



# ESG Policy Content

MARCH 2025



# Environmental, Social, and Governance (ESG) Policy

At Carlo Gavazzi Group, we are committed to integrating Environmental, Social, and Governance (ESG) considerations into our business strategy, operations, and decision-making processes.

We believe that responsible corporate behavior is essential to building a sustainable and successful business and to creating long-term value for our stakeholders.

This ESG Policy applies to employees, suppliers, distributors, customers and other business partners, as well all activities performed internally, and others not directly executed by the Carlo Gavazzi Group, that may have a significant influence on the ESG performance of the Group. Due its global activities, the Carlo Gavazzi Group adopts different regulatory frameworks, business cultures, and considers specific risks and opportunities in each region where it operates.

This ESG Policy outlines our approach to Sustainable Business Practices, promoting satisfactory working conditions and ensuring a safe, inclusive, and equitable workplace that promotes well-being, diversity, and minimization of environmental footprint, while delivering high-quality, ethically sourced, environmentally responsible and sustainable products.

For suppliers and partners, the Carlo Gavazzi Group expects and requires adherence to ESG principles, ensuring a responsible and sustainable Value Chain. Our focus is on developing and producing sustainable components that meet the needs of our customers, while minimizing our environmental and social impacts.

We are committed to providing transparent, comprehensive ESG disclosures and reliable reporting on our ESG performance to prove the long-term value of its sustainability efforts. The implementation of voluntary standards relevant to environmental, occupational health and safety, as well as carbon management is also currently undergoing expansion.

## Objectives

Carlo Gavazzi Group addresses a range of environmental, social, and ethical topics across its Core Operations and Value Chain, through:

- 1. Engaging stakeholders:** We work closely with our customers, suppliers and other stakeholders to promote sustainable practices throughout the supply chain. We communicate with our stakeholders to identify areas for improvement and collaborate to find sustainable solutions.
- 2. Reducing Environmental Impact:** We continuously review and improve our operations to minimize our environmental footprint. This includes reducing and optimizing the energy consumption of our Group and our customers, minimizing waste generation, and reducing our greenhouse gas emissions.
- 3. Promoting sustainable production practices:** We strive to improve the sustainability of our production processes. This includes the use of sustainable materials, production processes and technologies in the manufacturing of our components, aiming to reduce the use of hazardous substances, implementing resource-efficient processes and promoting recycling and re-use.
- 4. Compliance:** We are committed to complying with applicable laws and regulations and the most relevant sustainability standards. The Carlo Gavazzi Group reserves the right to perform audits and due diligence focused on suppliers and execute some general initiatives with customers.

The deployment of these objectives is outlined in the attached [Focus Areas](#) (see Annex 1: Focus Areas).

This [ESG Policy](#) serves as a [strategic tool for engagement](#) and aligns with global frameworks, including the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the ten Principles of the United Nations Global Compact.

## Issuance and approval of the Policy

The [Board of Directors](#), the highest governance body at Carlo Gavazzi Group, reviews the company's strategy and performance, including key sustainability issues and updates on ESG matters. This ESG policy was [duly reviewed and approved](#) by this strategic administrative body.

As part of its future plans, Carlo Gavazzi Group intends to establish a dedicated working group to oversee ESG matters, guide the objectives and monitor the efforts.

## Implementation and Review

Carlo Gavazzi Group is committed to setting measurable ESG goals and tracking progress over time.

This ESG Policy will be implemented through:

Training programs for employees and suppliers to ensure alignment with ESG principles.

Regular audits and assessments to evaluate compliance and identify improvement areas. Annual reviews to update the policy based on evolving standards, stakeholder feedback, and business needs.

## Contact Information

For questions or concerns about this ESG Policy, please contact us at [gavazzi@carlogavazzi.ch](mailto:gavazzi@carlogavazzi.ch)



Approved by: Jean-Marc Théolier,  
Group CEO



Daniel Hirschi,  
Chairman

Date: March 11, 2025

# Annex 1

## Focus Areas

The following describes the management areas and lists the tactical actions required to meet the Policy objectives, from an ESG perspective.

## Environmental Policy

Carlo Gavazzi Group acknowledges the importance of minimizing its environmental impact and is committed to:

1. Reducing environmental impact by minimizing energy consumption, greenhouse gas emissions, and waste:
  - a) Implementing energy-efficient technologies and practices to reduce energy consumption
  - b) Adopting waste reduction strategies in product design and manufacturing processes
2. Improving transportation practices to reduce gas emissions
3. Prioritizing the use of renewable energy and resource efficiency, by investing in energy-efficient technologies and processes
4. Promoting the circular economy by maximizing resource efficiency
5. Complying with applicable environmental laws, regulations and standards related to sustainability.
6. Monitoring and reporting environmental performance, setting ambitious targets for improvement.
7. Educating customers and suppliers on sustainable practices and promoting the adoption of these practices throughout the supply chain.

## Social Policy

Carlo Gavazzi Group is committed to fostering an inclusive, equitable, and socially responsible organization, including the following priorities:

1. Upholding high standards of ethical conduct, respecting human rights, promoting diversity and inclusion.
2. Ensuring a safe and healthy work environment for its employees, contractors, and visitors.
3. Engaging with our stakeholders, including customers, suppliers, and local communities, to understand their needs and concerns, and respond to them in a transparent and responsible manner.
4. Supporting social initiatives and charities that align with the values of Carlo Gavazzi Group and contributing to the well-being of society.
5. Monitoring and reporting our social performance, setting ambitious targets for improvement.
6. Monitoring and promoting job satisfaction to reduce employee turnover while enhancing engagement and productivity.



Approved by: Jean-Marc Théolier,  
Group CEO

Date: March 11, 2025

## Governance Policy

Carlo Gavazzi Group strives for transparency, accountability, and ethical decision-making in all aspects of its governance. Key commitments include:

1. Maintaining a strong and independent board of directors that provides effective oversight and guidance to the company's management.
2. Ensuring transparent and accountable business practices in compliance with applicable laws and regulations.
3. Promoting a culture of ethical behavior and integrity throughout the organization and encouraging our employees to speak up and report any concerns.
4. Implementing effective risk management and internal controls.
5. Monitoring and reporting governance performance, setting ambitious targets for improvement.



Daniel Hirschi,  
Chairman



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