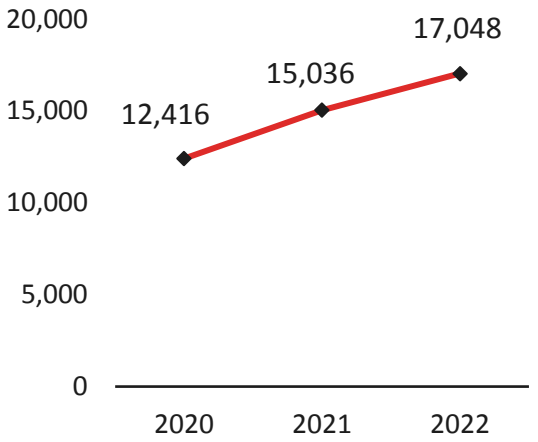



# WATER USE & CONSERVATION

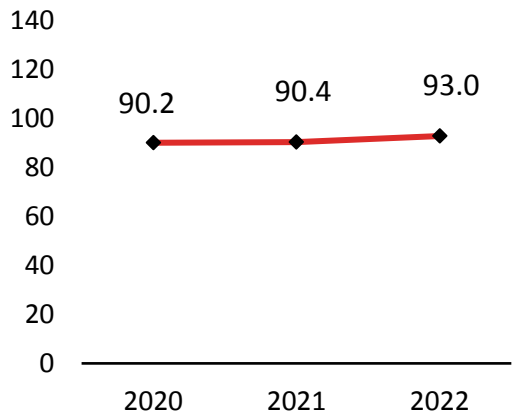
Our water consumption primarily goes to office and hygiene needs, as well as supporting evaporative coolers that maintain a comfortable working environment in production areas. A smaller portion, approximately 10%, serves the production cycle's demands.

We refrain from using aggressive chemical products and in case of discharge into surface waters we are equipped with authorized and monitored treatment systems; recently in the Ganaceto plant we invested in upgrading a new wastewater treatment plant, equipped with a domotics system allowing automated management of the treatment process.

**WATER USE**
[$m^3$]

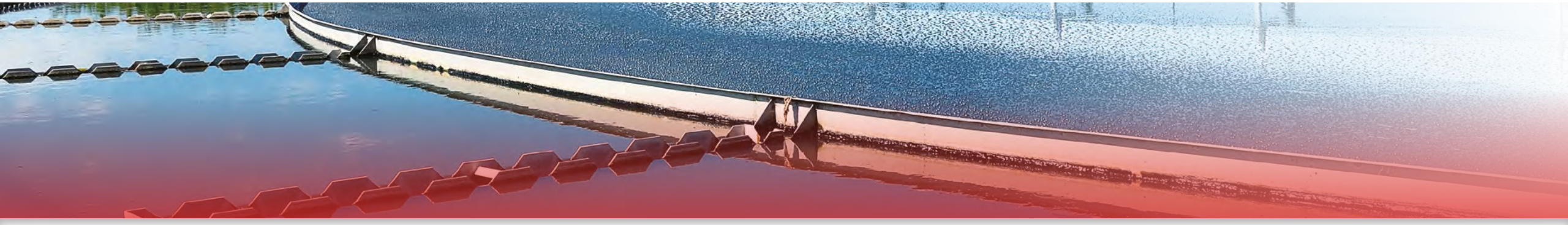



**WATER USE INDEXED TO NET REVENUES**
[$m^3$/MCHF]




From 2020 to 2022, water consumption increased steadily, both due to an increase in the number of employees and increased use of evaporative towers to cool workplaces in summer.

This rise highlights the urgency for improved water management approaches. We are engaging our workforce to foster responsible water usage habits while exploring new solutions.

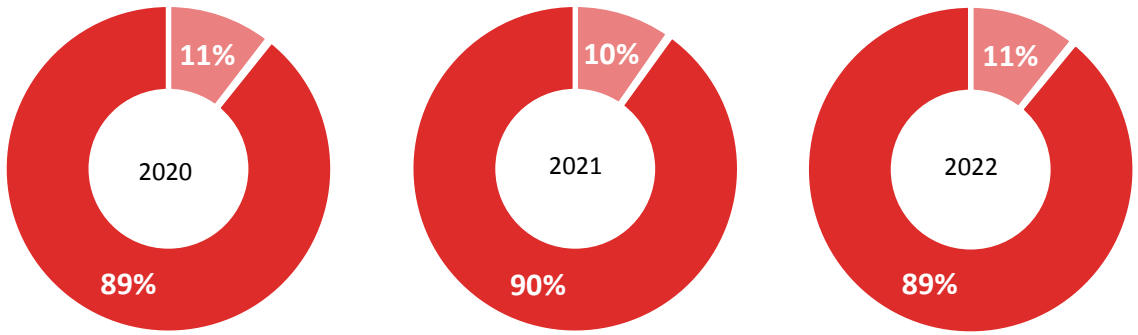


# WASTE GENERATION & DISPOSAL

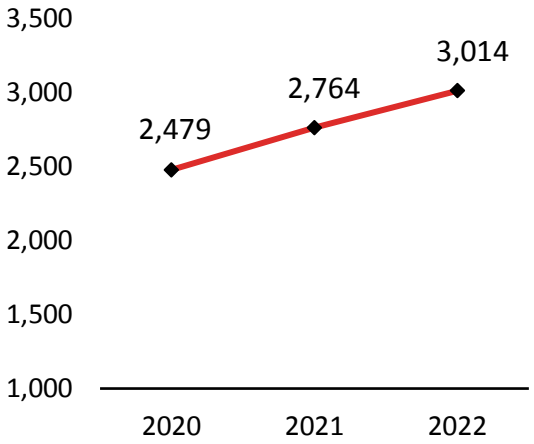
Our waste management scope includes production waste, constituting the most significant share, and office waste, primarily composed of paper. Across all covered locations, we track and manage waste generation in accordance with local regulations.

Approximately 70% of our locations monitor waste diligently. These sites contribute significantly to net revenues, production volume, and workforce and therefore the data collected is believed to be representative of the actual generated waste.

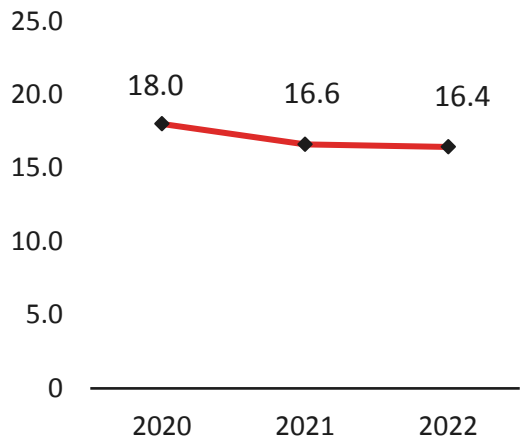
**WASTE DISPOSAL IN 2020, 2021 & 2022**
[%]




**WASTE GENERATION**
[t]




**WASTE GENERATION INDEXED TO NET REVENUES**
[t/MCHF]




There is a direct correlation between waste generation and production intensity. As production rates increase, so does waste output.

While the waste increased from 2020 to 2022, we are aiming to reduce our waste generation by engaging our employees and promoting reuse (as evidenced in our case studies).

It's important to note that the disposal ratio has remained consistent from 2020 to 2022, with a significant recycling share.

We are recycling a wide range of materials, including metals (such as steel, bronze, and cast iron), wooden and metal packaging, plastics (PET, PPE), paper, and cardboard, as well as used oils and emulsions. We are recovering and selling all metal scraps, shavings, paper and cardboard packaging.

# CASE STUDY

RESSOURCES SAVINGS

## Ressources savings

GANACETO, Italy

In 2022, Rossi purchased two automatic systems for the centrifugation of shavings and **oil reuse**.

Centrifuges separate the oil from the shavings produced by the gear hobbing machines: the shavings are sold, and the recovered oil is reused in the gear hobbing machines.

Reuse of **50%** of oil

Automatic system for centrifugation of shavings and oil recovery

## Effective Packaging Waste Management

MODENA, Italy

**Key results:**
In Q4 2022, our initiative led to significant results:

**Separate collection of:**
3.69 t of paper and cardboard packaging
2.81 t of plastic packaging

**Reduction in Mixed Material Packaging:**
Production decreased from 72.03 t (2021) to 61.72 t (2022) of mixed material packaging despite an increase in annual production

Reduction in Mixed Material Packaging: **10t**

Paper and cardboard packaging bins

Plastic packaging bins

### Key actions

Awareness campaign

Visible containers

Fostered employee engagement

# DATA & INDEX

| UNITS | | MOOVIMENTA | | | ROSSI | | |
|---|---|---|---|---|---|---|---|
| | | 2020 | 2021 | 2022 | 2020 | 2021 | 2022 |
| **ENERGY** | | | | | | | |
| Energy use | MWh | 116,143 | 131,883 | 126,049 | 17,473 | 20,130 | 17,594 |
| Energy use indexed by net revenues | MWh/MCHF | 165.8 | 161.1 | 146.6 | 127.0 | 121.0 | 96.0 |
| Renewable energy consumption | MWh | - | 19,644 | 37,257 | - | - | - |
| **GHG EMISSIONS** | | | | | | | |
| Scope 1 (Direct) | $tCO_2e$ | 12,308 | 13,616 | 13,746 | 1,500 | 1,731 | 1,409 |
| Scope 2 (Indirect) | $tCO_2e$ | 14,672 | 10,510 | 9,015 | 2,736 | 3,204 | 3,455 |
| Carbon footprint (Scope 1&2) | $tCO_2e$ | 26,980 | 24,126 | 22,761 | 4,236 | 4,935 | 4,864 |
| Scope 1 (Direct) indexed by net revenues | $tCO_2e$/MCHF | 17.6 | 16.6 | 16.0 | 10.9 | 10.4 | 7.7 |
| Scope 2 (Indirect) indexed by net revenues | $tCO_2e$/MCHF | 20.9 | 12.8 | 10.5 | 19.9 | 19.3 | 18.8 |
| Carbon footprint (Scope 1&2) indexed by net revenues | $tCO_2e$/MCHF | 38.5 | 29.5 | 26.5 | 30.8 | 29.7 | 26.5 |
| **VOC EMISSIONS** | | | | | | | |
| VOC emissions | kgVOC | 183,140 | 256,145 | 253,139 | 4,491 | 5,547 | 9,993 |
| VOC emissions indexed by net revenues | kgVOC/MCHF | 261.5 | 312.8 | 294.4 | 32.6 | 33.3 | 54.5 |
| **WATER** | | | | | | | |
| Water | $m^3$ | 98,792 | 99,832 | 99,753 | 12,416 | 15,036 | 17,048 |
| Water indexed by net revenues | $m^3$/MCHF | 141.0 | 121.9 | 116.0 | 90.2 | 90.4 | 93.0 |
| **WASTE** | | | | | | | |
| Waste | t | 9,209 | 10,362 | 11,565 | 2,479 | 2,764 | 3,014 |
| Waste indexed by net revenues | t/MCHF | 13.2 | 12.7 | 13.5 | 18.0 | 16.6 | 16.4 |

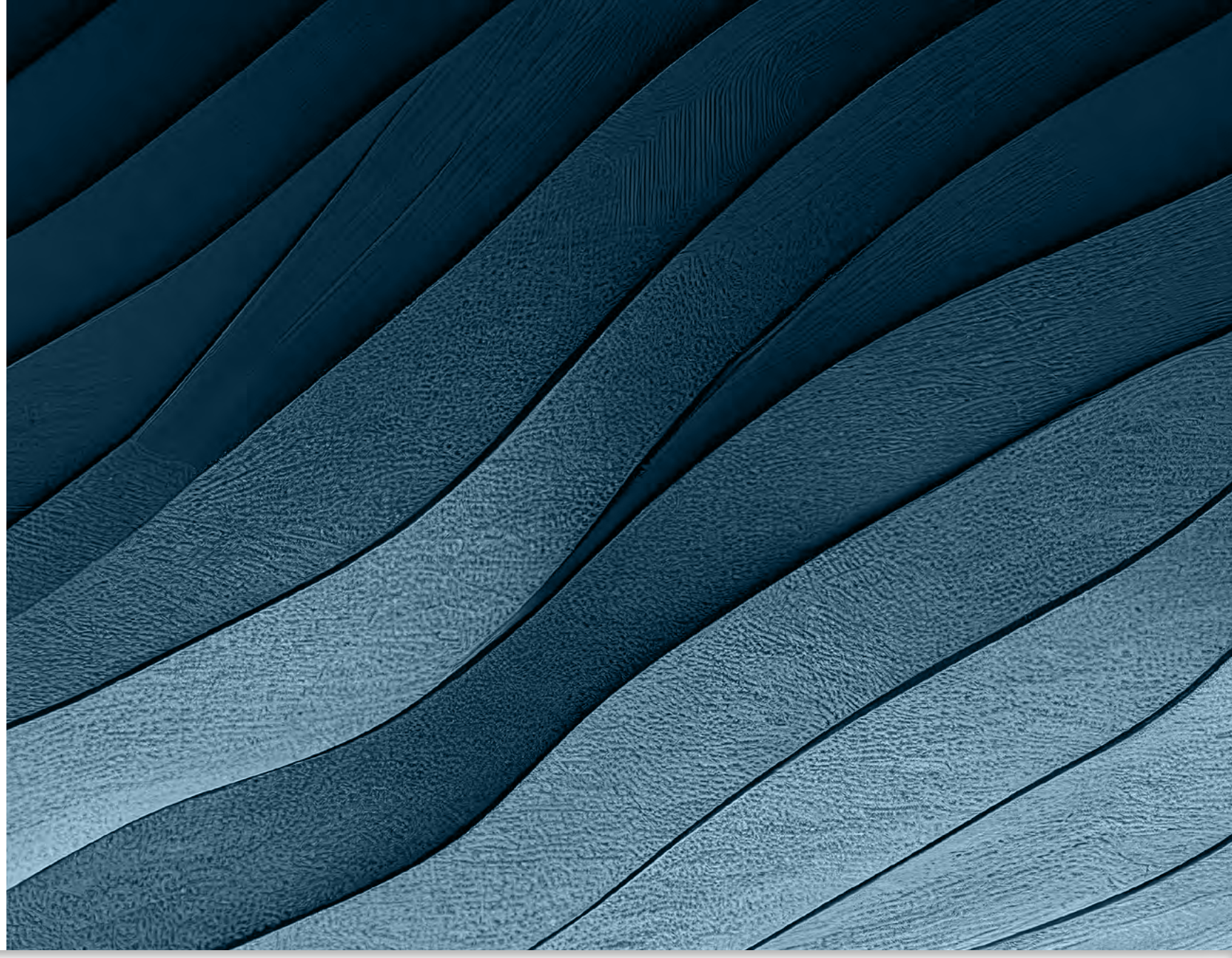
# DATA SCOPE

## In scope

Energy consumption, greenhouse gas (GHG) emissions, volatile organic compounds (VOC) emissions, water use, and waste generation.

## Out of scope

- The sites with fewer than five employees.
- The GHG emissions from mobile combustion (company vehicles) in 2020 and 2021 data. In 2022, 64% of the sites are reporting GHG emissions for vehicles. As we move forward, we are committed to encompassing all sites.



# GLOSSARY

| | |
|---|---|
| **GHG** | Greenhouse Gas |
| **IPCC** | Intergovernmental Panel on Climate Change |
| **SBTi** | Science-based Target initiatives |
| **SDGs** | Sustainable Development Goal |
| **UN** | United Nations |
| **UNGC** | United Nations Global Compact |
| **VOC** | Volatile Organic Compounds |

## Units

| | |
|---|---|
| **$m^3$** | Cubic meter |
| **MCHF** | Million Swiss franc |
| **MWh** | Mega Watthour |
| **t** | Metric ton |
| **$tCO_2e$** | Metric ton carbon dioxide equivalent |